



HYDERABAD ELECTRIC SUPPLY COMPANY HYDERABAD
OFFICE OF THE COMPANY SECRETARY HESCO
3RD FLOOR ROOM NO.301 WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

Phone No.022-9260017
Exch.022-9260161/172
Cell # 03002044418
Fax No.022-9260361
Email: csecretary@hesco.gov.pk

No.HESCO/BOD/CS/2899-2918

Date: 21.09 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/II/I 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 Gourchani, District Mirpurkhas Sindh (03337655557)

Subject: MINUTES OF 198th BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED.

The minutes of 198th BOD meeting of Hyderabad Electric Supply Company Limited held on 08.09.2021 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 : **198th BOD MEETING**
Date : 08.09.2021 (Wednesday)
Time : 02.30 p.m.
Venue : COMMITTEE ROOM HESCO POWER WING COLONY
HYDERABAD.

ATTENDEES.

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

ATTENDEE OFFICERS OF HESCO

- | | |
|-----------------------------|-----------------------|
| 1. Ms. Hina Talpur | CFO HESCO |
| 2. Mr. Gul Munir Surhio | GM (Technical) |
| 3. Mr. Mohammad Usman Memon | D.G. HR & Admin HESCO |
| 4. Mr. Javed Akund | Manager (Dev) PMU |
| 5. Mr. Deen Muhammad | Manager Finance (CPC) |

The proceedings of meeting were started with recitation of verses from Holy Quran. Engr. Shaikh Jamil Gul, Chairman of the BOD presided over the meeting. The Chairman welcomed all the members and tabled the following agenda for discussion:

Agenda#01 CONFIRMATION OF MINUTES OF 191st, 192nd 193rd, 194th, 195th and 196th BOD MEETINGS.

DECISION. The BOD confirmed the minutes of meeting of 191st, 192nd 193rd, 194th, 195th and 196th BoD Meeting.

Point of Action	Responsibility	Time line	Status
Circulation of Minutes	Company Secretary	Immediate	“Open”

Agenda#02 IMPLEMENTATION STATUS OF 191st, 192nd, 193rd, 194th, 195th and 196th BOD MEETING.

Company Secretary informed that the implementation status of BOD meetings from 191st to 196th were sent to all Board members through email. Due to time constraint, Chairman BoD desired to discuss important agenda Items. Board suggested that members may refer implementation status through email.

Point of Action	Responsibility	Time line	Status
Implementation Status of 191 st , 192 nd , 193 rd , 194 th , 195 th and 196 th BOD meeting	Company Secretary		Open

DECISION: Board members may refer implementation status on 191st, 192nd, 193rd, 194th, 195th, and 196th BOD meeting for review and observation, if any.

Agenda#03 RESPONSE TO THE MINUTES OF MEETING OF SENATE COMMITTEE

POINTS OF DISCUSSION

Chairman BOD informed that that he had received the papers related to appointment of CFO, HESCO in the morning. He understands that the board has the powers for the appointment and extension of



CFO of the company as being made by previous Board. He invited all the members to give their opinion.

In view of the appointment of Company CFO, Ms. Shahnaz Akhtar stated that Interim reply has already been sent to Senate Standing Committee. She further informed that PEPCO has already exonerated regarding the appointment of CFO in the enquiry. She suggested board to ratify and inform Senate Standing Committee accordingly.

Mr. Rashid Hussain pointed out that PEPCO has made the inquiry report in detail. He suggested that action be taken on the inquiry report regarding concealment of facts.

Mr. Irfan Ahmad said that almost all the evidence provided so far including PEPCO Report, Audit Paras and previous BoD MoMs, point towards the short comings of due process for such appointments in HESCO and failure of HESCO Management to implement existing checks and balances, which are not attributable to either Ms Hina Talpur or Mr. Deen Muhammad. Regarding gratuity and other benefits, Mr. Irfan Ahmed pointed out that release of such benefits, if not due, is also the fault of the Management. He further said that CFO's extension was decided and done by previous Board. The matter came to the current Board after the extension was already due. Since the extension is according to the terms and conditions of original appointment, Performance Appraisal will be done accordingly.

