



MULTAN ELECTRIC POWER COMPANY

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061/9330244
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Office of
The Company Secretary

No. 31668-86 Company Secy

Dated: 14-1-19

1. Mr. Akhlaq Ahmad Syed
House No.162, Street No. 73,
G-9/3, Islamabad.
2. Engr: Muhammad Akram Chaudhry
Chief Executive Officer,
MEPCO Multan.
3. Mr. Khalid Masood Khan,
10-Green Lane, Zakaria Town
Bosan Road, Multan.
4. Mr. Saadullah Khan
House No.49/1, Street No.1, Phase-2 DHA
Lahore-54792.
5. Mr. Shaheryar Chishty,
CEO, Asia Pak Investments,
Daewoo Pakistan Building, Kalma Chowk
231-Feroze Pur Road Lahore.
6. Mr. Muhammad Sarfaraz
President, Multan Chamber of Commerce & Industry
Shahrah-e-Aiwan-e-Tijarat-o-Sanat,
Near Kalma Chowk, Multan
7. Mr. Imran Sikandar Baloch
Commissioner, Multan Division
Multan.
8. Mr. Zaffar Abbas
Joint Secretary (Transmission),
Room No. 235 Ministry of Water & Power,
Islamabad.
9. Muhammad Anwer Sheikh,
Joint Secretary (CF-II), Govt of Pakistan
Finance Division Islamabad.

Sub:- **MINUTES OF 143RD BOD MEETING.**

Enclosed please find herewith Minutes of 143rd BOD Meeting held on 14-01-2019 (Monday) at 10:00 am in MEPCO Conference Room Khanewal Road Multan for information and necessary action please.

DA/as above


COMPANY SECRETARY MEPCO

Copy to:-

1. Finance Director, MEPCO Ltd Multan.
2. HR/Admn: Director MEPCO Ltd Multan.

} For information and necessary action please.

MULTAN ELECTRIC POWER COMPANY

**MINUTES OF 143RD MEPCO BOD MEETING, HELD ON 14.01.2019 (MONDAY)
AT 10:00 AM IN MEPCO CONFERENCE ROOM, KHANEWAL ROAD MULTAN.**

1. Mr. Akhlaq Ahmad Syed	Chairman
2. Muhammad Akram Ch.	Director/CEO
3. Muhammad Anwar Sheikh	Director (Through Video Link)
4. Mr. Zafar Abbas	Director (Through Video Link)
5. Mr. Saadullah Khan	Director (Through Video Link)
6. Mr. Shaheryar Chishty	Director (Through Video Link)
7. Muhammad Sarfaraz	Director
8. Mr. Sajid Yaqoob	Company Secretary

Following MEPCO officers attended the Meeting on call.

1. Mian Ansar Mahmood	Finance Director.
2. Muhammad Jhangir Bhutta	Manager (CP&C)
3. Mr. Muhammad Ali	HR & Admn Director

The Meeting started with recitation from the **Holy Quran** by Mr. Akhlaq Ahmad Syed. The Board was intimated about the "Leave of Absence" request received from Mr. Khalid Masood Khan & Mr. Imran Sikandar Baloch Honorable Members of MEPCO Board. The Board, after due consideration, granted the leave of absence to the Honorable Member. The Chairman Board noted the quorum of the meeting and declared the meeting to be in order. The Board Members and key management personnel declared that they do not have any conflict of interest in respect of any Agenda Item being discussed in this meeting. Following agenda items were presented to the Board. The resultant discussions, approvals and directions of the Board are narrated as under:-

AGENDA ITEM NO.1

To consider the Proposal for first issuance of Sukuk of up to Rs. 200 billion for Power Holding Private Limited (PHPL) to clear the circular debt of Power Sector.

The agenda was presented by Finance Director & D.G. (HR & Admin). The Board was apprised that Nine number MEPCO properties have been identified and selected by the Ministry of Energy (Power Division) GoP Islamabad having a book value of Rs.257Million (estimated value at DC Rate 2014 Rs.9,360 Million) (cost of land only) as GoP intends to issue secured, privately placed sukuk through PHPL in order to raise funds to fulfill its financing requirements including but not limited to settlement of part of prevailing circular debt related to Power Sector. MEPCO assets appearing in the books at book value of Rs.257Million (estimated value at DC Rate-2014 Rs.9,360 Million) which will be evaluated by the Valuer. The identified assets will be sold and leased back to / from PHPL for a period of ten years. Accordingly the share of MEPCO in Finance Facility will be determined and required security interest / charge over the assets will be created with SECP.

