

MULTAN ELECTRIC POWER COMPANY

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Office of
The Company Secretary

No. 30262-86 Company Secy


Dated: 03-9-18

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. Asrar Ahmad Malik
President, Multan Chamber of Commerce & Industry
Shahrah-e-Aiwan-e-Tijarat-o-Sanat,
Near Kalma Chowk, Multan
7. Mr. Nadeem Irshad Kayani
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 139th BOD MEETING.

Enclosed please find herewith Minutes of 139th BOD Meeting held on
20-08-2018 (Monday) at 11:00 am in MEPCO Conference Room Khanewal Road
Multan for information and necessary action please.

DA/as above


COMPANY SECRETARY

Copy to:-

1. Finance Director, MEPCO Ltd Multan.
2. HR/Admn: Director MEPCO Ltd Multan.
3. General Manager (Tech) MEPCO Ltd Multan.
4. General Manager (Op) Distn: MEPCO HQ Multan.
5. Chief Engineer/CS Director MEPCO Ltd Multan.
6. Chief Engineer (T&G) MEPCO Ltd Multan.
7. Chief Engineer (Development) HQ Multan.
8. Chief Engineer (Planning) HQ Multan.
9. Chief Engineer (O&M) HQ Multan.
10. DG (IS) MEPCO HQ Multan.
11. Project Director Construction MEPCO HQ Multan.

**For information with the request to
provide compliance status on the
decisions/directions of the Board
meeting within week time positively.**

MULTAN ELECTRIC POWER COMPANY
MINUTES OF 139TH MEPCO B.O.D. MEETING, HELD ON 20.08.2018 (MONDAY) AT
11:00 AM IN MEPCO CONFERENCE ROOM, KHANEWAL ROAD MULTAN.

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|-----------------------------|-------------------------------|
| 1. Mr. Akhlaq Ahmad Syed | Chairman |
| 2. Muhammad Akram Ch. | Director/CEO |
| 3. Mr. Nadeem Irshad Kayani | Director (Through Video Link) |
| 4. Muhammad Anwar Sheikh | Director (Through Video Link) |
| 5. Mr. Khalid Masood Khan | Director |
| 6. Mr. Asrar Ahmad Malik | Director |
| 7. Mr. Sajid Yaqoob | Company Secretary |

Following MEPCO officers attended the Meeting on call.

- | | |
|---------------------------------|--------------------------------|
| 1. Mian Ansar Mahmood | Finance Director. |
| 2. Engr: Shahid Hameed Chohan | Chief Engineer (Dev). PMU |
| 3. Engr. Abdul Aziz Khan Niazi | Chief Engineer (O&M) Dist. |
| 4. Major ® Furkh Javaid Ghumman | Manager (Transport & Security) |
| 5. Mr. Liaqat Ali Mmon | HR & Admin 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. Saadullah Khan, Mr. Shaheryar Arshad Chishty & Mr Zafar Abbas Honorable Members of MEPCO Board. The Board, after due consideration, granted the leave of absence to the Honorable Members. 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 and confirm the Minutes of 138th BOD Meeting held on 30.07.2018.

The Company Secretary apprised that the Minutes of 138th BOD Meeting held on 30.07.2018, duly endorsed by the Chairman Board were circulated among all the Board Members. The Chairman invited the attention of all Board Members for offering any reservation(s)/comments(s) regarding approval of the minutes.

Resolution

139-BOD-R1 There being no objection from the house, **RESOLVED** that the Minutes of 138th BOD Meeting held on 30.07.2018 is hereby confirmed as true record of the proceedings of these meetings.

AGENDA ITEM NO.2

To review the compliance status of Board's and its committees' directions/ decisions/ recommendations.

- i. Directions regarding carrying out a study to indentify the vulnerable segments of the system where installation of ABC is feasible having appreciable/acceptable B/C Ratio.**

The Chief Engineer (P&E) apprised the Board that 520 KM ABC has been installed by MEPCO and USAID in different areas of MEPCO. The Losses have been calculated before and after installation of ABC and total saving of 2.31 MKW has been achieved in this regard. After thorough discussion and deliberation, the Board directed as follows. *W*

Direction

139-BOD-D1 The Chief Engineer P&E was directed to prepare a detailed financial analysis indicating B/C Ratio and Pay Back Period of the works carried out by MEPCO and USAID.