Mr. Akbar Azam Rajar, Non-Executive Director stated that the documents related to this agenda were received very late. The Member further apprised the board that earlier on a complaint by Former CEO HESCO, the board unanimously resolved to conduct an inquiry in the case of appointment of CFO. Later, the said case was again discussed in the board meeting and some members were of the view that the matter does not require inquiry in this case whereas some members held the view point that the matter requires to be inquired to close it for once and all. The Member further apprised that the matter was referred to HR Committee where half of the members voted for inquiry and half of the members consented that the inquiry is not required. The member apprised that the matter had to be placed before the board after deliberations undertaken in HR Committee.

Mr. Akbar Azam Rajar, Non-Executive Director presented his point of view and said that the Inquiry by PEPCO was conducted on 03.04.2018 on specific ToRs. The Member noted that many other developments have taken place after conduct of the said inquiry. Further, the Member pointed out that queries raised by the Standing Committee may also be taken into account to determine as to whether Inquiry Report dated 03-04-2018 can suffice the queries raised by the Standing Committee. The



Member also highlighted the report pointing out some irregularities earlier submitted to NAB, Standing Committee by the management. The Member reiterated his historical view point with respect to appointment of the CFO and stated that without an internal and impartial inquiry into the matter with concrete findings based on justification, the resolution of this long standing issue is prima facie not possible. Mr. Rashid Khan endorsed the proposal and also sought the views of Ms. Hina Talpur. However, Ali A. Palh said inquiry will not be able to resolve this issue. An inquiry committee will inquire into the issue, later the same will come before the Board so it will take more time, second it will also cause different level of information among all BoD members. So it was recommended to hold a BoD meeting in which all previous inquiry reports are placed before all members along with HR material. That will help resolve the issue forever.

Almost all the members pointed out that they had received the documents very late and were unable to comment properly and requested for detailed documents and asked for time to study for consideration at the next board meeting.

After a detailed discussion, the Board concluded that in the next Board Meeting, HESCO management may send complete working paper covering all the documents and other record with recommendations as an agenda item to all members prior to the meeting. The Board also directed the CEO, HESCO, to report to the Senate Standing Committee on September 15, 2021, that HESCO BoD keeps the matters related to Parliamentary Business including the matters related to Standing Committees as its highest consideration and that the matter with respect to appointment of CFO is under active considerations in the HESCO Board as per directions by the Standing Committee. Further, comprehensive report with factually correct position in this regard shall be submitted in the next meeting of the Standing Committee. The CEO HESCO was further directed to submit/share any missing record with the board in the next Board meeting.

DECISION. The Board directed the CEO HESCO to present the agenda item in form of working paper covering all documents and other records with concrete recommendations in the next meeting of the Board to be held on 17th September 2021. The Board also directed the CEO HESCO to inform Senate Standing Committee scheduled on September 15, 2021 that the matter is under consideration in the Board. The CEO HESCO was further directed that if there is any document missing, that should be shared with the board members in the next BoD Meeting.



Point of Action	Responsibility	Time line	Status
Submission of detailed working paper covering complete documents and other records with recommendations related to appointment of CFO at its next meeting of the Board	CEO HESCO	17 September 2021	"Open"

Agenda#04 RESPONSE TO SECP REGARDING PENDING ISSUES

Due to time constraints, this agenda was not discussed and deferred to the next board meeting on 17th September 2021.

DECISION. Rescheduled for next board meeting on 17th September 2021.

Point of Action	Responsibility	Time line	Status
Response to SECP regarding pending issues	Company Secretary	Next Board Meeting, 17th September 2021	"Open"

Agenda#05 DISCUSSION ON CUSTOMER CARE CENTER

Due to time constraints, this agenda was not discussed and deferred to the next board meeting on 17th September 2021.

DECISION. Rescheduled for next board meeting on 17th September 2021.