Based on the Term Sheet between GoP and Mandated Lead Arrangers, (MLA's), the investors would be secured through:

- Rental Payment and any other amount due, from the Ministry of Finance, GoP. The Drawdown may be made against a Letter of Comfort from Ministry of finance ("MOF") confirming issuance of GoP guarantee within a period of thirty (30) days from the date of Drawdown. The text of guarantee and LoC to be acceptable to the MLAs and Investor's Legal Counsel.
- Creation of security interest/charge over the Underlying transaction Assets in favour of the Investors, to the satisfaction of the Investors; and

The PHPL is the issuer and Meezan Bank will be investment agent, a tri-partite Escrow arrangement between the issuer, the investment agent and Central Power Purchasing Agency (CPPA), under which an ESCROW account will be opened and maintained with investment agent. Under this arrangement the CPPA will issue irrevocable and unconditional standing instructions to all its banks to initiate transfer of

daily collection in all CPPA accounts maintained with them to the ESCROW account. The standing instructions will be duly acknowledged and accepted by the CPPA's Banks. Such transfer will initiate 30 days before each profit / rental payment date and will continue till the accumulation of funds in Escrow Account equal to the upcoming profit / rental payment. Legal opinion of M/S Rajwana & Rajwana Advocates, however at that time the transaction's modalities were not much clear which have now become more transparent defining the clear benefits and responsibilities after issuance of Ministry of Energy (Power Division). After discussion in BoD meeting held on 04-01-2019 as well as meeting held on 05-01-2019 under the Chairmanship of MD PEPCO which was attended by F.Ds. / C.F.Os of six DISCOs including MEPCO, CFO PHPL, Additional DG Licensing NEPRA and Banker Representatives/Facility Arrangers (FAs), the issues regarding subject matter were referred to the Ministry vide letter dated 10-01-2019 . Brief contents are narrated hereunder:-


- The documents received from Ministry / PHPL do not depict the modality and structural flow of proposed transaction.
- As confirmed by the FAs that transaction shall not involve the transfer of the title of identified assets, it is imperative that role, responsibilities, risks and liabilities of MEPCO regarding periodical rental payments and bullet payment at maturity needs to be clearly defined.
- Statutory approval of Regulator (NEPRA) for initiating the transaction as well as clarity that it shall have no adverse impact on the Distribution Margin of the company is required.
- The properties involved in the subject financing facility shall be restricted to land only to avoid huge implication of depreciation, tax and related transaction costs.
- Necessary NOCs from stake holders including Privatization Commission, ADB (through EAD) and WAPDA are also essential.
- Exemption from FBR may be arranged on various aspects of proposed transaction involving tax implications.
- Draft of all agreements to be executed is required to be presented to BoD while seeking its NOC / Resolution.
- The benefits that will accrue to MEPCO in consideration of the proposed transaction may be specified.
- Exemption from FBR may be arranged on various aspects of proposed transaction involving tax implications.
- Draft of all agreements to be executed is required to be presented to BoD while seeking its NOC / Resolution.
- The benefits that will accrue to MEPCO in consideration of the proposed transaction may be specified.

In response, Ministry of Energy clarified the issues / queries vide letter dated 11-01-2019.

1. Structural Flow Of Pakistan Energy Sukuk

- Identification & Valuation Of Assets
- Issuance of Board resolution, NOC & in house legal opinion.
- Execution of Legal Documentation
 - a) Sukuk Subscription and Investment Agency Agreement
 - b) Authorization Agreement
 - c) Master Facility Agreement
 - d) Asset Purchase Agreement
 - e) Ijarah Agreement
 - f) Trust Deed
 - g) Substitution of Assets
 - h) Purchase Undertaking

2. Roles and Responsibilities, Risks, and Financial Liabilities of the Companies:-

- i. Issue Board Resolution of the Companies as follow:-
 - a. Confirm that they hold the title of the identified assets.
 - b. Confirm that the title of the assets is clean and unencumbered. 

