



# **HYDERABAD ELECTRIC SUPPLY COMPANY**

OFFICE OF THE COMPANY SECRETARY

HESCO HYDERABAD

No.HESCO/C.S/Min-124th BOD/ 2124-40

<sup>th</sup>  
25 November, 2016

1. **Secretary**, Ministry of Water & Power GOP Islamabad.
2. **Mr. Nazar Hussain Mahar**, Chairman BOD HESCO.
3. **Prof. Dr. Muhammad Aslam Uqaili**, Director BOD HESCO.
4. **Qazi Shahid Pervez**, Director BOD HESCO
5. **Mr. Shafique Ahmed Mehasar**, Director BOD HESCO.
6. **Mr. Waqas Anwar Qureshi**, Director BOD HESCO.
7. **Mr. Mahfooz Ahmed Bhatti**, Director BOD HESCO
8. **Mr. Tassaduq Hussain**, Director BOD HESCO.
9. **Mr. Mehmood Nawaz Shah**, Director BOD HESCO.
10. **Mr. Asad Ullah**, Director BOD / CEO HESCO.

Subject: **MINUTES OF 124<sup>th</sup> BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

The minutes of 124<sup>th</sup> BOD meeting of Hyderabad Electric Supply Company Limited held on 12<sup>th</sup> November, 2016 at 11:00 am in the Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad duly approved by the Chairman BOD through e-mail and signed by Company Secretary of BOD HESCO are sent herewith for your information please. These minutes will be confirmed in the next Board of Directors meeting.

DA / as above

  
(FAHEEMULLAH MEMON)  
COMPANY SECRETARY

Cc to:

1. Chief Technical Officer, HESCO Hyderabad
2. Chief Engineer (Development) PMU, HESCO Hyderabad.
3. Chief Commercial Officer, HESCO Hyderabad.
4. Chief Operating Officer, HESCO Hyderabad.
5. Chief Engineer (P&E), HESCO Hyderabad.
6. Admn & HR Director, HESCO Hyderabad.
7. Finance Director, HESCO Hyderabad.
8. Master File.

## **MINUTES OF 124<sup>TH</sup> BOD MEETING HESCO HYDERABAD**

Meeting of the 124<sup>th</sup> BOD HESCO was held on Saturday, the 12<sup>th</sup> November, 2016 at 11:00 am in the Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad. List of participants is attached at (Annexure-I).

The meeting started with the recitation of verses from the Holy Qura'an. The Chairman extended warm welcome to the participants.

Board Directors showed their concern on over all progress of the company but especially on line losses, recovery, public facilitation and non-implementation on reforms directives that are due since formation of this Board. Board desired that management of the HESCO should take expeditious actions on reform agenda failing which company would never be able to come out from existing deplorable situation. During discussion Board further raised the following issues:

- a. The news telecasted on ARY News Channel was reviewed and Board suggested the HESCO management to take all possible legal actions against the officers / officials involved. Board appreciated the media anchorperson that disclosed such corruption in department. Board further directed HR & Admn Director HESCO to submit the list of all corrupt officers / officials alongwith their performance in the company so that Board may take further decision in the best interest of the company.
- b. Board directed the management to end the illegal practice of unjustified detections to the consumers and detailed report on detection be submitted regularly to the BOD on monthly basis. Board further observed that an easy, independent and neutral procedure of lodging complaint's and settlement of incorrect bills including detections be enforced to address the problem being faced by the customers. The Board strictly directed the



management to remove Meter Readers and Meter Supervisors from the administrative control of the operations at the earliest and report to Board in next meeting.

- c. Board observed that since there is no system to control the billing and its corrections hence field officers are largely misusing the powers at their own will BOD decided that all corrections only be made through online predefined computer software system and consumers be provided computer generated bills. It was also decided that their monitoring mechanism should be developed at HESCO Head Quarter level for strict vigilance.
- d. All un-metered connections be supplied meters on urgent basis.
- e. The Board regrettably noticed that it is general complaint that no response on telephone is being given by the officers (SDO/XEN) of HESCO to the public / complainant regarding their grievances, therefore senior management of HESCO is required to take serious notice of the issue. Board advised that existing 118 Helpline should be further improved and additional measures be taken on immediate basis for satisfaction of the valued consumers. The Board directed the CEO HESCO to personally monitor the complaints and depute a team of senior officers to look into this and monthly status of the complaints and demands may be submitted to the Board in every meeting.
- f. Appointment of ERP Consultants should immediately be finalized.
- g. Board suggested for preparing SOPs on Mechanism of Detection System, Theft, Un-metered connections, Automated Complaints System and Public Facilitation System.

