



MULTAN ELECTRIC POWER COMPANY

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No. 15081-99/Company Secy

Office of
The Company Secretary

Dated: 19-10-22

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. 373, overseas B extension,
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 191st BOARD MEETING HELD ON 06-10-2022.

Enclosed please find herewith Minutes of 191st BOD Meeting held on **06-10-2022 (Thursday) at 10:00 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 Director (S&V) MEPCO Ltd Multan.
7. The Staff Officer to CEO MEPCO H/Q Multan.

} For kind information and
further necessary action
please.

Meeting Date: 06-10-2022 (Thursday)

Meeting Time: 10:00 AM

Location: Board's Room MEPCO H/Q 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 (Through Video Link) |
| 7. | Muhammad Nawazish Ali Pirzada | Director |
| 8. | Mian Shahid Iqbal | Director |
| 9. | Mr. Asghar Leghari | Director (Through Video Link) |
| 10. | Rana Yasir Rauf | Director |
| 11. | Muhammad Jabir | Director |
| 12. | Mr. Sajid Yaqoob | Company Secretary |

Following MEPCO officers attended the Meeting on call.

- | | | |
|----|------------------------------|------------------------|
| 1. | Engr. Zafar Iqbal Gill | General Manager (Tech) |
| 2. | Engr. Jam Gul Muhammad Zahid | General Manager (CS) |
| 3. | Engr. Noor-ul-Hassan | Chief Engineer (P&E) |
| 4. | Mian Ansar Mahmood | Finance Director |
| 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.

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 granted the leave of absence to Honorable member of Board namely, Mr. Amad ud Din.

Agenda item-2 To consider and confirm the minutes of the 190th BOD Meeting held on 14-09-2022.

Company Secretary apprised that the minutes of 190th BOD meeting held on 14-09-2022 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.

The Board resolved as follows.

Resolution

191-BOD-R1 There being no objection from the house, **RESOLVED** that the minutes of 190th BOD Meeting held on 14-09-2022 be and is hereby confirmed as true record of the proceedings of the meetings.

Agenda item-3

- To review the compliance status on the directions issued by old BOD during its 186th & 187th Meeting held on 25-06-2022 & 18-07-2022.
- To review the compliance status on the directions issued by new BOD during its 188th, 189th & 190th Meeting held on 05-08-2022, 17-08-2022 & 14-09-2022.

Before start of formal presentation on compliance status on the directions issued by previous BOD, the members recalled that the matter was discussed in 190th BOD meeting wherein, it was directed that Board Committees should individually examine each initiative taken by the previous BOD and its different Committees to take decision for continuation or discontinuation of the directions.

While presenting the summary of directions issued by previous Board, Company Secretary presented the gist of the directions and initiatives taken by previous Board.

After due consideration, the members unanimously resolved to refer the directions to relevant Committee with the instructions to Company Secretary to present only those compliances with open status so that the same may be thrashed out in the relevant Committee for proper disposal of the matter.

Resolution

191-BOD-R2 **RESOLVED** that the directions of previous Board & its Committees will be discussed in respective Committee of Board.

Agenda item-4

To consider and confirm Circular Resolution No. 07/2022 dated 23.09.2022 regarding procurement of 300,000 No. Single Phase Energy Meters.

Proceedings:

With the permission of the Chair, Company Secretary apprised the members that matter regarding procurement of 300,000 No. Single Phase Energy Meters against T/No. 211/22 was circulated amongst Members of the Board through Circular Resolution No. 07/2022 dated 23.09.2022 for approval on urgent basis. After considering the matter, the Board passed the below detailed Circular Resolution.

RESOLVED that considering the request of General Manager (Tech) and recommendations of Procurement & Disposal Committee, approval for procurement of 300,000 No. (75000x4) Single phase Energy Meters @ Rs 2998/- per meter from M/s Accurate (Lot-I), M/s Transfopower in (Lot-II), M/s Vertex Electronics in (Lot-III), M/s Creative Electronics in (Lot-IV) amounting to Rs. 899.4 million (excluding GST) against Tender No. 211/22 opened on 15.06.2022 is hereby accorded.

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



Resolution

191-BOD-R3 **RESOLVED that** Circulation No. 07/2022 dated 23-09-2022 be and is hereby approved and confirmed.

