



MULTAN ELECTRIC POWER COMPANY

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No. 13476-95/Company Secy

Office of
The Company Secretary

Dated: 15-8-22

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. Ahmed Taimoor Nasir
Joint Secretary (Transmission),
Room No. 220 Ministry of Energy
(Power Division), Islamabad.
4. Mr. Javed Iqbal Khan,
Joint Secretary (Budget), Govt of Pakistan
Finance Division Islamabad.
5. Mr. Fazalullah Durrani,
House No. 16, Faisal Bagh,
Stadium Road, Bahawalpur.
6. Mr. Khurram Mushtaq,
House No. 240, St. No. 10, Gardenia Block,
Bahria Town, Lahore.
7. Muhammad Nawazish Ali Pirzada,
Pirzada House, Airport Road, Bahawalpur.
8. Mian Shahid Iqbal,
Rehman Villas, Bohar Gate Model Town B,
Multan Road, Camp Office, Governor Hosue, Bahawalpur.
9. Mr. Asghar Leghari
12-B-2, Off Zafar Ali Road, Gulberg V, Lahore.
10. Mr. Amad ud Din,
129 Model Town A, Khanpur, District Rahimyar Khan.
11. Rana Yasir Rauf,
House No. 315, F1 Block, Johar Town, Lahore.
12. Muhammad Jabir,
Darbar Mahal Road, New Muslim Town,
Bahawalpur.

Sub:- MINUTES OF 188TH BOARD MEETING HELD ON 05-08-2022.

Enclosed please find herewith Minutes of 188th BOD Meeting held on **05-08-2022 (Friday) at 10:30 AM in Board's Meeting Room MEPCO H/Qs Khanewal Road Multan**, for information and necessary action please.

DA/as above


COMPANY SECRETARY MEPCO

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. The Manager (MM) & Procurement (Distn) MEPCO Multan.
6. The Manager (Transport) MEPCO Ltd Multan.
7. Deputy Manager (Civil) MEPCO Ltd Multan.
8. The Staff Officer to CEO MEPCO H/Q Multan.

} For kind information and further necessary action please.

Meeting Date: 05-08-2022 (Friday)

Meeting Time: 10:30 AM

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

In attendance:

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

Following MEPCO officers attended the Meeting on call.

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|-----|-------------------------------|---------------------------------|
| 1. | Engr. Nasir Ayaz Khan Gurmani | General Manager (Op) |
| 2. | Engr. Zafar Iqbal Gill | General Manager (Tech) |
| 3. | Engr. Jam Gull Muhammad Zahid | General Manager (CS) |
| 4. | Engr. Rana Muhammad Ayub | Chief Engineer (O&M) Dist. |
| 5. | Engr. Noor-Ul-Hassan Dogar | Chief Engineer (P&E) |
| 6. | Engr. Khalid Nazir | Chief Engineer (O&M) T&G |
| 7. | Engr. Javed Iqbal Gill | Chief Strategic Planner |
| 8. | Mian Ansar Mahmood | Finance Director |
| 9. | Mr. Liaqat Ali Memon | D.G (HR & Admin) |
| 10. | Mr. Jalil-Ur-Rehman | Addl. D.G (CM) |
| 11. | Col. Waqar Ahmad (R) | Director (Security & Vigilance) |

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.

Following agenda items were presented to the Board, the resultant discussions and decisions of the BOD are narrated as under:-

Agenda item-1 Leave of absence of Honorable Members.

The Chairman of Board of Directors noted that all the members are available. 

Agenda item-2 To consider and confirm the minutes of the 187th BOD Meeting held on 18.07.2022.**Proceedings:**

Company Secretary apprised that the minutes of 187th BOD meeting held on 18-07-2022 duly endorsed by the outgoing Chairman BOD were circulated among all Board Members. The Chairman BOD invited the attention of all Members who were part of previous Board for offering any reservation(s)/comment(s) regarding the approval of the minutes.

