

MULTAN ELECTRIC POWER COMPANY

No. 103-121 /Company Secy:

Dated 10-01-2023

1. Sardar Muhammad Jamal Khan Leghari,
Ex President House Choti Zerim,
District D.G Khan.
2. Mr. Allahyar Khan,
Chief Executive Officer,
MEPCO Multan.
3. Mr. Zafar Abbas,
Additional Secretary-II,
Ministry of Energy (Power Division),
Block-A, Pak Secretariat, Islamabad.
4. Mr. Javed Iqbal Khan,
Joint Secretary (Budget), Govt of Pakistan
Finance Division Islamabad.
5. Muhammad Ajmal Bhatti,
Secretary, Energy Department,
8th Floor, EFU House,
Jail Road, Lahore.
6. Mr. Fazalullah Durrani,
House No. 16, Faisal Bagh,
Stadium Road, Bahawalpur.
7. Muhammad Nawazish Ali Pirzada,
Pirzada House, Airport Road,
Bahawalpur.
8. Mr. Khurram Mushtaq,
House No. 373, overseas B extension,
Bahria Town, Lahore.
9. Mr. Asghar Leghari
12-B-2, Off Zafar Ali Road, Gulberg V,
Lahore.
10. Mian Shahid Iqbal,
Rehman Villas, Bohar Gate Model Town B,
Multan Road, Camp Office, Governor
House, Bahawalpur.
11. Mr. Amad ud Din,
129 Model Town A, Khanpur, District
Rahimyar Khan.
12. Muhammad Jabir,
House No. 2, Street No. 2, Eden Palace
Villas, Raiwand Road, Opposite Etehad
Town, Lahore.
13. Rana Yasir Rauf,
House No. 315, F1 Block, Johar Town,
Lahore.

Sub:- **MINUTES OF 194TH BOARD MEETING HELD ON 31-12-2022.**

Enclosed please find herewith Minutes of 194th BOD Meeting held on 31-12-2022 (Saturday) at 01:00 PM in Board's Meeting Room MEPCO H/Qs Khanewal Road Multan, for kind information and necessary action please.

DA/as above

CC:-

1. Finance Director, MEPCO Ltd Multan.
2. All D.Gs under MEPCO Ltd Multan.
3. All G.Ms under MEPCO Ltd Multan.
4. All Chief Engineers under MEPCO Ltd Multan.
5. All Managers / Directors MEPCO HQs Multan.
6. The Staff Officer to CEO MEPCO H/Q Multan.


COMPANY SECRETARY MEPCO

For kind information and further necessary action please.

Meeting Date: 31-12-2022 (Saturday)

Meeting Time: 01:00 PM

Location: Board's Room MEPCO H/Q Khanewal Road Multan

In attendance:

- | | | |
|-----|------------------------------------|-------------------------------|
| 1. | Sardar Muhammad Jamal Khan Leghari | Chairman (Through Video Link) |
| 2. | Mr. Allahyar Khan | CEO/Director |
| 3. | Mr. Zafar Abbas | Director (Through Video Link) |
| 4. | Mr. Javed Iqbal Khan | Director (Through Video Link) |
| 5. | Mr. Fazalullah Durrani | Director |
| 6. | Mr. Khurram Mushtaq | Director (Through Video Link) |
| 7. | Muhammad Nawazish Ali Pirzada | Director (Through Video Link) |
| 8. | Mian Shahid Iqbal | Director |
| 9. | Mr. Asghar Leghari | Director (Through Video Link) |
| 10. | Mr. Amad ud Din | Director (Through Video Link) |
| 11. | Rana Yasir Rauf | Director (Through Video Link) |
| 12. | Muhammad Jabir | Director |
| 13. | Mr. Sajid Yaqoob | Company Secretary |

Following MEPCO officers attended the Meeting on call.