139-BOD-D2 The installation of ABC cable should be made as part of Company's future investment plan aimed for energy loss reduction.

ii. **Directions regarding implementation of ERP.**

The Finance Director being the Project Director for implementation of ERP in MEPCO apprised the Board that as per directions of the Board, full utilization of SAP Users Licenses has been done. Go Live of all three modules in all circles of MEPCO has been done and Manpower has been provided for ERP implementation.

Resolution

139-BOD-R2 RESOLVED that compliance on subject cited Directions has been found satisfactory.

iii. **Directions regarding proposal/study clearly reflecting the investment and time span required to bring down the line losses at par with FESCO, GEPCO & IESCO and creation of liability of payments pertaining to ADB Loans.**

The Chief Engineer (P&E) apprised the Board about a study to reduce the line losses of Company. The Board observed the presented report is not as per directions of the Board. Furthermore, regarding Board, instruction to ensure submission of verified claims of contractors & supplier of STG to Finance so that proper liability is created, the Finance Director apprised the Board that accrued liability amounting to Rs. 459 M has been created as on 30-6-2018 in PMU Accounts. After thorough discussion and deliberation, the Board directed as follows.

Direction

139-BOD-D3 The Board directed the Chief Engineer (P&E) to prepare a comprehensive study identifying the quantum of investment, time span and mechanism/initiatives required to implement the study. The study should also mention implementation phases and Financial aspects of the study should be got verified from Finance Director.

iv. **Directions regarding quarterly progress of the Transformer Reclamation Workshops.**

The acting GM (op) apprised the Board about the progress of the Transformer Workshops established in MEPCO. After detailed discussion and consideration the Board directed as follows.


Direction

139-BOD-D4 The Board directed the GM (op) to prepare a revised report indicating operating mechanism, the repairing capacity, running and fixed cost of each workshop. Per KVA expenditure incurred for repair of damaged distribution transformer as compared to per KVA investment required for acquisition of a new transformer should also be mentioned in report. The financial analysis should be carried out and B/C Ratio achieved for each workshop should also be got vetted from the Finance Director.

v. **Directions regarding consultants which are being engaged against different projects and present the same to the Board for its consideration.**

A list of the consultants who have been engaged by Chief Engineer (P&E), Chief Engineer (Dev), PD (Construction) was presented to the Board. The Board reviewed the list and after due discussion directed as follows.

Direction

139-BOD-D5 The Chief Engineer (P&E), Chief Engineer (Dev), PD (Construction) were directed to apprise the Board of total value of each contract payments made to date and physical progress of all projects against which these consultants have been hired. 

139-BOD-D6 The Board directed the management to develop a controlling mechanism in the office of Finance Director that should allot a contract no to all the contracts being signed by the Company by different directorates.

- vi. **Directions regarding analysis of damaged transformers, identification the major cause of the damaging of distribution transformers and comprehensive policy to reduce the number of damaged distribution transformers along with mechanism for its implementation and technical solution for protection of transformers.**

The Board was apprised that GM (op) is on leave for performing Hajj. The CEO requested the Board to defer the case till arrival of GM (op).

Direction

139-BOD-D7 The Board directed to present the compliance report of 137-BOD-D3, D4 and D5 in next meeting

- vii. **Directions regarding preparation of comprehensive proposal for revision of Book of Financial Power.**

The Board was apprised that draft for revised Book of Financial Powers has been prepared and ready for detailed deliberation of the Board.

Direction

139-BOD-D8 The Board directed the management to present the draft for revised Book of Financial Powers after vetting of the Audit Committee.