h. The Board made a live call to a consumer who was given detection bill of more than 80,000 rupees per month but just on a monthly payment of around 2000 rupees his connection continued and apparently he sounded happy with current situation. Board directed the management to look into this case and take action and report the Board during next meeting. Board further ordered the management to urgently hire the Monitoring Team (third party) through competitive process, preferably an Institution on behalf of Board with the following scope:

- Check the quality of the all procurements, civil works including project documents and bill of quantities etc.
- Check the number of detection bills issued by HESCO and their amount.
- Randomly check and verify the detections imposed by the field officers.
- Number of discrepancies pointed out on theft and actions taken by the field officers.
- Checking of unmetered connections, whether demand notice issued or not.
- Number of applications for new connections or transformers received and installed.
- Management has also to submit report to the Company Secretary, BOD HESCO on monthly basis regarding issuance of No. of detection bills, No. of %age check by the monitoring team, discrepancies pointed out , corrected and the names of the persons responsible.





Agenda-1 **CONFIRMATION OF MINUTES OF 122<sup>nd</sup> AND 123<sup>rd</sup> BOD MEETINGS**

**Decision** HESCO Board of Directors confirmed the 122<sup>nd</sup> and 123<sup>rd</sup> BOD minutes of its meetings held on Saturday, the 03<sup>rd</sup> September 2016 and Saturday, the 09<sup>th</sup> September 2016 respectively as a true and correct record of proceedings.

Agenda-2 **IMPLEMENTATION STATUS OF PREVIOUS BOARD DECISIONS**

a) **Presentation of Power Purchase Agreement**

Board reviewed the Power Purchase Agreements (PPAs) and suggested the management to make the PPA policy in consultation of the Ministry of Water & Power based on win- win situation to investors as well as to HESCO so that more investment be made in the power generation sector with in HESCO jurisdiction. The management was asked to submit policy based on above principles in next meeting of the Board.

The Board directed management to develop the system / plan regarding evacuation of power to promote net metering specially for Wind and Solar consumers. Board emphasized that HESCO must have its own effective policy on net metering system and the same be publicized to HESCO consumers through HESCO web site and other suitable media sources.

b) **UP date on ABC cable connectivity and future action program**

Mr. Abdul Haq Shaikh, Deputy Manager (PMU) presented the progress on ABC cable and informed the progress of ABC cable work through contractor by competitive bidding process. He further informed that in compliance to the directives of BOD HESCO an IFB for the ABC work (50 job orders) was published

in daily Dawn, daily Jang and daily Kawish on 07-10-2016. He further briefed the Board that offers received are very economical as compared to earlier cancelled contract.

Board appreciated the efforts made by the officer and his team and suggested that:

- Bidding documents must contain a provision to train the HESCO staff.
- There must be a provision of monitoring and supervision of the work by the third party.
- Make sure that all PPRA rules and other provisions of law are followed in letter and spirit.
- Seek directives, if rules permit to have provision of reward and penalty in case work is delayed or qualitatively completed before due time.

Board further directed that HESCO management should ensure that compliance to the above directives have been made in true letter and spirit.

c) **Digitized Mapping Progress upto 04<sup>th</sup> November, 2016 And future action plan**

Mr. Aamir Jahangir, Deputy Manager (P&E) presented the progress of the digitization work on which Board appreciated the work done by the digitization team. It was informed that the digitization work will be completed in the month of December, 2016 as has been decided / committed in the previous BOD meetings. Board further suggested that dedicated, industrial and urban feeders should be digitized on priority basis. Board appreciated the commitment and teamwork of the officers / officials and workers and named it a dream team in the





company and desired that other teams would also learn from hard work and commitment of this dream team.

d) **Progress on AMR meters procurement / plan**

Management informed the Board that tenders for Government of Sindh (GoS) & private Industrial Connections for AMR meters have been opened on 25.10.2016. Nine (09) bidders purchased the tender documents but only two bidders i.e M/s KBK Electronics (Pvt.) Ltd, Lahore & M/s. Accurate (Pvt.) Ltd Lahore participated in the tender. Tenders for Operation Sub-Division HESCO Qasimabad, Hyderabad were also opened on 25.10.2016 when nine bidders purchased the tender documents but only one (01) bidder i.e M/s Micro-tech Industries (Pvt.) Ltd, Lahore participated in the tender.