- c. Allow the issuer to sell the assets to the investor.
 - ii. Issue in-house Legal opinion to confirm that the title of the assets is clean and unencumbered.
 - iii. Sign the Authorization Agreement as mentioned in Legal Documentation Section (The Companies will also agree to act as "Title Agent" under this agreement to hold the legal title of the Assets.)
 - iv. Hold the assets on behalf of the investors till maturity of the Sukuk.
 - v. The Company will neither sell the assets nor create any further encumbrance on the assets till the maturity of Sukuk and ensure all conditions agreed in the Board resolution and NOC is followed.
 - vi. The company also get the security Interest of Sukuk holders registered / notified with SECP.
- There will be no financial liability on the companies with respect to the Sukuk. Legal title of the Assets will not be transferred to the investors and sale will not prevent the companies from carrying on their operation or performs satisfactorily any of its present obligations. For abundant clarity, the Sukuk will be raised by the issuers and the companies will have no obligations for rental payments or purchase price payment.

3. **Statutory Approval from NEPRA**

This is not actual sale of assets and is a mechanism through which Islamic financing is being arranged and the entire transaction is backed up by GOP guarantee and as such statutory approval of NEPRA is not required.

4. **Nature of Sukuk Assets**

This is to clarify that the Investors' first desire is for issuance of Sukuk on land only to keep the transaction simple, however, in case there is a shortfall in the valuation of land to meet the target Rs.200 billion, building and/or plant & machinery may also be included for a few assets OR additional assets may be included in the List of Assets.

5. **Necessary NOCs from Privatization Commission, ADB and WAPDA.**

Necessary NOCs if required from Privatization Commission, or ADB/EAD will be sorted at the level of Government of Pakistan and is not required for the Board of Directors' approval as this is under purview of the GoP. Further NOC from WAPDA has already been requested through Ministry of Water Recourses.

6. **Exemption from FBR for Tax Implications**

After the approval from Board of Directors the case will be forwarded to FBR for exemptions from required tax implications. Approval of the same is under purview of the GoP.

7. **Drafts of Agreements**

The drafts of the agreements in which the Companies will be signatory will be shared with the concerned Companies prior to the execution of the agreements. However as discussed above the Role and Responsibilities of Companies are being clarified in Point 1 & Point 2 above.

8. **Benefits Accrued to the Companies due to the Sukuk**

The companies are fully owned entities of Government of Pakistan and the purpose of this Sukuk issuance is to pay off Circular debt by using the Assets owned by Government of Pakistan through its wholly owned companies where Assets are being parked by the Government.

The Board after due consideration resolved/directed as follows:-


Resolution

143-BOD-R01 The Board appreciates the efforts of Government of Pakistan, through the Federal Ministry of Energy (Power Division), in arranging Islamic Finance Facility through Islamic Syndicate Facility or Issuance of Sukuk(s) on Diminishing Musharakah / Ijarah structure (sale and lease back) basis for 10 years tenor for resolution of Power Sector Circular Debt.

Based on the formal request of the Federal Ministry of Energy (Power Division) vide its letters No PF-05(06)/2012 dated December 10, 2018"Annexure-A" and Office Memorandum No. PF-05(06/12) dated January 11, 2019,"Annex-B"

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received in response to MEPCO' letter No: FDM/MCA/PHPL/SITFF/21385-87 dated 10.01.2019 seeking clarifications to the observations raised by the Board, Board resolved as following:

- 1) The Board authorizes Power Holding Private Limited (PHPL), a wholly owned subsidiary of Ministry of Energy (Power Division), Government of Pakistan, to use & sell the Transaction Assets as mentioned in Annexure-C and utilize the sale proceeds thereafter for the purpose of raising financing under Islamic Finance Facility (in one or multiple tranches) in a manner as PHPL deems fit for the purpose of settlement of power sector circular debt including that which relates to the Company.
- 2) The Board authorizes the Company to provide all required permissions/ No Objection Certificate (NoC)"Annexure-D" in favor of PHPL to enable PHPL to execute the above-mentioned Islamic Finance Facility transaction and to execute any transaction document required in this regard.
- 3) After the execution of sale transaction of Transaction Assets between PHPL and the Islamic Finance Facility Providers the Company will hold the Legal Title of these Assets in Trust as Trustee or / and as Title Agent on behalf of the Islamic Finance Facility Providers and will execute any required document in this regard.
- 4) The Board authorizes PHPL to create all required security interest/ lien/ mortgage / charge/ hypothecation on the Transaction Assets in favour of Islamic Finance Facility Providers and also authorizes the Company to execute all such transaction & security documents as required by PHPL and Islamic Finance Facility Providers. The Board further authorizes the Company to hand over the original / certified title documents related to Transaction Assets to PHPL for the subject transaction if required.
- 5) Until the maturity of the subject transaction, the Company cannot sell these Transaction Assets and nor it will create any sort of security interest/ lien/ hypothecation/ charge or mortgage of any nature whatsoever in favor of any third party over these Transaction Assets nor enter into any financing transaction using the Transaction Assets.
- 6) The Company will timely provide details of all major maintenance costs and other structural repair details along with evidences of Transaction Assets to PHPL and Islamic Finance Facility Providers as and when required.
- 7) The Company will disclose in its Annual Accounts/ Reports with an appropriate note/ disclosure that it is holding the title of the Transaction Assets in Trust as Trustee or/ and as Title Agent, as the case may be, on behalf of the Islamic Finance Facility Providers.
- 8) At the maturity of the subject transaction, PHPL will purchase the Transaction Assets from Islamic Finance Facility Providers and pass over the clean title of the Transaction Assets free from any encumbrance of any nature whatsoever back to the Company.
- 9) The Board also confirms that the Company / Water And Power Development Authority (WAPDA) is the legal owner and holds clean legal title of the Transaction Assets which are free from any encumbrance of any nature whatsoever.
- 10) Based on the Ministry of Energy (Power Division) Office Memorandum PF-05(06)/12 dated January 11, 2019 Paragraph "2 (b) Point No. 2: Roles and Responsibilities, Risks and Financial Liabilities of the Companies", the Board noted that the subject Transaction will create zero liability for MEPCO on account of (1) all taxes, levies, surcharges etc. of whatsoever nature; and (2) transaction costs and debt servicing related to Islamic Finance Facility of whatsoever nature.
- 11) The Board authorizes the CEO, MEPCO to sign on behalf of the Company all necessary documents related to the subject Transaction. 

The above Board resolution is based on the following Certification by the management that:

- The Company / Water And Power Development Authority (WAPDA) is the legal owner of the Transaction Assets and holds clean legal title of the Transaction Assets which are free from any encumbrance of any nature whatsoever;
- The transfer of the Transaction Assets will not have any effect on the efficient and reliable operations of the Company in any way whatsoever; and
- All required legal, codal and regulatory formalities, concurrence, approval will be secured / ensured in a timely manner.

Resolution

143-BOD-R02 Resolved that due to the unique and complex nature of the subject transaction and based on the legal requirement of Companies Act 2017, Board resolved that the approval of Company Shareholders is required. Therefore, Board accorded approval for issuance of Notice of Extra Ordinary General Meeting (EOGM) on MONDAY January 14, 2019 at 06:00 P.M. at MEPCO Headquarters Board's Committee Room Multan and authorized Company Secretary to seek Proxies from the Shareholders.

Direction

143-BOD-D01 DIRECTED the Management to present an update of the Company properties along with their title status and associated risks, if any, in the upcoming meeting of the Risk Management Committee of the Board.

The Meeting ended with thanks to and from the Chair.


(Engr. Sajid Yaqoob)
Company Secretary MEPCO

Most Immediate

No.PF-05(06)/2012
Government of Pakistan
Ministry of Energy
(Power Division)
Power Coordination, Policy and Finance Wing



Islamabad, December 10, 2018

- Chief Executive Officer
FLSCO, Faisalabad.
- Chief Executive Officer
GEPSCO, Gujranwala.
- Chief Executive Officer
IESCO, Islamabad.
- Chief Executive Officer
MEPCO, Multan.
- Chief Executive Officer
PESCO, Peshawar.