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|----|------------------------------|------------------------|
| 1. | Mian Ansar Mahmood | Finance Director |
| 2. | Engr. Zafar Iqbal Gill | General Manager (Tech) |
| 3. | Engr. Jam Gul Muhammad Zahid | General Manager (CS) |
| 4. | Engr. Noor-ul-Hassan | Chief Engineer (P&E) |
| 5. | Mr. Liaqat Ali Memon | D.G (HR & Admin) |


Meeting started under the Chairmanship of Sardar Muhammad Jamal Khan Leghari. The Chair noted the quorum to be in order. Proceedings commenced with recitation of Verses from the **Holy Quran** by Mr. Sajid Yaqoob. The Members and key management personnel declared that they are not directly or indirectly, concerned / interested in any contract or arrangement being considered in this Board meeting.

At the very outset of the discussion, the Chair informed regarding sudden demise of his uncle this morning. He intimated that he is leaving Islamabad to attend the funeral at D.G Khan. All members offered their condolences and prayed for the departed soul. The Chair thanked all members for their consolation. One of the members proposed to discuss the crucial Agendas only as the Chair has to travel in grief to attend the funeral. All other members seconded his proposal.

On the request of CEO, following agenda items were presented to the Board; the resultant discussions and decisions of the BOD are narrated below. However, the rest of the agenda items were deferred to the next meeting:-

Agenda item-1 Leave of absence of Honorable Members.

The Company Secretary informed the Board that Muhammad Ajmal Bhatti Director had expressed his inability to attend the Board meeting.

After due consideration, it was resolved that leave of absence from 194th meeting of Board of Directors be and is hereby granted to Muhammad Ajmal Bhatti who had requested for the same. 

Agenda item-2

To consider and confirm the minutes of the 193rd BOD Meeting held on 25-11-2022.

Company Secretary apprised that the minutes of 193rd BOD meeting held on 25-11-2022 duly endorsed by Chairman BOD were circulated among all Board Members. The Chairman BOD invited the attention of all Members for offering any reservation(s)/comment(s) regarding the approval of the minutes.

Since, there were no comments received from any of the directors, the proceedings were confirmed as correctly recorded and the following resolution was passed unanimously.

Resolution

194-BOD-R1 There being no objection from the house, **RESOVLED that** the minutes of 193rd BOD meeting held on 25-11-2022 be and is hereby confirmed as true record of the proceedings of the meeting.

Agenda item-3

To consider and confirm Circular Resolution No. 11/2022 dated 26-12-2022 regarding placement of funds in banks.

Proceedings:

With permission of the Chair, Company Secretary apprised the members that the matter regarding placement of funds in banks was recommended by 4th Audit & Finance Committee meeting held on 26.12.2022 for Board's approval. The same was circulated amongst the Members through Circular Resolution No. 11/2022 dated 26.10.2022 for consideration on urgent basis. After considering the matter, the Board passed the below detailed Circular Resolution.

RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval for placement of funds in banks as proposed below by the management is hereby accorded.

Name of Bank	Rating	03 Months Profit Rate	Placement 03 Months (Rs.)	01 Year Profit Rate	Placement 01 Year (Rs.)	Total (Rs.)	Share
M/S HBL	AAA	16.00%	4.500	17.00%	10.500	15.00	53.57%
M/S BOP	AA+	16.25%	-	16.60%	-	-	0%
M/S AlFalah	AA+	-	-	16.85%	3.000	3.00	10.72%
M/S AlHabib	AAA	16.10%	10.000	-	-	10.00	35.71%
M/S NBP	AAA	15.90%	-	-	-	-	0%
Total			14.500		13.500	28.000	100%

The members were requested to consider the matter and resolve accordingly.

After due consideration, the Board unanimously resolved as follows.

Resolution

194-BOD-R2 **RESOLVED that** the Circular Resolution No. 11/2022 be and is hereby confirmed

Agenda item-6**Matters relating to Policy, Strategy, Market Reforms & Risk Management Committee.****a****Approval of consent for energy procurement from 10.275MW Safe Solar Power Plant Chak-139-140M Dharanwala District Bahawalnagar and signing of soft loan agreement with the Power Producer for Construction of 11KV interconnection line.****Proceedings:**

With permission of the Chair, agenda was presented by D.G MIRAD. He informed the Board that matter regarding consent for energy procurement from 10.275MW Safe Solar Power Plant Chak-139-140M Dharanwala District Bahawalnagar and signing of soft/interest free loan agreement with the power producer for construction of 11KV interconnection line was presented in 3rd Policy, Strategy, Market Reforms & Risk Management Committee meeting wherein, the Committee has recommended the case to Board for approval of the same subject to determination of new tariff from NEPRA.