Board directed the management to finalize the process on urgent basis before next meeting of Procurement Committee of BOD HESCO.

e) **Review on transformers repair workshop**

Management informed that the team of MUET Jamshoro has visited the Workshop as per directives of BOD and report is under process, which will be submitted in next Board meeting. Board stressed for early action in the matter.

f) **Status of pending Connections / Ripe Connections**

Management should ensure the installation of all pending connections within next 30 days i.e 12<sup>th</sup> December 2016. Board further suggested to prepare SOP for unmetered low load consumers and their recovery process and submit the same before the Board at earliest.



g) **Policy on Load Shedding**

Board directed that HESCO also should exempt and remodel the feeders of Major Public Hospitals and Higher Educational Institutions to give them relief. Management was further directed to develop no load shedding feeders to facilitate the consumers who pay the bills regularly.

h) **Scanning of Meters**

Board again emphasized to ensure further improvement in scanning of meters. Board further directed to take drastic action under relevant E&D rules against the staff involved in wrong meter reading. It was again advised that the meter reading should be outsourced. It was decided that a pilot project should initially be started in one operation Division of HESCO, preferably of urban area to evaluate the benefits.

i) **Ongoing development schemes**

Board directed the management to submit a time line for all projects and shared with all Directors of Board through email. On the request of Chief Engineer (Development) PMU HESCO, Board further requested Commissioner Hyderabad and Mirpurkhas to extend their full support for development of new Grid Stations in the vicinity of Latifabad, Mirpurkhas and Bhitshah. The relevant staff of HESCO to contact the Commissioners and provide up to date during next meeting

Agenda-3 **TO CONSIDER AND APPROVE BOD MEETING FEE / OTHER EXPENSES FOR BOD DIRECTORS FOR ATTENDING BOD MEETINGS**

**Decision** Board approved & adopted the remuneration package for the Directors of BOD conveyed by the Ministry of Water & Power, GOP Islamabad vide memo No. GPI-I(01)/2012 dated 04<sup>th</sup>



October, 2016 and circulated by PEPCO vide AM (Admn) PEPCO Lahore's letter No. GM(HR)/HRD/A-554/3771-82 dated 18.10.2016, as under:

- i. Hotel claim with receipt Rs.15,000 / night and hotel claim without receipt Rs.10,000 / night, for maximum of 02 nights. This will include meal charges but exclude taxes.
- ii. Air travel by economy class and in case of use of own road transport, payment is admissible at the rate of Rs. 15 / km (both ways).
- iii. Payment of Rs.35,000/- (including taxes) for BOD meetings and Rs.35,000/- (including taxes) for committee meetings.

Agenda-4 **HIRING OF QUALITATIVE HUMAN RESOURCES**

**Decision** Board approved the draft advertisement submitted by HR & Admn Director HESCO with the proposed changes made on the direction of Ministry of Water & Power. It was also decided that the applicants already applied for the post of CEO or other posts need not to apply again.

Mr. Mehfooz Ahmed Bhatti suggested that clarification regarding (**experience of "Senior Management"**) should be obtained from Ministry of Water and Power.

Board further decided that Mr. Mehfooz Ahmed Bhatti will also be the member of HR Committee of BOD and asked the Company Secretary to notify accordingly.

Agenda-5 **DECLARATION OF JAMSHORO AT PAR WITH HYDERABAD AND KOTRI FOR PROVISION OF HOUSE ACQUISITION FACILITY TO THE EMPLOYEES POSTED AT JAMSHORO AND RESIDING IN HYDERABAD**

**Decision** The agenda item was deferred.

Agenda-6 **PROMOTION OF THE OFFICERS FROM BPS-17 TO BPS-18**  
**JR. ENG: TO SR. ENG: (ELECTRICAL / ELECTRONICS) /**  
**INDUCTION OF JR. ENG: TO SR. ENG: / JR. ENG: (CIVIL) TO**  
**SR. ENG: (CIVIL) / AUDIT OFFICER TO SR. AUDIT OFFICER**  
**/ ASM TO DM (STORE) & REVENUE OFFICER TO DY.**  
**MANAGER (COMMERCIAL)**

Board discussed agenda item in detail and bared thread promotion case of each individual officer. Board observed that some candidates who have been imposed major / minor penalties have been proposed for promotion. Board therefore suggested that the candidates having serious corruption charges should not be promoted. Board after comprehensive discussion suggested HR Committee to review the cases again in detail and submit report in full Board meeting. Board further directed HR & Admn Director to share the ranking wise list of corrupt / good officers / officials through email to Board Directors with in week time.

Board directed that promotion cases of employees of civil directorate HESCO should also be placed before HR Committee.

**Decision** Board decided that promotion cases of all officers including Civil Engineers may be referred back to HR Committee of BOD HESCO to review / re-conduct the promotion Board. Management was directed to place complete personal files of the eligible officers before the HR Committee for scrutiny purpose. The Board further directed that a job structure of the Civil Engineers may be prepared / adopted and their cases for promotions may also be considered on merit and seniority along with other officers.