*D. M. Rizwan (Cons)
Pl. Study & discuss*

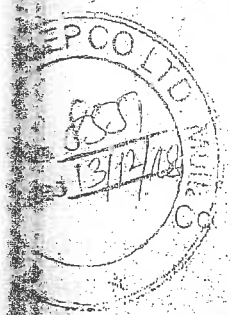
Subject: SYNDICATED ISLAMIC TERM FINANCE FACILITY OF UPTO RS.600 BILLION FOR POWER HOLDING (PRIVATE) LIMITED.

Kindly find enclose herewith PHPL's letter No.PHPL/MBL/18, dated December 07, 2018, alongwith its enclosures on the above noted subject, which are self-explanatory.

2. It is requested to furnish requisite approvals of the Board of Directors and certified true copy of the same alongwith NOC/consent/permission, legal opinion and clean title documents to this Division for onward submission to the syndicate, **on urgent basis**.

R. M. Rizwan

(Rao M. Rizwan) MEPCO
Section Officer (PF)
Tel: 9200215



- PSO to Secretary, Power Division, Islamabad.
- PS to Additional Secretary, Power Division, Islamabad.
- PS to Joint Secretary (PF), Power Division, Islamabad.

Admin
Assets
Audit Cell
Banking
Budget
Complation
Establishment
Pay Fixation

No. PF-05(06)12
 Government of Pakistan
 Ministry of Energy
 (Power Division)
 Power Coordination Policy & Finance Wing
 ** ** ** ** **

Annex - D

Lahore, the 11th January, 2019

OFFICE MEMORANDUM

Subject: **SYNDICATED ISLAMIC TERM FINANCE FACILITY OF UPTO RS. 600 BILLION FOR POWER HOLDING (PRIVATE) LIMITED TO SETTLE THE CIRCULAR DEBT**

The under signed is directed to refer PESCO's letter No. 3-5/FD/PESCO dated 10-01-2019, MEPCO's letter No. FDM/MCA/PHPL/SITFF/21385-87 dated 10-01-2019 and LESCO letter No. LESCO/CEO/1422-24 dated 10-01-2019 regarding captioned subject.

2. Based on the queries of the DISCOs following is clarified:

a) **Point No. 1: Structural Flow of Pakistan Energy Sukuk**

Structural flow of the Pakistan Energy Sukuk (the "Sukuk") will be as follows:

Step 1: Identification and Valuation of Assets

For the purpose of Sukuk issuance, unencumbered and clean assets of DISCOs/GENCOs (the "Companies") will be identified and revalued. For the purpose of revaluation, M/s Sipra and Company have been appointed.

Step 2: Issuance of Board Resolution, NOC and in-house Legal Opinion

The Companies, being title holders of the assets, will issue Board Resolution, NOC and in-house Legal Opinion in favour of PHPL (the "Issuer") to sell their assets to the Sukuk holders (the "Investors"). The legal title of the assets will not be transferred to the Investors, and the sale will not prevent the Companies from carrying on its operations or perform satisfactorily any of its present obligations. For abundant clarity, the Sukuk will be raised by the Issuer, and the Companies will have no obligation for rental payments or purchase price payment.

Step 3: Execution of Legal Documentation

The list of legal documentation and their purpose is as follows:

- a) **Sukuk Subscription and Investment Agency Agreement**
 The Investors will appoint one of the participating banks (namely Meezan Bank Limited) as their Investment Agent by executing Sukuk Subscription and Investment Agency Agreement for the purpose of participating in Sukuk.
- b) **Authorization Agreement**
 Authorization Agreement will be entered into, between the Investment Agent, Companies and Issuer, pursuant to which, the Companies will record the permission to sell the assets to the Investors for the purposes of the Sukuk Issue, contain certain negative and positive covenants. The Companies will also agree to act as "Title Agent" under this agreement to hold the legal title of the Assets.
- c) **Master Facility Agreement**
 Master Facility Agreement will be executed between Issuer and Investment Agent to agree on the terms and conditions of the joint co-ownership over the assets.
- d) **Asset Purchase Agreement**
 At the time of disbursement, an Asset Purchase Agreement will be signed between the Investment Agent (acting on behalf of Investors) and Issuer. The Asset Purchase Agreement will also be acknowledged by authorized representatives of Companies (GENCOs/DISCOs).