Upon query of one of members, Company Secretary informed that the then Chairman Board has approved the presented minutes. Mr. Ahmed Taimoor Nasir proposed that minutes should be confirmed as the same were approved by the then Chairman Board. Mr. Javed Iqbal Khan seconded the proposal.

After due deliberation, the Board resolved as follows.

Resolution

188-BOD-R1 There being no objection from the house, **RESOVLED** that minutes of 187th BOD meeting held on 18-07-2022 be and is hereby confirmed as true record of the proceedings of the meetings.

Agenda Item-3 Introduction of Chairman and Directors of Board**Proceedings:**

The Chair warmly welcomed all the august Members of Board with the remarks that the individual skills and diversified experiences the members possess will be an asset for the Board. He expressed his hope that all members will contribute for betterment of MEPCO in future with their vision and expertise.

The Chair invited the members to get acquainted with each other by introducing themselves. All the members shared their brief profile, work experience and achievements during their career. All members assured their fullest cooperation in handling affairs of the Company in a transparent and efficient manner. They also expressed their hope that the esteemed Company will further improve its service delivery among other DISCOs with the visionary, charismatic and farsighted leadership of Honorable Chairman.

The Chair expressed his gratitude to learned members for showing their confidence in him. All Members prayed for the betterment of the Company with the aim to achieve new heights during the tenure of this Board.

Agenda item-4 Presentation on key aspects of MEPCO.**Proceedings:**

In order to acquaint the Board Members with the wider scope of Company's working profile and vital business, different HoDs briefed the Board about their core business affairs and progress.

At the very outset, DG (HR & Admin) briefed the Board about organizational setup, man power data, retirement pattern of MEPCO employees in next 5 years and recruitment status of Junior Engineers/SDOs & ALMs. He also presented the recruitment status of top tier positions in MEPCO.

Continuing with his briefing, DG (HR & Admin) intimated that various top level positions i.e. Director Health Safety & Environment (HSE), Director Legal, Chief Internal Auditor, Manager Internal Audit & others are lying vacant since long. The Chair showed his concern with the remarks that filling of critical positions at top level of Company's hierarchy should be point of major emphasis for Board members as internal control of the Company will be ineffective in absence of right persons for these positions. Moreover, the Board needs to concentrate in the areas of customer care optimization and revenue generation as improvement in both aspects can contribute towards better image of the Company. All other members endorsed the concern of the Chair.

Upon query of one of members regarding recruitment of Manager (Legal/Contracts) under MIRAD, DG (HR & Admin) informed that the process for hiring of the individual has been completed and offer of appointment will be issued after approval of Ministry of Energy. One of members showed his reservation with the remarks that the job description of the post demands high level professional that has vast knowledge and experience of dealing with complex contracts. He proposed that management should brief the Board about the whole process carried out for recruitment of Manager (Legal/Contracts) under MIRAD i.e. from advertisement to selection of the candidate before issuance of offer of appointment to the qualified candidate. All other members agreed with the proposal with the direction to present the same in next meeting. It was also desired that all advertisements already published for various posts will be revisited by the Board's relevant Committees and further course of action will be decided accordingly.

With the permission of the Chair, GM (CS) briefed the Board about Company's background, jurisdiction, administrative overview, technical & commercial data. GM (CS) informed the members that the financial year 2021-22 ended with T&D loss at 14.7% with decrease of 0.2% as compared to previous year. He also presented analysis of feeder wise losses in comparison with load management.

Participating into the discussion, CEO informed the members that MEPCO has also achieved the targets assigned by Ministry of Energy (Power Division) in Circular Debt Management Program (CDMP) and MEPCO stood 1st among all DISCOs with total progressive recovery of 99.73%.

Upon query of one of members, CEO clarified that low recovery percentage from Govt. defaulters is mainly due to non-payment of WASA & Saline areas of Rahim Yar Khan. He explained the members about the history, related issues pertaining to WASA and steps being taken to gear up the recovery of outstanding amounts from Saline area. After detailed discussion, the members were of unanimous view that management should pay special attention towards this grey area and formulate a comprehensive policy for recovery of outstanding dues from Govt. defaulters.

