

MINUTES OF MEETING

Meeting : **192nd BOD MEETING**

Date : 14.07.2021 (Wednesday)

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 (Online)
4. Syed Zahir Hassan Rizvi.	Director BoD (Online)
5. Engr. Irfan Ahmed.	Director BoD
6. Ms. Shahnaz Akhtar.	Director BoD (Online)
7. Mr. Akbar Azam Rajar.	Director BoD (Online)
8. Mr. Ali Ahmed Palh.	Director BoD
9. Mr. Zulfiqar Ahmad Farooqui	Director BoD
10. Mr. Muhammad Rashid Khan	Director BoD
11. Mir Janullah Khan Talpur	Director BoD
12. Mr. Rehan Hamid	Director BoD/CEO
13. Mian Muhammad Sohail Afzal	Company Secretary.

ON LEAVE.

1. Mr. Imtiaz Shaikh	Director BoD
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ATTENDEE OFFICERS OF HESCO

1. Zahid Hussain Mughal	CE (Technical)/PMU
2. Mr. Muzaffar Nizam	HR & Admn Director
3. Ms. Hina Talpur	Chief Financial Officer
4. Farah Deebea	Manager (Pro) PMU
5. Mr. Ghias Uddin	Manager (Finance)

The proceedings of 192nd BOD meeting were started with the recitation of the verses from the Holy Quran. Engr. Shaikh Jamil Gul, Chairman of the BOD presided over the meeting. The Chairman welcomed all the BOD Members and the Management. He appreciated the hard work of the Management and advised to work day and night for progress of the company. The Company Secretary apprised the Honorable Chairman and the Board that Mr. Imtiaz Ali Shah BoD Member was unable to attend the BoD meeting due to his personal engagements and the Board agreed to grant him leave. Session was formally started and the following agendas were discussed: -

Agenda # 1 CONFIRMATION OF THE MINUTES OF 191st BOD MEETING

Company Secretary submitted that the minutes of 191st BOD meeting were sent to the Members of the Board through email and all the members have endorsed the same without any observation. He requested the Board to confirm the minutes of 191st BoD meeting.

DECISION: Not Discussed, the Board resolved to place confirmation of these minutes in the next board meeting.

Agenda # 2 IMPLEMENTATION STATUS OF 191ST BOD MEETING

Company Secretary submitted that the implementation status of 191st meeting of BoD will be submitted in the next meeting of the Board.

DECISION: The Board agreed as requested.

Agenda # 03. APPROVAL FOR ACCEPTANCE OF TENDER AND ISSUANCE OF PURCHASE ORDER TO M/S REAL ALIGN ENGINEER – LION STEEL LAHORE (JV) AMOUNTING TO Rs.638.54 MILLION (WITHOUT GST) FOR PROCUREMENT OF 132 KV ZM-1 TYPE TOWERS ALONG WITH EXTESNIONS AGAINST TENDER NO. PMU-10/20-21 (LOT-1)

POINTS OF DISCUSSION:

1. Miss Farrah Deebea Manager (Procurement) PMU presented the item note and apprised the Board about the history of the case. She informed that after opening of the tender, bids were sent to IESCO, Islamabad for evaluation of the Bids being third party.

2. The IESCO bid evaluation committee determined the bid of M/s Real Align Engineer -M/s Lion Steel Limited Lahore (JV) as non-responsive subject to discussion at article 8.1 and recommended that consideration may be given to place purchase order to the lowest evaluated responsive bidder i.e M/s Associated Technologies (Pvt) Limited Lahore at price of PKR 641,392,230.00.
3. She further apprised that HESCO review committee, later on, recommended the lowest evaluated bidder i.e. M/s Real Align Engineer – Lion Steel Lahore (JV) for placement of the said order. Aggrieved to this decision, M/s Associated Technologies (Pvt) lodged grievance complaint which was rejected by the HESCO Grievances Redressal Committee.
4. The Board showed its concern and dissatisfaction on the decisions made by the HESCO's Committees. The Board inquired the management when the IESCO, being third party, gave a decision in favor of a bidder why it was not implemented in letter & spirit? The subsequent and unnecessary evaluations by the HESCO management caused abnormal delay in issuance of Letter of Intent. The Management failed to give any satisfactory answer to the Honorable Board.
5. Mr. Akbar Azam Rajar, Non-Executive Director inquired the rule position regarding referring the matter to IESCO in this and also legal validity as to whether the advice of the third party was binding upon HESCO. The Member emphasized that all the required procedures as per PPRA Rules are to be adhered in letter and spirit. The Member shown serious concern on the process undertaken and raised question on validity of the process in view of the difference of the judgement by the third party and HESCO's Review Committee as per report of the HESCO Review Committee. The Member also proposed for delegation of the appropriate Powers to the management in cases of procurement.
6. The Board also showed it annoyance over the late submission of the case to the Board for grant of its approval in a hasty manner and advised the Management to give a disclaimer that there is no conflict of interest in the award of this financial contract. The Board also advised CEO to take strict notice of this delay on the part the office of Chief Engineer (Dev) PMU.
7. The Board advised the Chief Technical Officer / Chief Engineer (Dev) PMU to affirm that there is no violation of any PPRA Rules regarding award of this contract. The Board Members, agreed to grant approval for award of the contract as per recommendations of the IESCO Bid Evaluation Committee being third and independent party subject to

provision of an affidavit/certificate in writing from the management to affirm that there is no violation of any PPRA Rules regarding award of this contract.