CEO	
GM (Tech.)	
GM (OP)	
Dir. HR&A	
CE/CSD	
CE (P&E)	
CE (Dev) P/NU	
CE (T&G)	
CE (O&M) Distb	✓
Dir. Finance	
Manager (IA)	
SO	✓
APS	
Date	11/1/19

c) **Ijarah Agreement**

After execution of Asset Purchase Agreement, Issuer and Investment Agent will execute a Ijarah (rental) Agreement, under which Investment Agent will lease the undivided share of Investors in the assets to the Issuer.

f) **Trust Deed**

A Trust Deed will be executed by the Issuer and the Trustee, pursuant to which the Sukuk will be governed and the security interest and the rights and benefits of the Investors will be vested in the Trustee.

g) **Substitution of Assets**

Upon request of the Issuer and on the sole discretion of the Investors at that time, specific part of the assets can be substituted with other Assets of the same value by executing the agreements/documents advised by the legal counsel and Shariah Advisor at that time.

h) **Purchase Undertaking**

After execution of Payment Agreement, the Issuer will give a unilateral undertaking to purchase all the outstanding ownership of the Investors at a Buyout price upon maturity and at any Event of Default and Termination under the Sukuk Agreements by executing Sale and Purchase Agreement with the Investment Agent.

b) **Point No. 2: Roles and Responsibilities, Risks, and Financial Liabilities of the Companies**

The roles and responsibilities of the Companies are as follows:

- i. Issue Board Resolution and NOC to:
 - a. Confirm that they hold the title of the identified assets.
 - b. Confirm that the title of the assets is clean and unencumbered.
 - c. Allow the Issuer to sell the assets to the Investors.
- ii. Issue in-house Legal Opinion to confirm that the title of the assets is clean and unencumbered.
- iii. Sign the Authorization Agreement as mentioned in Legal Documentation section above (under this agreement the Companies will also agree to act as "Title Agent" under this agreement to hold the legal title of the Assets.)
- iv. Hold the assets on behalf of the Investors till maturity of the Sukuk.
- v. The Company will neither sell the assets nor create any further encumbrance on the assets till maturity of the Sukuk and ensure all the conditions agreed in the Board Resolution and NOC is followed.
- vi. The Companies will also get the Security Interest of the Sukuk Holders registered/notified with SECP.

Risks and Financial Liabilities of the Companies

There will be no financial liability on the Companies with respect to the Sukuk. Legal title of the assets will not be transferred to the Investors, and the sale will not prevent the Companies from carrying on its operations or perform satisfactorily any of its present obligations. For abundant clarity, the Sukuk will be raised by the Issuer, and the Companies will have no obligation for rental payments or purchase price payment.

c) **Point No. 3: Statutory Approval from NEPRA**

This is not actual sale of assets and is a mechanism through which Islamic financing is being arranged and the entire transaction is backed up by GOP guarantee and as such statutory approval of NEPRA is not required.

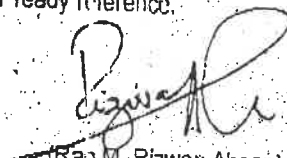
d) **Point No. 4: Nature of Sukuk Assets**

This is to clarify that the Investors' first desire is for issuance of Sukuk on land only to keep the transaction simple, however, in case there is a shortfall in the valuation of land to meet the target Rs. 200

may be included in the List of Assets.

- e) **Point No. 5: Necessary NOCs from Privatization Commission, ADB and WAPDA**
Necessary NOCs if required from Privatization Commission, or ADB/AD will be sorted at the level of Government of Pakistan and is not required for the Board of Directors' approval as this is under purview of the GoP. Further NOC from WAPDA has already been requested through Ministry of Water Recourses.
- f) **Point No. 6: Exemption from FBR for Tax Implications**
After the approval from Board of Directors the case will be forwarded to FBR for exemptions from required tax implications. Approval of the same is under purview of the GoP.
- g) **Point No. 7: Drafts of Agreements**
The drafts of the agreements in which the Companies will be signatory will be shared with the concerned Companies prior to the execution of the agreements. However as discussed above the Role and Responsibilities of Companies are being clarified in Point 1 & Point 2 above.
- h) **Point No. 8: Benefits Accrued to the Companies due to the Sukuk**
The companies are fully owned entities of Government of Pakistan and the purpose of this Sukuk issuance is to pay off Circular debt by using the Assets owned by Government of Pakistan through its wholly owned companies where Assets are being parked by the Government.