Agenda-7 **TIME SCALE UP-GRADATION OF THE OFFICERS FROM**  
**BPS-17 TO BPS-18 AND BPS-18 TO BPS-19 WITH**  
**PERMISSION OF RELAXATION IN TRAINING**



**Decision** Agenda item was referred back to the HR Committee of BOD HESCO with the same observation as of Agenda-6 above.

Agenda-8 **RATIFICATION / FORMAL ADOPTION OF PEPCO's OFFICE MEMORANDUMS REGARDING ENHANCEMENT OF PAY SCALES**

**Decision** Board directed to calculate financial implication before adopting PEPCO's office memorandums regarding enhancement of pay scales and directed HR & Admn Director to put in next Board meeting.

Agenda-9 **PROCUREMENT OF STATIC SINGLE PHASE ENERGY METERS THROUGH REPEAT ORDER**

**Decision** The Board of Directors HESCO on the recommendations of Procurement Committee accorded the approval of Procurement of 15,000 Nos. Static Single Phase Energy Meters **through 15% Repeat Order** from the following mentioned firms **at the same rate** and terms & conditions.

Sr. No	Name of Firm	Lot No.	Quantity (Nos.)	Unit rate in (PKR)	Total Amount in (PKR)
1	M/s. Pak Elektron Ltd	I	3,000	1,240	3,720,000
		II	3,000	1,240	3,720,000
2	M/s. KBK Electronics Pvt Ltd	III	3,000	1,240	3,720,000
		IV	3,000	1,240	3,720,000
3	M/s. Vertex Electronic Pvt Ltd	V	1,500	1,240	1,860,000
4	M/s. Accurate Private Ltd	V	1,500	1,240	1,860,000
<b>TOTAL :</b>			<b>15,000</b>	<b>1,240</b>	<b>18,600,000</b>
<b>+17% G.S.T :</b>					<b>3,162,000</b>
<b>GRAND TOTAL :</b>					<b>21,762,000</b>

Agenda-10 **PROCUREMENT OF STATIC SINGLE PHASE ENERGY METERS AGAINST TENDER NO. 1105/2016 OPENED ON 23.08.2016**

**Decision** The Board of Directors HESCO on the recommendations of Procurement Committee accorded the approval of Procurement of 80,000 Nos. Static Single Phase Energy Meters equally distributed to M/s. Transfopower Industries (Pvt.) Ltd, Lahore & M/s. Vertex Electronic Private Ltd Lahore on their discounted FCS unit price of Rs:1,375/- per meter (excluding GST) total amounting to **Rs.110,000,000** (exclusive of G.S.T).

Agenda-11 **APPROVAL OF TOR FOR PHYSICAL VERIFICATION OF HESCO ASSETS, TAGGING AND VALUATION YEAR ENDING JUNE, 2016 AND UP DATING AND REPLACEMENT OF HESCO COMPUTERISED DATA SYSTEM.**

**Decision** The agenda item was not discussed and deferred for next meeting.

Being no additional agenda Board meeting was ended with vote of thanks to chair and from the chair.

By the Order of Board

  
**(FAHEEMULLAH MEMON)**  
COMPANY SECRETARY



**LIST OF PARTICIPANTS ATTENDED THE 124<sup>TH</sup> BOARD MEETING**  
**DATED 12.11.2016 AT 11:00 am**

<b>Present</b>		
1.	Mr. Nazar Hussain Mahar	(In Chair)
2.	Prof. Dr. Muhammad Aslam Uqaili	Director
3.	Mr. Asad Ullah	Director / CEO HESCO
4.	Qazi Shahid Pervez	Director
5.	Mr. Shafique Ahmed Mahesar	Director
6.	Mr. Mehfooz Ahmed Bhatti	Director (through video link)
7.	Mr. Tassaduq Hussain	Director (through video link)
<b>Leave of Absence</b>		
8.	Mr. Mehmood Nawaz Shah	On Leave
9.	Mr. Waqas Anwar Qureshi	On Leave
<b>Company Secretary</b>		
10.	Mr. Faheemullah Memon	Company Secretary
<b>By Invitation</b>		
11.	Mr. Raham Ali Otho	Chief Operating Officer
12.	Mr. Saeed Ahmed Dawach	Chief Technical Officer
13.	Mr. Abdul Sattar Memon	Chief Engineer (Dev.) PMU
14.	Mr. Pervaiz Afzal	Chief Engineer (P&E)
15.	Syed Imran Ali Askari	D.G / HR & Admn Director
16.	Lt. Comd. (R) Nadeem Akhtar	Finance Director
17.	Mr. Mehmood Ali Kaim Khani	Manager (Commercial)