The CEO also apprised the members about category wise and tariff wise receivables status, stating that total receivables ending 06/2022 are Rs. 100753.44 Million. The members showed their concern about present status of receivables outstanding in different categories and desired that management must exert its all efforts to clear the outstanding dues.

Carrying on with the presentation, GM (CS) apprised the members about progress regarding mobile meter reading, the detection charged and recovered during the current financial year, FIRs status against theft of electricity, status of defective meters and progress achieved for installation of new connections and AMR meters.

While presenting the detail of HT / LT Proposals, Chief Strategic Planner apprised the Members about the process, technical parameters and methodology for assessing the feasibility of HT/LT proposal. He presented month wise execution plan of No. of HT & LT proposals during the financial year 2022-23. The Chair desired that Circle wise detail of all HT and LT proposals be provided to the Board for further deliberation.

While participating into discussion, CEO enlightened the members regarding process of village electrification and informed the problems being faced for completion of SAP-IV projects. He informed that the estimates for different schemes were prepared keeping in view the material rates prevailing at that time but the actual cost of the scheme has increased significantly due to hike in material cost in recent months and extra funds are required from the legislators for completion of identified electrification schemes. Upon query of the Chair, CEO informed that escalated cost is approximately 35% higher than the initial estimate.

With the permission of the Chair, Finance Director apprised that as per Cabinet Division instructions there can be no addition or deletion in the schemes. MEPCO will have to surrender all funds to GOP and later on new funds will be released.

Keeping in view the presented scenario, one of the Members proposed that Board members should consider allowing increase or decrease in actual cost of the project up to 15% as 10% variance is already admissible under rules. The management should identify the projects wherein the variance is within 15%. However, the same should be done after assessment of actual financial impact of these projects. The members appreciated the proposal and desired that management should carry out a detailed exercise in this regard and submit a workable solution under rules for consideration of Board.

G.M (Technical) presented progress regarding procurement and inventory status of critical and distribution items. He briefed that previously there was acute shortage of material. However, almost 88% of the required material has been procured during the previous financial year. During the course of presentation of GM (Technical), the members showed their serious concern with the observation that given briefing was only a verbal presentation of complex data which did not provide comfort level to the members. The members were of unanimous view that the management must ensure that all relevant documents are provided at the time of submission of agenda, so that the members have ample time to deliberate upon the issue enabling them to add value to the cause.

While concluding the discussion, the Chair shared his remarks that this presentation has enabled the Members to get awareness of the key business activities as well as grey areas of Company. He expressed his hope that Board/its Committees will identify and analyze these issues more deeply and will come up with comprehensive solutions to mitigate these issues in the best interest of Company.

During the course of whole presentation, the Board directed as follows.



Direction

188-BOD-D1 **DIRECTED** to present the detailed briefing to Board regarding the process carried out for recruitment of Manager (Legal/Contracts) under MIRAD i.e. from advertisement to finalization of candidate.

(Responsibility: D.G (HR & Admin) | Timeline: Next Meeting)

Direction

188-BOD-D2 **DIRECTED** to present the Circle wise detail of HT proposals and LT proposals to be executed during FY 2022-23.

(Responsibility: Chief Strategic Planner | Timeline: Next Meeting)

Direction

188-BOD-D3 **DIRECTED** to carry out a detailed exercise for identification of the projects regarding village electrification wherein the variance is more than 10% and submit the report in next meeting.

(Responsibility: PD (Construction) | Timeline: Next Meeting)

Agenda item-5

Presentation on MEPCO Corporate Budget for F.Y. 2022-23.

Resolution

188-BOD-R2 **RESOLVED** that the subjected presentation is hereby deferred to next meeting.

Agenda item-6

To consider and confirm Circular Resolution No. 06/2022 dated 22.07.2022.

Proceedings:

With permission of the Chair, Company Secretary apprised the members that the matter regarding reconstitution of Board Committees was presented to the members of the board. After considering the matter, the board passed the below detailed Circular Resolution.