3. In view of the above, it is requested that the management may place the case for BOD approval so that the transaction can be executed. The term sheet on the subject issue is enclosed for ready reference.


(Rao M. Rizwan Ahsan)
Section Officer (PF)
Tele: 9209213

Distribution:

- ✓ 1. The Chief Executive Officer, PESCO
- ✓ 2. The Chief Executive Officer, IESCO
- ✓ 3. The Chief Executive Officer, GESCO
- ✓ 4. The Chief Executive Officer, LESCO
- ✓ 5. The Chief Executive Officer, FESCO
- ✓ 6. The Chief Executive Officer, MEPCO
- ✓ 7. The Chief Executive Officer, GHCL

Copy to:-

- i. PSO to Secretary, Power Division, Islamabad.
- ii. SPS to Special Secretary, Power Division, Islamabad.
- iii. SPS to Additional Secretary (II), Power Division, Islamabad.
- iv. PS to Joint Secretary (PF), Power division, Islamabad.

87/15

LIST OF PROPERTIES

Sr. No.	Site	Complete Address	Tehsil & District	Total Area		Title of Area				Constructed area	Estimated Valuation	Book Value	DISCO	Title of Property	Remarks
				K	M	MEPCO	WAPDA	M	M						
1/24	132 KV Grid Station Bahawal Pur	Saeedabad Colony, Bahawalpur	City B Pur / Bahawalpur	174	12	174	12	0	0	174-K-12-M	1396800000	4495330	MEPCO	MEPCO	By virtue of Clause 2.12 of Project Agreement signed between MEPCO & ADB, MEPCO cannot sell, lease or dispose off any of its assets which are required for operational efficiency/efficient carrying on of its operations without specific approval/consent of ADB.
2/23	132 KV Grid Station Khan Pur	Rahim Yar Khan Road Khanpur	Khan Pur / R. Y Khan	82	8	82	8	0	0	82-K-08-M	6592000000	8016772	MEPCO	MEPCO	
3/26	132 KV Grid Station D G Khan	Jampur Road Dera Ghazi Khan	D.G Khan / D.G Khan	73	16	73	16	0	0	73-K-16-M	1432745820	16144188	MEPCO	MEPCO	
4/27	66 KV Grid Station Jam Pur	Dajal-Jampur Road Jampur	Jam Pur / Rajapur	62	19	62	19	0	0	69-K-19-M	1762600000	10366823	MEPCO	MEPCO	Clean title in favour of MEPCO.
5/28	Old Power House, Minchinabad Road Bahawalnagar	Minchinabad Road Bahawalnagar	B-Nagar / B-Nagar	69	0	69	0	0	0	69-K-00-M	82800000	36380677	MEPCO	MEPCO	
6/29	WAPDA Offices & Colonies K.W.L. Road Multan	Opp: Multan Trade Centre Khaneval Road Multan	Multan City / Multan	182	7	168	10	13	17	182-K-07-M	2935944000	112715341	MEPCO	MEPCO & WAPDA	The asset is jointly owned by MEPCO and WAPDA without any demarcation. Consent/ approval of WAPDA is also required.
7/30	132 KV Grid Station Tounsa	Vehova Road near Tehsil Headquarter Hospital Tounsa	Tounsa / D.G Khan	78	13	0	0	78	13	78-K-13-M	471900000	1624519	MEPCO	WAPDA	
8/31	132 KV Grid Station Arif wala	Faisal Town, Pak Pattan-Arifwala Road Arifwala	Arifwala / Pak Pattan	38	1	0	0	38	1	38-K-01-M	597385000	6332006	MEPCO	WAPDA	Title of property in the name of WAPDA, therefore NOCA/authorization from WAPDA is required.
9/32	WAPDA Multan Gas Power Station		Multan City / Multan										MEPCO	WAPDA	
10/33	Old Power House building, WAPDA Offices, Res. Colony, Regional Store & Main Multan Road 132 KV Grid Station, Multan Road Sahawal (Sahwal Old)		Sahwal / Sahwal	419	18	410	13	9	5	119-K-18-M	293500000	60574821	MEPCO	MEPCO & WAPDA	1. By virtue of Clause 2.12 of Project Agreement signed between MEPCO & ADB, MEPCO cannot sell, lease or dispose off any of its assets which are required for operational efficiency/efficient carrying on of its operations without specific approval/consent of ADB. 2. The asset is jointly owned by MEPCO and WAPDA without any demarcation. Consent/ approval of WAPDA is also required.