Point of Action	Responsibility	Time line	Status
Discussion on Customer Care Center	Company Secretary	Next Board Meeting, 17 th September, 2021	"Open"

Agenda#06 O & M BUDGET FOR FY 2021-22

POINTS OF DISCUSSION

Ms. Hina Talpur presented the O & M budget of HESCO for FY 2021-22 to the board and recommendations of Audit and Finance Committee meeting, held on 08.09.2021. The members of

committee pointed out that the present budget figures have been changed that were not recommended by the Audit and Finance Committee and therefore refute the validity of budget recommended by the Audit and Finance Committee in its meeting. To this CFO HESCO replied that some figures have been updated by Chief Engineers like transformer repair workshop etc. It transpired that the original figure for transformer repair workshop of PKR 38 Mn was enhanced to PKR 135 Mn to include O&M cost of PKR 97 Mn of one year (for 800 DTs). Mr. Irfan Ahmad pointed out that this O&M cost has been included in the budget of Distribution Materials as PKR 250 Mn for which the MM has already been asked to provide the requirement for such huge budget increase.

Expressing the displeasure, the Board viewed that CFO should have taken confidence of Audit and Finance committee before submitting to the Board.

Board concluded that the revised figures in the budget may be referred to the Audit and Finance committee to review the changes and make fresh recommendation to the Board as budgeted changes involve serious nature of financial matters and present it again in next board meeting.

DECISION. Board directed CFO HESCO to place the budget again before Audit & Finance Committee on 15th September 2021 for fresh recommendations to the board

Point of Action	Responsibility	Time line	Status
O&M Budget for F.Y. 2021-22	CFO HESCO	Audit & Finance Committee Meeting 15 th Sept, 2021	"Open"

Agenda#07 GRANT OF AD-HOC RELIEF ALLOWANCE 2021 10% OF BASIC PAY OF HESCO

POINTS OF DISCUSSION

The DG/HR & Admn Director presented the item note and apprised the Board that Govt. of Pakistan Finance Division (Reg. Wing) has allowed adhoc relief allowance @ 10% of basic pay to the all Federal Government employees BPS-1 to BPS-20 with effect from 01.07.2021 and he requested and recommended the BOD to adopt the Govt. directives.

The BOD deliberated on the matter and recalled the decision made during 184th BOD meeting held on 20.04.2021 in which Chief Executive Officer HESCO was directed to share the details of perks and privileges of BPS-20 officers of HESCO in BOD meeting but he failed to place it before the BOD as

yet for its decision. Board took serious notice on the efficiency of HR department that, they allowed perks and privileges of BPS-21 to General manager of BPS-20 officer without approval of Board. In view of this, why not stern action be taken against HR department on their gross negligence.

Akbar Azam Rajar, Non-Executive Director BOD apprised that the PEPCO Board approved the pay and allowance and perks for subject officers. The Member further apprised that the adoption of this pay raise is not binding and the board decide the matter as it deems appropriate. The Member also suggested that if the said pay raise is to be adopted, it may be adopted for all officers. Endorsing the view point, the Convener of HR Committee informed that the same decision has been recommended in HR Committee meeting and further directives were given to management to bring the agenda item in board meeting to close the matter of the BPS-20 officer before adoption of further allowances.

After detailed discussion board directed to allow 10% adhoc relief allowance to all officer and further directed CEO HESCO to prepare details within week time and bring agenda item in HR Committee meeting for further deliberation.

DECISION. The BOD unanimously accorded approval for adoption of Finance Division (Reg. Wing) Govt. of Pakistan OM No.1(1)1mp/2021-216 dated 08.07.2021 regarding Ad-hoc Relief Allowance-2021 @ 10% of basic pay to all HESCO Employees w.e.f 01.07.2021. Board further directed CEO HESCO to prepare details of BPS-20 officers in week time and bring agenda item before HR Committee meeting for deliberation and recommendation for the board.

Point of Action	Responsibility	Time line	Status
Grant of AdHoc Relief Allowance 2021 10% of Basic Pay of HESCO	D.G HR&AD		"Open"
Prepare Details of BPS-20 Officers In Week Time And Bring Agenda Item Before HR Committee Meeting	CEO/ D.G HR&AD		"Open"

Agenda#08 **GRANT OF INCREASE IN PENSION TO PENSIONERS OF THE FEDERAL GOVERNMENT**

POINTS OF DISCUSSION

The DG/HR & Admn Director presented the item note and apprised the Board that Govt. of Pakistan Finance Division (Reg. Wing) has allowed increase in pension to the pensioners of Federal Govt. @



10% of net pension with effect from 01.07.2021 and requested to recommend the BOD to adopt the Govt. directions.