- viii. **Directions regarding maintaining a separate seniority list for industrial connections.**

The Chief Engineer/CSD apprised the Board that separate priority list of new connections on self purchased transformer in respect of all MEPCO Circles is prepared and placed on MEPCO website. All Superintending Engineers under MEPCO Ltd. Multan were forwarded direction vide this office Memo No.5621/70142-49 dated 29.06.2018 followed by reminder vide this office No.6308/8008-8010 dated 15.07.2018 that the consumers be educated by field formation about the new approved policy so that they can get benefit from it. All new policies / initiatives taken by company are being displayed on MEPCO website. The Board showed its satisfaction about the compliance and during the course of meeting directed as follows.

Direction

139-BOD-D9 The Board directed the management to implement a sophisticated customer service system that should ensure that customers' requests for various services such as for example for a new connection applications proper acknowledgement slip with promised date for issuance collection of demand is issued and a culture should be developed where disposal of requests/grievances of the customers are managed within the promised/given time frame.

- ix. **Directions regarding operation of Customer Complaint Management System of PITC.**

The Additional DG (IS) apprised the Board that all of 174 sub divisions of MEPCO are hooked up with the Customer Complaint Management System of PITC. The authenticity of the working of the system should has been ensured by generating complaints from reference number of all of the 174 subdivisions on trail basis for every day of week. During May,2018 to 17th August, 2018, 36544 complaints were received, out of which 34967 complaints have been resolved and only 166 complaints are pending. Furthermore, the Finance director apprised the Board that a request has been made to PITC through Addl: DG (IS) MEPCO to provide breakup of Rs. 1.19 service fee and also discussed with CEO PITC so that if it is conformed that service fee include depreciation the same can be adjusted but sadly we have not received the breakup. However, Additional DG (IS) MEPCO has intimated that instead of getting CAPEX PITC will recoup through service fee. The Board showed its satisfaction upon the issue and after due consideration directed as follows. 

Direction

139-BOD-D10 The Board directed the Additional DG (IS) to take up the matter with management of PITC to get the data of actual total cost and to ensure that instead of invoicing MEPCO on per customer basis cost MEPCO's share of operational cost should be charged to MEPCO.

x. Directions regarding development of a comprehensive uniform Transport Policy for replacement of old vehicles

The Manager (T&S) apprised the Board that draft for MEPCO Transport Policy has been formulated and ready for the consideration of the Board. The Board directed as follows.

Direction

139-BOD-D11 The Board directed the Manager (T&S) to present the case after vetting of the procurement Committee of the Board.

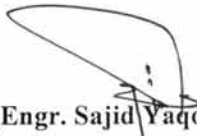
- xi. Directions regarding formulation of a new salary structure for future recruitments without pension benefits.**
- xii. Directions regarding report of the Committee constituted to review the PEPCO proposed new Health Care Policy.**
- xiii. Directions regarding filling of 46 Nos posts of BPS-17 and above, 789 critically required post of BPS-6 to BPS-16 in the interest of company's work is hereby accorded.**
- xiv. Directions regarding MEPCO Up gradation Policy for the employees**
- xv. Directions regarding holding of up gradation and promotion Boards of all categories of employees in time.**
- xvi. Directions regarding National Internship Program for electrical engineers.**
- xvii. Directions regarding proposals from reputed institution of Pakistan for conduction promotion trainings.**
- xviii. Directions regarding grant of 4 advance increments to the officers on account of acquiring/possession.**
- xix. Directions regarding applications for the posts of Chief Internal Auditor & Chief Financial Officer.**
- xx. Directions regarding SOP for higher studies.**
- xxi. Directions regarding HR Policy Manual.**
- xxii. Directions regarding Revised Organizational Structure.**

The Chief Executive Officer apprised the Board that newly appointed HR & Admin Director has to proceed on leave due to unavoidable circumstances/domestic issues, so he requested the Board to defer the matters relating to HR & Admin Director.

Resolution

139-BOD-R3 RESOLVED that review on the compliance status of the matters relating to HR Directorate is hereby deferred to next meeting.

The Meeting ended with thanks to and from the Chair.


(Engr. Sajid Yaqoob)
Company Secretary MEPCO