



HYDERABAD ELECTRIC SUPPLY COMPANY HYDERABAD

OFFICE OF THE COMPANY SECRETARY HESCO

3RD FLOOR ROOM NO.301 WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

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No.HESCO/BOD/CS/ **2688-2710**

Date **11-09-2021**

1. **Engr. Shaikh Jamil Gul**, Chairman BOD, Plot # 2-C 9th Zamzama Commercial Lane, Phase-5, DHA, Karachi (Cell # 03008208676).
2. **Syed Zahir Hassan Rizvi**, Director BOD, 88/II/II 10th Lane Kh-e-Sehar Phase-VII DHA Karachi (Cell # 03082225027).
3. **Mr. Mohammad Rashid Hussain** Director BOD, Flat No.203, Plot No.222-H, Block-2, PECHS, Karachi (Cell # 03228187192).
4. **Mr. Ali Ahmed Palh**, Director BOD, Palh House 76-A/III/II 32nd Street Khayaban-e-Sehar Defence Karachi (Cell # 03042650047).
5. **Mr. Shahid Zaki**, Director BOD, 7/1 Khayaban-e-Hafiz DHA Phase-V Karachi (Cell # 03028228753).
6. **Engr. Irfan Ahmad**, Director BOD, 133/1, 12th Street, Khayaban-e-Bokhai, DHA Ph-6 Karachi (Cell # 03453377750).
7. **Mr. Akbar Azam Rajar**, Director BOD, Deputy Secretary (E&D) Power Division GoP Islamabad (051-9221964).
8. **Ms. Shahnaz Akhtar**, Director BOD / Deputy Secretary (CF-II) ministry of Finance Q-Block Room No.123 GoP Islamabad (051-9202063).
9. **Mr. Imtiaz Ali Shah**, Director BoD, Director Alternative Energy, Energy Department Govt. of Sindh, 3rd Floor State Life Insurance Corporation of Pakistan Building No.3, Dr. Ziauddin Ahmed Road, Opposite C.M. House, Karachi (Cell #03333533344).
10. **Mr. Rehan Hamid**, Director BOD/CEO HESCO, (022-9260023).
11. **Mr. Zulfiqar Ahmad Farooqui** Director BoD Living Icon, Plot No.C/25, Block-B, Unit No.5 Latifabad Hyderabad (03203581596).
12. **Mr. Muhammad Rashid Khan**, Director BoD, House No.F66_1153/3 Tulsi Dass Road Gari Khata Hyderabad (03003019872).
13. **Mir Janullah Khan Talpur**, Director BoD, PO Box Kotmirs Landhi via Mirwah Gurchani, District Mirpurkhas Sindh (03337655557).

Subject: MINUTES OF 191st BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED.

The minutes of 191st BOD meeting of Hyderabad Electric Supply Company Limited held on 22.06.2021 at Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad, duly signed by the Chairman BOD HESCO, are sent herewith for your information please.

DA : As above

(FAHEEMULLAH MEMON)
COMPANY SECRETARY
HESCO HYDERABAD

Copy to:

1. General Manager (Technical) HESCO Hyderabad.
2. Chief Operating Officer HESCO Hyderabad.
3. Chief Engineers HESCO _____ (all)
4. Chief Commercial Officer HESCO Hyderabad.
5. Chief Financial Officer HESCO Hyderabad.
6. DG/ Admn & HR Director HESCO Hyderabad.
7. Chief Internal Audit HESCO Hyderabad.
8. Master file.

MINUTES OF MEETING

Meeting : 191st BOD MEETING

Date : 22.06.2021 (Tuesday)

Time : 11.00 a.m.

Venue : COMMITTEE ROOM HESCO POWER WING COLONY
HYDERABAD.

ATTENDEES.

1. Engr. Shaikh Jamil Gul.	Chairman BoD
2. Mr. Mohammad Rashid Hussain	Director BoD.
3. Mr. Shahid Zaki	Director BOD (On line)
4. Syed Zahir Hassan Rizvi.	Director BoD
5. Engr. Irfan Ahmad	Director BoD
6. Ms. Shahnaz Akhtar.	Director BOD (On line)
7. Mr. Akbar Azam Rajar.	Director BOD (On line)
8. Mr. Ali Ahmed Palh.	Director BoD
9. Mr. Imtiaz Ali Shah	Director BOD (On line)
10. Mr. Zulfiqar Ahmad Farooqui	Director BoD
11. Mr. Muhammad Rashid Khan	Director BoD
12. Mir Janullah Khan Talpur	Director BOD (On line)
13. Mr. Rehan Hamid	Director BoD/CEO
14. Mian Muhammad Sohail Afzal	Company Secretary.