MULTAN ELECTRIC POWER COMPANY LIMITED

Ph. No. 9220222
Fax No. 9220204

Office of
The Chief Executive MEPCO
Khanewal Road Multan.

No. _____/CS/BOD

DATED: _____

To
Power Holding Private Limited (PHPL)
Ministry of Energy
Islamabad

Subject: PERMISSION / NOC & REPRESENTATION IN FAVOR PHPL FOR FIRST ISSUANCE OF SUKUK OF UP TO RS.200 BILLION FOR POWER HOLDING PRIVATE LIMITED (PHPL) TO CLEAR THE CIRCULAR DEBT OF POWER SECTOR.

Dear Sir,

With reference Federal Ministry of Energy Power Division Letter No. PF-05(06)/2012 dated December 10, 2018 and Office Memorandum No. PF-05(06)/12 dated January 11, 2019 for Islamic Finance Facility to be raised by through Islamic Syndicate Facility or Issuance of Sukuk(s) on Diminishing Musharakah / Ijarah structure (sale and lease back) basis for 10 years tenor for resolution of Power Sector Circular Debt, Multan Electric Power Company (MEPCO) is pleased to confirm the following:-

1. Based on the authority delegated by Board of Directors of MEPCO via its resolution dated January 14, 2019, we hereby give the absolute permission to Power Holding Private Limited (PHPL), a wholly owned subsidiary of Ministry of Energy (Power Division), Government of Pakistan, to use & sell the Transaction Assets as mentioned in **Annexure A** and utilize the sale proceeds thereafter for the purpose of raising financing under Islamic Finance Facility (in one or multiple tranches) in a manner as PHPL deems fit for the purpose of settlement of power sector circular debt including that which relates to the Company.
2. The Board also confirms that the Company / Water And Power Development Authority (WAPDA) is the legal owner and holds clean legal title of the Transaction Assets which are free from any encumbrance of any nature whatsoever.
3. After the execution of sale transaction of Transaction Assets between PHPL and the Islamic Finance Facility Providers the Company will hold the Legal Title of these assets in Trust as Trustee or / and as Title Agent on behalf of the Islamic Finance Facility Providers and will execute any required document in this regard.
4. PHPL is also authorized to create all required security interest/lien/ mortgage / charge/ hypothecation on the Transaction Assets in favor of Islamic Finance Facility Providers and also authorizes the Company to execute all such transaction & security documents as required by PHPL and Islamic Finance Facility Providers. The Board further

authorizes the Company to hand over the original / certified title documents related to Transaction Assets to PHPL for the subject transaction if required.

5. We confirm and undertake that Until the maturity of the subject transaction, the Company cannot sell these Transaction Assets and nor it will create any sort of security interest/ lien/ hypothecation/ charge or mortgage of any nature whatsoever in favor of any third party over these Transaction Assets nor enter into any financing transaction using the Transaction Assets.
6. We undertake that the Company will timely provide details of all major maintenance costs and other structural repair details along with evidences of Transaction Assets to PHPL and Islamic Finance Facility Providers as and when required.
7. We will disclose in its Annual Accounts/ Reports with an appropriate note/ disclosure that it is holding the title of the Transaction Assets in Trust as Trustee or/ and as Title Agent, as the case may be, on behalf of the Islamic Finance Facility Providers.

(Engr. Muhammad Akram Ch)
Chief Executive Officer
MERCO H/Q Multan

Acknowledged by:

Authorized Representative (PHPL)