DECISION:

The Board resolved to accord approval to place purchase order to the lowest evaluated responsive bidder i.e., M/s Associated Technologies (Pvt) Limited Lahore at price of PKR 641,392,230.00, as per conclusion & recommendations of IESCO Evaluation Committee being third party and subject to the provision of an affidavit/certificate in writing from the Management to the Board, through its Company Secretary, that in case of any subsequent illegality/concealment of facts/ violation of any PPRA Rules, the Management will be held responsible.

ACTION POINTS:

Point of Action	Responsibility	Time line	Status
Compliance as per approval of the Board	CE (Dev)	Next BOD meeting	Open

Agenda# 04 DRAFT ADVERTISEMENT FOR THE POST OF COMPANY SECRETARY HESCO

POINTS OF DISCUSSION:

1. DG (HR) presented the item note and briefed about the contents of the draft advertisement for the post of Company Secretary. He also apprised that the Board has already granted approval for advertisement of the said post in its 164th meeting held on 08.06.2020.
2. The Board, after deliberations, approved the said draft of advertisement with slight amendment for publishing in leading newspapers subject to Tors of the post being strictly compliant to the Public Sector Companies (Corporate Governance) Rules, 2013.

DECISION:

The Board resolved to accord approval for draft advertisement of Company Secretary HESCO for its publication in leading newspapers.

ACTION POINTS:

Point of Action	Responsibility	Time line	Status
Publishing of advertisement in Newspapers	DG(HR)	Next BOD Meeting	Open

Agenda# 05 DRAFT ADVERTISEMENT FOR THE POST OF CHIEF INTERNAL AUDITOR HESCO**POINTS OF DISCUSSION:**

1. DG (HR) presented the item note and briefed about the contents of the draft advertisement. He apprised the Board that Audit Committee has also recommended the said draft for advertisement in its 34th meeting held on 08.07.21.
2. The Board, after deliberations, approved the said draft of advertisement for publishing in leading newspapers.

DECISION:

3. The Board resolved to accord approval for draft advertisement of Chief Internal Auditor HESCO for its publication in leading newspapers subject to ToRs of the post being strictly compliant to the Public Sector Companies (Corporate Governance) Rules, 2013.

ACTION POINTS:

Point of Action	Responsibility	Time line	Status
Publishing of advertisement in Newspapers	DG(HR)	Next BOD Meeting	Open

Agenda# 06 1st, 2nd & 3rd QUARTER FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2020-21

POINTS OF DISCUSSION:

1. The Chief Financial Officer presented the financial statements of 1st, 2nd & 3rd quarter of the FY-2020-21 to the Honorable Board. She also apprised the Board that the said financial statements have also been endorsed by the Audit Committee of the Board. She apprised the Board about statements on Equity, Liabilities, Assets, Profit & Loss A/c, CPPA-G & Debtors, Unit sale, Avg. Sale rate, Cost of Electricity, Salaries Provision & Financial Cost, Notes to the Accounts, Change in Equity and Bank Guarantee against Consumer Security Deposits.
2. The Board deliberated and advised CFO that security deposits may be revised due to change in MDI and Bank Guarantees must also be depicted in billing statements. The Board further instructed that physical possession of security deposits must be with the office of CFO.
3. The Board deliberated and asked CFO to ensure that no bank guarantee is expired and the CFO affirmed for the same. The Board, after due deliberations, approved the financial statements of 3rd quarter of FY 2020-21.

DECISION:

The Board resolved to accord approval for the Financial Statements of 1st, 2nd & 3rd quarter of the FY-2020-21.

Agenda# 07 NOMINATION OF MIR JANULLAH KHAN TALPUR AS MEMBER OF HR COMMITTEE OF BOD.

POINTS OF DISCUSSION:

The Honorable Chairman and the members of the Board deliberated on the nomination of Mir Janullah Khan Talpur as member of the HR Committee to utilize his services in this regard. The Board, after detailed deliberations, agreed on the nomination of Mir Janullah Khan Talpur as Member of the HR Committee.

DECISION:

The Board resolved to accord approval for nomination Mir Janullah Khan Talpur as Member of the HR Committee to utilize his services in this regard.

There being no further business to transact, the meeting ended with a vote of thanks to and from the Chair.

(ENGR. JAMIL GUL SHAIKH)
Chairman BOD HESCO