ATTENDEE OFFICERS OF HESCO

1. Mr. Abdul Ahad	G.M. Operation
2. Ms. Hina Talpur	CFO HESCO
3. Mr. Manzoor Ahmad Soomro	Chief Engineer (P&E)
4. Mr. Zahid Hussain Mughul	Chief Technical Officer
5. Mr. Khoobchand	Chief Commercial Officer



6. Mr. Muzaffar Nizam	HR & Admn Director
7. Mr. Zaki Mukhtiar	Manager Commercial
8. Mr. Deen Muhammad	Manager Finance CPC
9. Mr. Majid Jatoi	Deputy Manager PMU

The proceedings of 191st BOD meeting were started with recitation of the versus from the Holy Quran. Engr. Shaikh Jamil Gul, Chairman of the BOD presided over the meeting. The Chairman welcomed all the participants of the meeting.

Following agendas were discussed: -

Agenda # 01 CONFIRMATION OF MINUTES OF 189TH AND 190TH BOD MEETINGS

The Company Secretary submitted that the minutes of 189th and 190th BOD meetings were sent to the Chairman BOD and all the members through e-mail who have endorsed the said minutes of the meetings. He requested the Board to confirm the minutes of 189th and 190th BOD meetings.

Decision. The BOD confirmed the minutes of 189th and 190th BOD meetings as per true record of proceedings.

Agenda# 02 IMPLEMENTATION STATUS OF 189TH AND 190TH BOD MEETINGS

The Company Secretary submitted that the implementation status of 189th and 190th BOD meetings will be placed before the next BOD meeting.

Decision. The BOD allowed to place the Implementation status of 189th and 190th BOD meetings in next meeting.

Agenda# 03 ESTABLISHMENT OF MARKET IMPLEMENTATION AND REGULATORY AFFAIRS DEPARTMENT (MIRAD) IN HESCO

POINTS OF DISCUSSION

1. The Board deliberated on the advertisement draft of DG MIRAD especially in respect to criteria of Qualification, Age and Remuneration. All the Members suggested that Bachelor of Engineering Degree must be mandatory alongwith other supplementary Degrees for the

post. Accordingly, the qualification criteria was amended as per suggestions and consensus.

2. The Board Members, after deliberations, also developed their consensus on fixing the maximum age limit up to 50 years. It was also agreed that remuneration (Pay & Allowances) will be market based which will be offered equivalent to MPS-II. All the Members expressed their satisfaction on the rest of the contents of the draft advertisement.
3. The Board also unanimously agreed on the “point of decision” proposed by the management and allowed to publish the advertisement of DG MIRAD and start the process of other 19 categories of officers (as per attached job specifications) through the process of internal selection (transfer) through the proposed Selection Committee, inviting applications from eligible HESCO officers adopting the procedure of internal office circulars and uploading Notices on HESCO Website.
4. The Board also deliberated that the selected HESCO officers, against various posts under DG (MIRAD), will not be demanded to resign from their existing posts / jobs under HESCO, as this will deprive them of their benefits of retirement, health, house acquisition, free electricity supply facilities etc. instead, they will be offered contract for the appropriate time. The lien and seniorities of such officers will continue to be maintained as such in their respective cadres for their career. The Board also agreed to discuss this point in HR Committee, if required, at any stage.

DECISION: The BOD unanimously agreed and resolved to accord approval for the following:

- a) Constitution of Selection Committee with representatives of LUMS & CPPA as per the following detail:

i)	Chief Executive Officer	Convener
ii)	General Manager (Operation)	Member
iii)	Chief Engineer (P&E)	Member
iv)	Chief Commercial Officer	Member
v)	Chief Financial Officer	Member
vi)	Representative of CPPA-G	Co-opted Member
vii)	Representative of LUMS	Co-opted Member
viii)	DG / HR & Admn Director	Member/Secretary

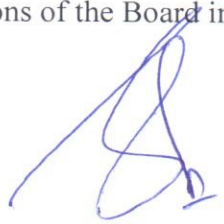


- b) Approval of draft advertisement and Publication of advertisement for the post of DG MIRAD (as amended).
- c) Initiation of process of internal selection through transfer / posting as per job specifications against 19 Nos. posts through aforementioned proposed selection committee by way of interview and to allow HESCO Management to upload notices on HESCO website and through internal office circulars to invite applications from eligible HESCO officers and leftover posts, if otherwise not filled through above mentioned internal process of selection (transfer) to be advertised for induction from open market in 2nd Phase.