Agenda item-5

To consider and confirm Circular Resolution No. 08/2022 dated 28.09.2022 regarding placement of funds.

Proceedings:

With the permission of the Chair, Company Secretary apprised the members that matter regarding placement of funds was circulated amongst the Members of the Board through Circular Resolution No. 08/2022 dated 28.09.2022 for approval on urgent basis. After considering the matter, the Board passed the below detailed Circular Resolution.

RESOLVED that considering the request of Finance Director, approval for placement of funds in banks which have offered most competitive rates as tabulated below is hereby accorded.

Name of Bank	Rating	Rate Offered	Proposed Placement (Rs. In Billion)	Share
M/S HBL	AAA	16.12%	Rs. 8.750	35%
M/S Askari Bank	AA+	16.11%	Rs. 7.500	30%
M/S Soneri Bank	AA-	16.06%	Rs. 4.250	17%
M/S UBL	AAA	16.00%	Rs. 3.250	13%
M/S Al Habib	AAA	15.75%	Rs. 1.250	5%
Total			Rs. 25.000	100%

The members were requested to consider the matter and resolve accordingly. Upon query of the Chair, Finance Director informed that the funds in the proposed banks are placed on three months TDR basis and will not roll over after the tenure is completed. The members directed to mention the period against which the funds are placed in the banks in the resolution of the case.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R4 With the understanding given by management that funds will be placed on three months TDR basis and there will be no roll over, **RESOLVED that** Circulation No. 08/2022 dated 28-09-2022 be and is hereby approved and confirmed.

Agenda item-6

To consider the letter received from Ministry of Energy (Power Division) dated 09-09-2022 regarding Performance Agreement / Contract for FY 2022-23.

Proceedings:

With the permission of Chair, CEO apprised the Board that a letter has been received from Ministry of Energy (Power Division) on 09-09-2022 regarding Performance Agreement / Contract wherein Section Officer (DISCO-I), Musafa Nazar has stated that the Ministry of Energy has entered into an understanding with the Prime Minister, setting out targets for the whole of the power sector. Those targets have been broken down DISCO wise and reflected in the Performance Contract of MEPCO for the Financial Year, 2022-23. In terms of Rule 8 of the Public Sector Companies (Corporate

Governance) Rules, 2013, the Chairman BoD (on behalf of all Board Members) and CEO have been requested to sign this agreement and return the same in original by 20-09-2022.

Mr. Ahmed Taimoor Nasir, being representative of Ministry of Energy (Power Division) explained the essence of the Performance Agreement / Contract. He intimated that those targets are set in line with Circular Debt Management Plan (CDMP).

During the course of discussion, one of members proposed to refer the matter to PSM & Risk Management Committee for detailed deliberation on the assigned targets. All other members agreed with the proposal with further direction to the management that a comprehensive workable plan to achieve those targets on quarterly basis should be presented in comparison with other DISCOs.

The Board resolved as follows.

Resolution

191-BOD-R5 **RESOLVED** that the subjected agenda is hereby referred to PSM & Risk Management Committee for its deliberation.

Agenda item-7

To consider the progress regarding Writ Petition No. 3003/2022 filed by Akhtar Hussain Qamar and another before Honorable Islamabad High Court Islamabad.

Proceedings:

With permission of the Chair, the agenda was presented by Director (Legal). He apprised the members about the proceedings of the case dated 12.09.2022. He informed that after approval of Chief Executive Officer MEPCO Multan, Mr. Faiz Rasool Jalbani, Advocate Supreme Court on special fee to the tune of Rs.600000/- (Rupees six hundred thousand only) was engaged to represent the case on behalf of Chairman Board of Directors.

On 12.09.2022, the case of MEPCO was taken up by Mr. Baber Sattar, Learned Judge of Islamabad High Court Islamabad. Application/CM No.3157/2022 was filed before Hon, able High Court for impleading Directors of BOD MEPCO. The application was allowed and Mr. Asghar Leghri, Muhammad Jabir and Mr. Ammad ud Din have been impleaded as respondents along with all other Directors of MEPCO, who are not ex-officio members and employees of the Government. Honorable High Court further directed that petitioners will file an amended memo of the Parties along with requisite fee for issuance of notices in the office within a period of three days. Once the amended memo is filed, the office issue notices to all other freshly impleaded respondents other than the applicant in CM No.3157 of 2022. The said respondents may file para-wise comments, if they so wish, within a period of three weeks. Honorable High Court issued notices on 20.09.2022 to respondent No.4, 5 and 6 (Mr. Muhammad Jabir, Mr. Amad ud Din and Mr. Asghar Leghari) Directors of MEPCO BOD.