One of the members commented that the tariff against the subjected project was previously determined by NEPRA but the same got expired due to delay in execution on the part of MEPCO. So, the tariff will be re-determined by NEPRA depending upon market conditions because different power producers have already filed petition to NEPRA for tariff determination afresh. He was of the view that conditional approval of power purchase may create problem while determination of tariff from NEPRA. He proposed that an unconditional approval be allowed to avoid future complications in the matter. All other members agreed with the remarks that the management shall follow the policy in vogue and complete all legal and codal formalities in the subject matter.


During the course of discussion, the Chairman Policy, Strategy, Market Reforms & Risk Management Committee informed the members regarding directions issued by Committee that CEO shall inquire the matter regarding unnecessary delay in whole process of subjected case and will take necessary disciplinary action against delinquents for their lethargic attitude.

Responding to the queries of different members, D.G (MIRAD) informed that the power purchase agreement involving 11KV projects are taken up by respective DISCO, whereas; 132KV projects are signed by CPPA-G as per policy in vogue and MEPCO is bound to carry on back to back agreement signed by CPPA-G with the subsequent consent to purchase energy. A soft loan agreement with power producer will be signed by MEPCO and the interconnection study has been approved by technical team.

After due deliberation, the Board unanimously resolved and directed as follows.

Resolution

194-BOD-R3 RESOLVED that considering the request of DG MIRAD and recommendations of Policy, Strategy, Market Reforms & Risk Management Committee, approval of the following is hereby accorded as per recommendation from Ministry of Energy (Power Division) through letter dated 04.04.2019 after completing all legal & codal formalities:-

- i. To give consent of Power Acquisition of 10.275MWp from M/s Safe Solar Power (Pvt) Ltd (SSPPL) and to authorize DG MIRAD to sign Power Acquisition Request (PAR) to be submitted in NEPRA. 

- ii. To authorize Chief Executive Officer MEPCO to sign back-to-back agreement with CPPA-G.
- iii. To authorize Chief Executive Officer MEPCO for signing of soft / interest free loan agreement with the Power Producer for construction of 1.5KM 11KV double circuit line to be used for evacuation of Power from the Safe Solar Power (Pvt) Ltd (SSPPL).

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

Direction

194-BOD-D1 DIRECTED to inquire the matter regarding unnecessary delay in processing the case of Power Acquisition of 10.275MWp from M/s Safe Solar Power (Pvt) Ltd (SSPPL) and hold the delinquents accountable for their lethargic attitude.

(Responsibility: D.G (MIRAD) | Timeline: Next meeting)

Agenda item-8 Matters relating to HR & Nomination Committee.

a Approval for recruitment of Junior Engineers / SDO's in MEPCO.

Proceedings:

With permission of the Chair, agenda was presented by D.G (HR & Admin). He apprised that the matter regarding recruitment of Junior Engineers / SDO's was presented in 4th HR & Nomination Committee meeting wherein, the Committee has recommended the case to Board for approval. He further updated that the process of verification of record / particulars of candidates by NADRA has been completed.

At the outset of discussion, D.G (HR & Admin) informed the Board that a Special Committee on sacked employees at National Assembly level has been constituted under the convener ship of Mr. Qadir Khan Mandokhail, MNA. Its meeting was held on 21-12-2022. The Director (Legislative Drafting / Secretary Committee) of Special Committee of National Assembly on affected employees vide letter dated 25.12.2022 has recommended to CEO MEPCO not to make any fresh appointments till the final decision and implementations of the directions of this Committee.