DECISION. The BOD unanimously accorded approval for adoption of Finance Division (Reg. Wing) Govt. of Pakistan OM 4(1)-Reg.6/2021-486 dated 08.07.2021 regarding increase in pension to pensioners of the Federal Government @ 10% of net pension w.e.f. 01.07.2021

Point of Action	Responsibility	Time line	Status
Grant of increase in Pension to Pensioners	D.G HR&AD		"Open"

Agenda#09 **ADOPTION- GRANT OF DISPARITY REDUCTION ALLOWANCE @ 25% OF THE BASIC PAY**

POINTS OF DISCUSSION

The DG/HR & Admn Director presented the item note and apprised the board that Govt. of Pakistan Finance Division (Reg. Wing) has allowed disparity reduction allowance @ 25% of basic pay scales 2017 to the all Federal Government employees in BPS 20 to 22 with effect from 01.07.2021 and he requested to recommend the BOD to adopt the Govt. directions.

DECISION. The BOD unanimously accorded approval, the adoption of decision of Finance Division (Reg. Wing) Govt. of Pakistan O.M. No.14(1)R-3/2021-324 dated 08.07.2021 regarding disparity reduction allowance @ 25% of the basic pay scales 2017 w.e.f. 01.07.2021 to HESCO employees in BPS-20-22.

Point of Action	Responsibility	Time line	Status
Adoption- Grant of Disparity Reduction Allowance @ 25 % Of The Basic Pay	DG. HR&Admin	Immediate	"Open"

Agenda#10 **ADOPTION - REVISION OF THE RATE OF INTEGRATED ALLOWANCE**

POINTS OF DISCUSSION

The DG/HR & Admn Director presented the item note and apprised the board that Govt. of Pakistan Finance Division (Reg. Wing) has allowed revision of integrated allowance from existing Rs.450/- to

Rs.900/- per month w.e.f. 01.07.2021 for Qasid, Naib Qasid and Daftri and he requested the BOD to adopt the Govt. directions.

DECISION. The BOD unanimously accorded approval for adoption of Finance Division (Reg. Wing) Govt. of Pakistan O.M. No.61/R-5/2005 dated 08.07.2021 regarding rate of integrated allowance from Rs.450/- to Rs.900/- per month w.e.f. 01.07.2021 for Qasid, Naib Qasid and Daftri.

Point of Action	Responsibility	Time line	Status
ADOPTION, REVISION OF THE RATE OF INTEGRATED ALLOWANCE	D.G HR & Admin	Immediate	“Open”

Agenda#11 ADOPTION - REVISION OF RATES OF ORDERLY ALLOWANCE

POINTS OF DISCUSSION

- The DG/HR & Admn Director presented the item note and apprised the board that Govt. of Pakistan Finance Division (Reg. Wing) has allowed revision of rates of orderly allowance from Rs.14000/- to 17500/- per month to BPS-20 to BPS-22 officers w.e.f 01.07.2021 and he requested to recommend the BOD to adopt the Govt. directions.

DECISION. The BOD unanimously accorded approval for adoption of Finance Division (Reg. Wing) Govt. of Pakistan O.M. No.1(13)/1mp/2016-217 dated 08.07.2021 regarding revision of rates of Orderly Allowance to BPS-20 to BPS-22 officers with effect from 01st July, 2021.

Point of Action	Responsibility	Time line	Status
ADOPTION REVISION OF RATES OF ORDERLY ALLOWANCE	D.G HR&Admin	Immediate	“Open”

Agenda#12 STATUS OF APPLICATIONS RECEIVED AGAINST THE POST OF COMPANY SECRETARY HESCO HYDERABAD

Board was apprised that 24 No applications were received against the advertisement for the post of Company Secretary HESCO. It was further apprised to the board that the HR Committee in its 54th meeting held on 07.09.2021 constituted a three members committee headed by Mr. Zulfiqar Ahmad Farooqui, Independent Director BoD HESCO alongwith Mr. Mohammad Usman Memon D.G HR &

Admin Director HESCO and Mr. Nasir Manager Admin HESCO to scrutinized the applications as per criteria mentioned in the advertisement. On the question of eligible candidates, Mr. Zulfiqar Ahmad Farooqui, Independent Director BoD informed the Board that out of 24 number of the received applications, only 05 Nos candidates were identified as the eligible candidates as per the advertised eligibility criteria mentioned in the advertisement.

