



HESCO HYDERABAD ELECTRIC SUPPLY COMPANY

OFFICE OF THE COMPANY SECRETARY
HESCO HYDERABAD

No.HESCO/C.S/Min-118th Spcial BOD/1600-17.

20th May, 2016

1. **Secretary**, Ministry of Water & Power GOP Islamabad.
2. **Mr. Nazar Hussain Mahar**, Chairman BOD HESCO.
3. **Prof. Dr. Muhammad Aslam Uqaili**, Director BOD HESCO.
4. **Qazi Shahid Pervez**, Director BOD HESCO
5. **Mr. Shafique Ahmed Mehasar**, Director BOD HESCO.
6. **Mr. Waqas Anwar Qureshi**, Director BOD HESCO.
7. **Mr. Mahfooz Ahmed Bhatti**, Director BOD HESCO
8. **Mr. Tassaduq Hussain**, Director BOD HESCO.
9. **Mr. Akhtar Ali Randhawa**, Director BOD / CEO HESCO.

Subject: **MINUTES OF 118TH SPECIAL BOD OF HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED**

The Minutes of 118th Special BOD Meeting of Hyderabad Electric Supply Company Limited held on 09th May, 2016 at 01:30 pm in the Committee Room, HESCO Power Wing Colony, Hussainabad Hyderabad duly approved by the Chairman BOD through e-mail and signed by Company Secretary of BOD HESCO are sent herewith for your information please.


(FAHEEMULLAH MEMON)
COMPANY SECRETARY

Cc to:

1. Chief Technical Officer, HESCO Hyderabad
2. Chief Engineer (Development) PMU, HESCO Hyderabad.
3. Chief Commercial Officer, HESCO Hyderabad.
4. Chief Operating Officer, HESCO Hyderabad.
5. Chief Engineer (P&E), HESCO Hyderabad.
6. Admn & HR Director, HESCO Hyderabad.
7. Finance Director, HESCO Hyderabad.
8. Master File.


CHAIRMAN
BOD HESCO, Hyderabad.

MINUTES OF 118TH SPECIAL BOD MEETING HESCO HYDERABAD

Meeting of the 118th Special BOD HESCO was held on Monday, the 9th May, 2016 at 01:30 pm in the Committee Room, HESCO Power Wing Colony Hussainabad Hyderabad. List of participants is attached at (Annexure-I).

The meeting started with the recitation of verses from the Holy Qura'an. Board Chairman BOD HESCO warmly welcomed Federal Secretary (Water & Power) Mr. Muhammad Younus Dagha and appreciated Secretary for attending meeting at Hyderabad despite of his very busy schedule.

In the opening remarks Chairman BOD briefed the overall progress of Board and the initiatives taken by the Board on different reforms for betterment of company. He informed that every Director of Board is taking pain and playing active role for the improvement of company. He also thanked Federal Secretary (Water & Power) Mr. Muhammad Younus Dagha for their help and support in every matter.

Chairman BOD informed that specific task and target was given to HESCO management regarding Customer service satisfaction including complaints redressal, Automated Meter Reading (AMR), ABC cabling, mobile meter reading, advance customer centers, zero load shedding, computerization of billing including correction through system and placement of ERP system etc. He appreciated the efforts of CEO HESCO Mr. Akhtar Ali Randhawa for the improvement of recovery and reduction in losses. Chairman further informed that Board has given extensive policy on reforms side to the Management and regretted that decisions are not properly followed and hoped that CEO in days to come would also concentrate and implement on reform side too giving it priority as compared to other tasks.

He suggested that Management should focus on AMR metering and ABC cabling within the HESCO to control massive theft of electricity. He further


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briefed that the Board also approved the bonus in previous meeting for the good employees of HESCO but same facility would not be available to corrupt elements and people involved in serious cases.

The Chairman and Directors invited attention of the Secretary to the poor financial position of the company and requested him to provide urgent financial and technical support through government and donor support to undertake structural reforms in the company and introduce new technology including AMR, ABC Cables, ERP and other systems to bring more transparency and avoid corruption and wastage of resources.

Secretary (Water & Power) thanked Chairman for the support offered by the Board and stated that performance HESCO in comparison with other DISCOs working under the same umbrella is not upto mark but gradually improving. He suggested that HESCO's first priority should be "to reduce the losses" and "100% recovery". He directed CEO HESCO to utilize modern technologies to enhance the performance of the Company.

H'able Secretary further informed that Ministry (Water & Power) has introduced Computerized Customer Facilitation System in IESCO through outsourcing which is less costly, more effective and offer very good response time and IESCO has achieved the remarkable results. Ministry (Water & Power) is now going to introduce the same system in other DISCOs too. He further directed CEO HESCO to facilitate the customers on priority by improving the response time so that genuine problems of the consumers are attended in specific time line.