RESOLVED that reconstitution of Board Committees is hereby approved as proposed below:-

Audit & Finance Committee			HR & Nomination Committee		
i.	Muhammad Saleem Shah Bukhari	Chairman (Independent)	i.	Commodore Muhammad Siddiq (R)	Chairman (Independent)
ii.	Sardar Naufil Mahmud	Independent	ii.	Muhammad Shafiq ur Rahman	Independent
iii.	Mr. Akhtar Hussain Qamar	Independent	iii.	Mr. Nauman Siddiqui	Independent
iv.	Mr. Javed Iqbal Khan	Non-Executive	iv.	Mr. Ahmed Taimoor Nasir	Non-Executive
v.	Mr. Arif Mansoor	Non-Executive	v.	Mr. Javed Iqbal Khan	Non-Executive
Procurement & Disposal Committee			vi.	Mr. Allahyar Khan CEO	Executive
i.	Mr. Nauman Siddiqui	Chairman (Independent)	Policy, Strategy & Market Reforms Committee		
ii.	Commodore Muhammad Siddiq (R)	Independent	i.	Sardar Naufil Mahmud	Chairman (Independent)
iii.	Muhammad Saleem Shah Bukhari	Independent	ii.	Muhammad Shafiq ur Rahman	Independent
iv.	Mr. Ahmed Taimoor Nasir	Non-Executive	iii.	Mr. Akhtar Hussain Qamar	Independent
v.	Mr. Arif Mansoor	Non-Executive	iv.	Mr. Ahmed Taimoor Nasir	Non-Executive
vi.	Mr. Allahyar Khan CEO	Executive	v.	Mr. Javed Iqbal Khan	Non-Executive
			vi.	Mr. Arif Mansoor	Non-Executive
			vii.	Mr. Allahyar Khan CEO	Executive

HSE, Quality Assurance & Customer Services Committee

i.	Mr. Akhtar Hussain Qamar	Chairman (Independent)
ii.	Commodore Muhammad Siddiq (R)	Independent
iii.	Sardar Naufil Mahmud	Independent
iv.	Mr. Nauman Siddiqui	Independent
v.	Muhammad Saleem Shah Bukhari	Independent
vi.	Mr. Allahyar Khan CEO	Executive

The members were requested to consider the matter and resolve accordingly. After due consideration, the Board resolved as follows.

Resolution

188-BOD-R3 **RESOLVED** that Circulation No. 06/2022 dated 22-07-2022 be and is hereby approved and confirmed.

Agenda item-7 To bifurcate and rename the existing Board's Committees.**Proceedings:**

With permission of the Chair, Company Secretary informed the members that formation of five Board Committees namely; Audit, HR, Procurement, Risk Management and Nomination Committees is mandatory as per Public Sector Companies (Corporate Governance) Rules, 2017. The existence of such Committees shall not absolve the Board from its collective responsibility for all matters, such Committees shall have written terms of reference that define their duties, authority and composition, and shall report to the full Board. The Committees shall assist the Board for its smooth functioning and expeditious decisions on various critical matters as and when required. The matters of complex nature will be entrusted to the relevant Committees to support the Board in performing its functions proficiently and for seeking assistance in the decision making process.

The Chair opened the discussion with the remarks that previous Board had formulated Audit and Finance Committee. He was of the view there should be separate Audit Committee and Finance Committee due to their distinct nature of work scope. The Chair invited the members to give their valuable inputs for the subjected matter. The members provided their input individually. During the course of discussion, different members expressed their views. It was learnt the subjected matter requires thorough consideration of all the members keeping in view their areas of expertise and interest. After due consideration, further deliberation on agenda was deferred to next meeting with the direction to Company Secretary to present Terms of References of each Committee in next meeting. The Board directed as follows.

Direction

188-BOD-D4 **DIRECTED** to present the Terms of Reference (TORs) of all Committees to the Board.

(Responsibility: Company Secretary | Timeline: Next Meeting)

The meeting ended with thanks to and from the chair.

(Engr. Sajid Yaqoob)
Company Secretary MEPCO