The Chair invited the members to provide their valuable input for the matter. One of the members was of the view that such recommendations are neither binding nor implementable. Another member highlighted the legal aspect of the issue. He was of the view that primary role and scope of committees of the Parliament, as provided in the relevant rules, is to, inter alia, provide recommendations to the Parliament within the scope of their TORs and not issue binding directions. He stressed that the mandate of the said committee evidently appears to be no different. He also

stressed that any recommendations that purportedly bind the BOD will amount to undermine the autonomy of an independent BOD of a public sector company as it restricts the powers of independent directors to objectively decide matters in the interest of such public sector organization. Even otherwise, the mandate of the special conjure of NA appears to be limited to sacked employees only and MEPCO has no such employee as defined in Sacked Employees (Reinstatement) Act 2010. However, the affected employees are from BPS-1 to 16 only.

During the course of discussion, one of the members expressed that considerable time and resources have been spent for completion of this hiring process. Now, all formalities have been completed. MEPCO is facing acute shortage of SDOs which is affecting the recovery, losses and other key financial performance parameters of the Company and any further delay will result in financial cost to the Company.

After due deliberation and discussion, all members were of considered opinion that keeping in view the legal context of the recommendations of the Special Committee, it is evident that these recommendations are neither binding nor implementable. The recruitment of Junior Engineer is under direct quota for BPS-17, whereas; the issue of sacked/affected employees relates to the employees from BPS-1 to 16 and this recruitment will not infringe anyone's right. MEPCO is facing severe shortage of SDOs and cessation of the recruitment process at its final stage will cost a huge financial loss to the Company. Hence, considering the best interest of Company, all members unanimously resolved to proceed for hiring of Junior Engineers after completing all legal & codal formalities.

After due deliberation, the Board unanimously resolved as follows.

Resolution

194-BOD-R4 **RESOLVED** that considering the request of DG (HR & Admin) and recommendations of HR & Nomination Committee, approval of the followings is hereby accorded:-

1. For issuance of offer of appointment with pay equivalent to BPS-17 as per advertisement as well as Employment Policy-2021.
2. For conduction of 15 days orientation training and 15 days on job training (OJT) to the newly inducted Jr. Engineers / SDOs at RTC Multan with the instruction to carry out evaluation process after training.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

Agenda item-7 Matters relating to Procurement & Disposal Committee


- i Approval for procurement of 132KV towers type ZM-I along with nuts bolts and all allied accessories against MEPCO Tender No. 05/2022 (NCB) opened on 18.08.2022 under MEPCO own resources / deposit works (bid validity up to 15.01.2023).**

Proceedings:

With permission of the Chair, agenda was presented by Chief Engineer (Dev) PMU. He informed the Board that matter regarding procurement of 132KV towers type ZM-I along with nuts bolts and all allied accessories against MEPCO Tender No. 05/2022 (NCB) under MEPCO own resources / deposit works was presented in 4th Procurement & Disposal Committee meeting wherein, the Committee has recommended the case to Board for approval.

Upon query of one member, Chief Engineer (Dev) PMU apprised that matter was previously presented in 193rd meeting of BoD wherein it was directed to approach FESCO and HESCO to clarify that whether M/s Associated Technologies (Pvt) Ltd Lahore is black listed or involved in litigation with these DISCOs. On the directions of Board, letters were written to FESCO, HESCO and lowest bidder i.e. M/s Associated Technologies Lahore to enquire about pending litigations / blacklisting status, he informed. In response, Director (Procurement) FESCO has intimated that M/s Associated Technologies Lahore is neither blacklisted in FESCO nor involved in litigation in any court of law except an appeal before PPRA authority against decision of Grievance Redressal Committee (GRC) FESCO, being commercially non-responsive in a tender for the procurement of 132KV D/C Type Tower ZM-30. Similarly, Chief Engineer (Dev) HESCO has intimated that M/s Associated Technologies Lahore lodged a suit against HESCO in Civil Court Lahore for extension of time. The suit was dismissed. The firm again lodged application for restoration of their suit but the same was also disposed off. The firm lodged another suit in court of Senior Civil Judge Lahore, which is under process. Further, the case for blacklisting / debarment of M/s ATL Lahore is under consideration of Legal & Nomination Committee of HESCO Board of Directors.