Agenda # 04. LOSSES & DETECTION BILLS, RECOVERY / DUES, NEW CONNECTIONS PROCESS & PENDING APPLICATIONS, EHT / HT NETWORK - BOTTLENECKS, TARGET SETTING AS PER PRESENTATION OF OMER HAROON (CPPA), MULTI YEAR TARIFF (MYT)

POINTS OF DISCUSSION:

1. GM(OP) along with his team apprised the Board that HESCO is presently facing about 28.5 % losses. The Board enquired the Management whether these losses are correct? The Management confessed that these are manipulated losses whereas the actual losses of the company are much more than the quoted one. The Board showed its annoyance and warned the Management to be careful while presenting the information before the highest forum of the company.
2. The Board enquired the GM(OP) and all CEs of his team as to why billing is being made to PDCs? The Management showed their ignorance of the fact and apprised the Board that this might have been done by the Meter Readers at their own. The Board unanimously held the whole Senior Management responsible along with Meter Readers and called it a Criminal Activity. The Board, after deliberations on this issue, stressed to shunt out such corrupt employees from their jobs being involved in this criminal practice. The Honorable Chairman warned the Management that this is a crime and he will tolerate and spare anyone found involved in this illegal practice. Further, directed the Management to devise the processes and policies that will ensure the prior approval of competent authorities to post detections in the software. The Management affirmed to comply with the instructions of the Board in future.



3. The Board directed the Management to always give the correct facts and figures and advised CFO not to pass any JVC. TQM be implemented and illegal practices be identified and stopped during the process and not at the end. Further, advised the Management to make extraordinary efforts to eradicate the culture of "Kunda" as this cannot be done without involvement of some HESCO's corrupt employees who must be taken to task while taking stern actions against them.
4. The Board showed its concerns on the poor recovery position of 66% and asked the Management for its reasons. The Management apprised the Board that this is because of Detection and Kunda system. This reply attracted the annoyance of the Board that directed the Management to formulate the proper policies for charging detection and to avoid the Kunda system as these practices lead to load shedding and poor service delivery to the consumers.
5. Mr. Akbar Azam Rajar also shown concern over detection bills being charged and recovery being made against such detection. The Member shown grave concern over illegal detections. The member apprised that HESCO pays more tax on such detections than actual recovery. The member urged the Management for initiating efforts on war footings to curb this menace and also to work day and night on anti-theft drive. The member also urged the management to decrease losses as the situation on the main issues is not encouraging. The member requested to conduct meetings on such agendas for review of the performance of HESCO so that improvement in HESCO can be brought about.
6. While making deliberations on the New Connection Procedure, the Board advised the Management to develop the Dash Board that will show the "First In First Out (FIFO)" connection report, priority based connections, detail of left over connections along with time line and reasons of delay etc. The Board also directed the Management to give Monthly briefing on the Dash Board for bringing improvement in the system.
7. The Board also deliberated on the unnecessary role of "Contractor" between consumer and HESCO regarding energizing the Plazas and Housing Schemes and asked the Management, "Is this being done as per any policy of the Department? The Management apprised that there is no such policy, however, this is being done as per practice in vogue in all the DISCOs. The Board advised the Management to formulate the consumer-friendly policy and get it approved from the Board as the role of Contractor is not covered by any provision of Customer Service Manual (CSM) and this practice is increasing the sufferings of the consumer. The Board directed the management that in this regard strict compliance of the CSM and relevant rules must be ensured.



8. The Board showed its concerns on the non-availability of correct and true facts about the company's losses and recovery. It was agreed that Load Flow Studies will have to be got conducted from some reputed institutes/firms like NTDC, Siemens etc. to have correct base line to move further in right direction.

9. The Board also showed its dissatisfaction over the poor management of HESCO's Distribution Network and advised the Management to work day and night for its improvement to provide best possible services to the consumers. The Chairman advised GM (OP) to include all expenses, related to upgradation of Distribution Network, in the forthcoming tariff / MYT. The Board desired CEO to direct all Chief Engineers to give presentations to the Board at the end of each month about the improvement in Recovery & Line Losses position, Network System, Detection & Kunda system, New Connection Policy, Progress Review, Dash Board etc.,. The CEO affirmed for compliance.

10. The GM(OP) and CEs of his team failed to give presentation on EHT / HT Networks - Bottlenecks, Target Setting as per presentation of Omer Haroon (CPPA) due to their non-preparation of the subjects. The Board showed its severe annoyance and desired CEO to take strict notice of it.

11. The CFO along with her team also gave a brief presentation on Multi Year Tariff (MYT) and the Board deliberated that this matter might first be discussed in detail in the Audit Committee meeting.

12. The Board deliberated that the purpose of this meeting was to familiarize the Management with the loopholes of the system for taking corrective measures in right direction. The Board also praised the worthy Chief Executive Officer HESCO by acknowledging his extraordinary efforts to streamline the complex and long-standing issues of recovery, line losses, network system, consumer service delivery etc., in his very short preliminary period.

DECISION:

The Board unanimously agreed and resolved to accord following decisions: -

1. GM (OP) and CEs of his team will devise such processes and policies that will ensure the prior approval of competent authorities to post detections in the software within 02 months and will give a presentation to the Board.
2. GM (OP) and CEs of his team will formulate the proper policies for charging detection and to eliminate Kunda system to avoid load shedding and poor service delivery to the consumers within 2 months and will give a presentation to the Board.