DECISION. Board directed to review the applications / eligible / non-eligible candidates in the HR Committee meeting for detail deliberations and then put up the matter to the Board.

Point of Action	Responsibility	Time line	Status
Detail deliberation on the applications / securitization	D.G HR&Admin	HR Committee Meeting	“Open”

Agenda#13 **ANNUAL PROCUREMENT PLAN FOR PURCHASE OF GRID STATION AND T/ LINE MATERIAL OF GSC / GSO ORGANIZATIONS FOR THE FY 2021-22**

On presentation by Jawaid Akhund Manager Procurement PMU regarding Procurement Plan of T & G Items and since no supporting simulation studies could be provided due to shortage of time, the Board directed to get the studies done before the actual procurement takes place and simultaneously also conduct the asset management & reliability study of the system. Board strongly suggested to quantify the benefits/loss reduction that may be achieved against each project and the improvement in SAIFI/SAIDI indices as directed by NEPRA. The results should be shared with the Board, as done in the case of previous two STG Plans where the above data was provided at the time of approval by the Board.

Akbar Azam Rajar inquired whether all these projects and related procurement as mentioned in the presentation qualify as operational priority and commercial interest of the company. The Member also inquired if the said scheme is in line with HESCO's overall strategy and that these projects have been identified on merit without any personal/political influence. The Member also reassured that all these procurements shall be ensured strictly as per PPRA Rules. The PMU Manager replied that all these projects were operational priorities without any political interference or personal basis and are commercially and strategically aligned and further that all these procurements shall be made as per PPRA Rules invariably.



Board directed Management to ensure that procurement of Load Flow Software, Short Circuit Analysis Software and Other necessary items which were time and again directed by the Board, should be included in the procurement plan.

DECISION. BOD accorded approval of the Annual Procurement Plan for purchase of Grid Station & Transmission Line Material of GSC / GSO Organization for the F.Y 2021-22. amounting to Rs. 7811.85 (Million) and initiate the tendering process strictly as per PPRA Rules accordingly.

Point of Action	Responsibility	Time line	Status
Resolution of Decision	Company Secretary	After Confirmation of Minutes	"Open"

Agenda#14 APPROVAL FOR PLACING TENTATIVE PROCUREMENT PLAN FOR THE FY 2021-22 FOR DISTRIBUTION MATERIAL

During the discussion on the purchase of vehicles, the board directed to ensure that only money would be allocated in the budget for the purchase of vehicles. The list of vehicles to be purchased will be discussed in detail in future meetings.

Akbar Azam Rajar inquired whether all the procurements as mentioned in the presentation qualify as operational priority and commercial interest of the company. The Member also inquired if the said scheme is in line with HESCO's overall strategy and that these projects have been identified on merit without any personal/political influence. The Member also reassured that all these procurements shall be ensured strictly as per PPRA Rules. The PMU Manager replied that all these procurements were operational priorities and identified without any political interference or personal basis and are commercially and strategically aligned and further that all these procurements shall be made as per PPRA Rules invariably.

The Board also directed that it would be the sole responsibility of the management to identify and inform the Board if anything is out of the entitlement or not within the policy.

DECISION. BOD accorded approval of the Annual Procurement Plan for purchase of Distribution item for the F.Y 2021-22 amounting to Rs. 10,066 million.

Point of Action	Responsibility	Time line	Status
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Resolution of Decision	Company Secretary	After Confirmation of Minutes	"Open"
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There being no further business to transact, the meeting ended with a vote of thanks to and from the Chair.

(ENGR. SHAIKH JAMIL GUL)

CHAIRMAN BOD HESCO