During discussion Honorable Secretary (Water & Power) invited attention towards GoS issues. He informed about the meeting held with Secretary Energy, Government of Sindh regarding billing reconciliation of GoS. Upon the sample checking of 3199 connections, it was mutually decided that as agreed by the Government of Sindh 60% billing out of the total billing for the period from July, 2010 to January, 2016 was verified, resultantly 40% of the billing was to be withdrawn. Government of Sindh shall make the payment of balance outstanding


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amount of agreed billing after deduction of already paid amount.

He further briefed that to avoid such dispute in future, the AMR (Smart) Meters will be installed on all connections of Government of Sindh & 50% cost thereof will be paid by Government of Sindh and instant online data would be provided simultaneously to GOS pertaining to their meters / connections under AMR meters.

Secretary (Water & Power) further requested Commissioner Mirpurkhas to support HESCO for recovery of outstanding dues of GoS. After detailed discussion on various issues the following is decided:

1. The mobile meter reading was discussed and found that snaps printing ratio / accuracy rate was not upto mark. Board directed to achieve the 100% accuracy target next month.
2. The Board agreed to improve the customer redressal system by adopting the successful model of IESCO on priority basis to address the genuine issues of consumers.
3. On inquiring the matter regarding action taken against low performers, CEO HESCO requested to allow HESCO for recruitment of staff on daily wages basis against the post from which persons are dismissed or removed who otherwise stand dismissed / removed from the service. It was decided that in case of dismissal / removal of one employee CEO HESCO shall appoint two incumbents purely on daily wages in consultation with Human Resource Committee of the Board. However Board strictly directed that Management should ensure fulfillment of all legal and codal formalities before dismissal / removal of an employee.
4. On the discussion on distribution transformer removal due to non-payment of mix consumers it was decided that open katcharies be


CHAIRMAN
BOD HESCO, Hyderabad.

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held immediately in the affected areas and a committee comprising upon Deputy Commissioner / Assistant Commissioner and stakeholders be constituted at District / Sub Divisional Level to resolve the issues. Secretary (Water & Power suggested to adopt the TORs in HESCO which have already been practiced in SEPCO.

5. Board further suggested to CEO HESCO that peoples who are paying their electricity bills regularly should not suffer in any case.
6. Board suggested for preparing comprehensive strategy on load shedding and people and Regional HESCO officers may be encouraged towards zero load shedding through local media.
7. Board further directed the Management to eliminate corruption in HESCO, avoid illegal detections, wrong billing, redressal of consumer complaints, eliminates electricity theft etc. to earn good name among DISCOs.
8. On the discussion for the delays in the finalization of evaluation of tender by NTDC, it was decided that HESCO may create its own Design Department within the company.
9. On discussion for procurement of static single phase / three phase energy meters, it was disclosed that this matter was also discussed in the 117th BOD meeting but was kept in abeyance by considering the facts that manufacturing units had made a cartel and all bidders had quoted the same price, which was not acceptable. Therefore, it was decided that Competition Commission of Pakistan may be informed about their monopoly policies.

The issue of extending tenure of current CEO was discussed and process of selection of the new CEO has not been initiated as matter was never brought by the HR branch of HESCO timely in notice of the Board. Considering the

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CHAIRMAN
BOD HESCO, Hyderabad.

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remarkable performance of CEO HESCO in a short span of time, BOD HESCO unanimously resolved that current CEO Mr Akhtar Randhawa may continue to work as CEO HESCO till the recruitment of regular incumbent as described under Companies Ordinance, 1984 rule 199 sub section (1), (2) and (3). HR Committee of BOD HESCO was requested to advertise the post of Chief Executive Officer of the company as prescribed under Corporate Governance Rules, 2013 with upper age limit of 62-years.

Special Board meeting ended with vote of thanks.

On behalf of
BOD HESCO


(FAHEEMULLAH MEMON)
COMPANY SECRETARY


CHAIRMAN
BOD HESCO, Hyderabad.

**LIST OF PARTICIPANTS ATTENDED 118th SPECIAL BOARD MEETING
DATED 09.05.2016 AT 01:30 PM**

Special Invitation

Mr. Muhammad Younus Dagha Federal Secretary, Ministry (W&P) Islamabad

Present

Mr. Nazar Hussain Mahar	(In Chair)
Prof. Dr. Muhammad Aslam Uqaili	Director
Mr. Shafique Ahmed Mehasar	Director
Mr. Waqas Anwar Qureshi	Director
Mr. Akhtar Ali Randhawa	Director / CEO HESCO

Leave of Absence

Mr. Tassaduq Hussain	Director
Mr. Mahfooz Ahmed Bhatti	Director
Qazi Shahid Pervez	Director

Company Secretary

Mr. Faheemullah Memon	Company Secretary
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CHAIRMAN
BOD HESCO, Hyderabad.

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From: Nazar Mahar
Sent: Friday, May 20, 2016 3:08 PM
To: Faheem Hesco
Cc: Nazarmahar
Subject: approved final minutes of 118 BOD special meeting

Dear Secretary
Please find approved minutes of above meeting for
issuance and circulation

thanks
nazar mahar