Continuing, Chief Engineer (Dev) PMU apprised the members that Procurement and Disposal Committee has recommended the case keeping in view following factors:-

1. Firstly, if the lowest bidder M/s Associated Technologies (Pvt) Ltd Lahore is awarded the tender, MEPCO will be able to save approximately Rs. 36 million as difference between quoted rate difference of 1st lowest bidder and 2nd bidder is Rs. 36 M.
2. Secondly, according to Clause 6 (Section II- Bidding Data & Appendices) of the MEPCO bidding documents, the purchaser may disqualify the bidder in the event that the total amount of pending or threatened litigation, arbitration or other claims represents twenty five percent (25%) of bidder's net worth. It was revealed by the management that net worth of M/s Associated Technologies Lahore according to their bid is Rs. 5,256,359,671 during 2021, whereas; the amount involved in litigation against HESCO is Rs. 7.7 Million, which is less than 25% of their net worth. It was therefore decided that the amount under litigation is negligible and has no impact on current tender in case if contract is awarded to M/s Associated Technologies Lahore.
3. Thirdly, the certificate provided by M/s Associated Technologies (Pvt) Ltd Lahore specify the word 'N/A' (Not Applicable) instead of 'Nil' which relieves the bidder from the allegation of 'concealment of facts. 

Upon query of one of members, CE (Development) produced the Clause 6 (Section II- Bidding Data & Appendices) of the bidding documents which stated that “bidders are requested to submit details of all litigation, arbitration and other claims whether pending, threatened or resolved in the last five years. The Purchaser may disqualify the Bidder in the event that total amount of pending or threatened litigation, arbitration or other claims represents twenty five percent (25%) of the Bidder’s net worth. Details in this regards should be submitted in the prescribed format given in Appendix-E to bidding data”.

Participating into discussion, one of the members was of the view that as per above clause, the bidder was bound to submit details of all litigation at the time of submission of bidding documents, whereas; the firm has not disclosed the fact of litigation. Therefore M/s Associated Technologies (Pvt) Ltd has concealed the facts and should be declared non responsive. Another member was of the view that careful approach should be taken, as case for blacklisting / debarment of M/s ATL Lahore is under consideration of Legal & Nomination committee of HESCO Board of Directors due to non-performance of the firm in HESCO. Moreover, FESCO has also declared them commercially non-responsive. He proposed not to award the contract to the firm. Some members agreed with the verdict of honorable members.

Responding to above observations, one of the members commented that the firm has not been black listed as no decision has been made in HESCO. The firm cannot be deprived of the tender on perceived decision. Moreover, amount of litigation is below 25% of net worth of M/s Associated Technologies (Pvt) Ltd, therefore; it has no impact on current tender. Moreover, the Company will have to bear considerable loss keeping in view the expected increase in rates in case of retendering. In addition to above, he stated that, the word “requested” has been used in above narrated Clause 6, which implies that it is not binding/mandatory for bidders to submit the detail of litigation. Moreover, the word “may” provide discretionary power to the purchaser to make this clause compulsory or not. He proposed that management should proceed for this award of tender as the same is beneficial for Company resulting in savings of Rs. 36 M. Some members agreed with verdict of honorable member.

Keeping in view difference of opinion amongst the members, the Chair proposed to resolve the matter through voting. During the voting process, it was observed that some Board Members were not available at the time of voting. Therefore, due to non-availability of some members, it was unanimously decided to hold the matter in abeyance till next meeting.

Agenda item-4 Approval for bench mark of basic variant / amendment in MEPCO Vehicle Management Policy-2022.

Agenda item-5 Approval of Draft RFP regarding outsourcing of 11KV Feeders for implementation in MEPCO.

Agenda item-6 Matters relating to Policy, Strategy, Market Reforms & Risk Management Committee.

b Admin approval of estimate for construction of new 132KV D/C Transmission Line feed for Lodhran-II (in & out from 132KV Transmission Line 220-KV G/S Bahwalpur – 132KV G/S Lodhran on RAIL Conductor).

c Administrative approval of estimate for construction of 4th Power Transformer Bay with 20/26-MVA Power Transformer along with extension of 11KV Switch Room and allied works at 132KV Grid Station Muzaffar Garh under MEPCO own resources.

d Approval for EOT case for waiver of liquidated damages IRO M/s Microtech Industries Pvt Ltd against purchase order No. 7100001949 dated 30.08.2021 & 15% addl. purchase order No. 7100001949 date 01.04.2022 for supply of (200000+30000) Nos. Single Phase Static Energy Meters.

e Approval for revision of capital cost for new electricity connection as per Consumer Service Manual.

f Approval for creation of new (Operation) Sub Division 90-MOR Kassowal under MEPCO (OP) Division Chichawatni (Op) Circle Sahiwal.

Agenda item-7 Matters relating to Procurement & Disposal Committee

a Approval for procurement of 10590 No. 11KV Dropout Cutout (T/No. 45/23, dt: 07.11.2022, bid validity up to 06.01.2023).

b Approval for procurement of 25 KM PVC Cable 4/Core 25MM² (19/.052)(T/No. 44/23, dt: 07.11.2022, bid validity up to 06.01.2023).

c Approval for procurement of 10 KM 15 KV XLPE Power Cable S/Core 240MM² (T/No. 43/23, dt: 07.11.22, bid validity up to 06.01.2023).

d Approval for procurement of 300 M. Ton G.S Wire 10MM (T/No. 42/23, dated 07.11.2022, BID VALIDITY UPTO 06.01.2023).

e-i Approval for procurement of 3000 No. L.T P.C Spun Hollow Poles 31' long (T/No. 51/23, dt: 08.11.2022, bid validity up to 07.01.2023).

e-ii Approval for procurement of 3000 No. H.T P.C Spun Hollow Poles 36' long (T/No. 50/23, dt: 08.11.2022, bid validity up to 07.01.2023).

e-iii Approval for procurement of 700 No. H.T P.C Spun Hollow Poles 45' long (T/No. 52/23, dt: 08.11.2022, bid validity upto 07.01.2023).

f-i To consider the request for re scheduling of delivery period against P.O No. 7600000222 dt. 21.12.2021 issued to M/S Oil Industries Karachi for supply of transformer oil 800KLS.

f-ii Approval for procurement of 500,000 Ltrs. New Transformer Oil (T/No. 255/22, dt: 27.10.2022, bid validity up to 27.02.2023).

g Approval for transfer / allotment of State Land for proposed 132KV Grid Station Khanewal-II in the name of MEPCO under Own Resources STG Head, allocation of additional budget for payment of penal interest & stamp duties etc.

h Approval to scrap off the tender for procurement of 742No. 11KVA Capacitor Units 200KVAR opened on 22.09.2022 (item no. 02) under MEPCO own resources.

Agenda item-8 Matters relating to HR & Nomination Committee.

b-i Approval for extension / retention in engagement period of 145 Nos. outsourced skilled / unskilled outsourced labor through M/s Muneer Hussain Bhutta, contractor / firm, Multan.

b-ii Approval for extension in engagement period of 301 outsourced skilled / un-skilled labour through M/S Ali Azhan Contractor / Firm.

Agenda item-9 Matters relating to Audit & Finance Committee.

- a** Approval for booking the Adjustment of GoP Equity / Investment of Rs. 533 Million in the Books of Accounts.
- b** Approval of un-audited 1st quarter accounts for FY 2022-23.

Agenda item-10 Matters relating to Legal Committee.

- a** Approval for recruitment for the post of Manager (Legal & Labour) BPS-19 in MEPCO.

Agenda item-11 To review the compliance status on the directions issued by BOD during its 188th, 189th, 190th, 191st & 192nd Meeting held on 05-08-2022, 17-08-2022, 14-09-2022, 06-10-2022 & 14-10-2022.

Resolution

194-BOD-R5 RESOVLED that the subjected agendas are hereby deferred to next meeting.

The meeting ended with thanks to and from the chair.

For & on behalf of Chairman


(Engr. Sajid Yaqub)
Company Secretary MEPCO