In main writ petition No.3003/2022, Assistant Attorney General stated that respondent No. 2 (FOP through Secretary Energy) needs further time to file para wise comments as to extra-ordinary situation created due to the floods in the country the Ministry is over-worked. High Court directed Respondent No.2 to file comments within a period of three weeks. Mr. Faiz Rasool Jalbani, Advocate appeared before Court on behalf of respondent No. 3 (Chairman MEPCO BOD) and sought opportunity to file his Power of Attorney and also filed para wise comments. Honorable High

Court directed the learned counsel for the parties to argue the matter on merits on the next date of hearing i.e 13.10.2022.

The Board was further apprised that matter was discussed in Legal Committee wherein; the Committee has desired to engage Mr. Faiz Rasool Jalbani, Advocate for representation on behalf of Muhammad Jabir and Mr. Ammad ud Din as well. During the course of discussion, one of members showed his reservation for engagement of the counsel Mr. Faiz Rasool Jalbani. After due consideration, the members agreed to change the already engaged Counsel Faiz Rasool Jalbani, advocate Supreme Court and authorised Mr. Asghar Leghari, Chairman Legal Committee and Muhammad Nawazish Ali Pirzada, Member of Legal Committee (being legal experts) to explore the suitable Legal Counsel for representation on behalf of Chairman BoD, Mr. Amad ud Din and Muhammad Jabir, Independent Directors of BOD.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R6 **RESOLVED that** approval to change the already engaged Counsel, Mr. Faiz Rasool Jalbani, advocate Supreme Court is hereby accorded. Moreover, Mr. Asghar Leghari, Chairman Legal Committee and Muhammad Nawazish Ali Pirzada, member of Legal Committee are hereby authorized to explore the suitable Legal Counsel for representation on behalf of Chairman BoD, Mr. Amad Ud Din and Muhammad Jabir, Independent Directors of BOD.

Agenda item-8 **To consider the TORs of newly constituted Board's Committees.**

Resolution

191-BOD-R7 **RESOLVED that** the deliberation upon the subjected agenda is hereby deferred to next meeting.

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

9-a **Approval for annual audited accounts for F.Y 2021-22.**

Proceedings:

With permission of the Chair, agenda was presented by the Finance Director. He intimated that the agenda was presented in 2nd Audit & Finance Committee meeting held on 30-09-2022 wherein, the Committee has recommended the case for Board's approval.

At the very outset, Finance Director informed the Board that under Rule-20 of Corporate Governance Rules-2013, every public sector company is required to present its Annual Accounts before BOD. MEPCO has prepared Annual Accounts for the FY 2021-22, the salient features were intimated to members for their consideration. He also briefed the members about observations / emphasis points mentioned in Board's letter. He further informed the members that Audit Report for FY 2021-22 is unqualified Audit Report.

With permission of the Chair, Muhammad Sufyan, representative from M/s Yousuf Adil, Chartered Accountants gave a detailed presentation regarding their Auditor's report. He briefed the Board about the audit report for the Financial Year ended 30 June, 2022. He explained to the Board about scope of

the Audit and intimated that the Audit has been carried out in accordance with the approved accounting standards as applicable in Pakistan. He informed the Board for specific approvals sought for the transactions / adjustments incorporated in the Books of Accounts. During the course of discussion different queries were raised by honorable members which were promptly responded by the management.

The Board was further informed that detailed deliberation was made during the presentation in Audit and Finance Committee wherein; the Committee has desired presentations from Property Management Cell regarding non transfer of lands in the name of MEPCO. Moreover, PD GSC and PD Construction have been directed to give a detailed briefing for non-capitalization of capital work in progress amounting to Rs. 11,404 M. The Board also endorsed the directions of Audit and Finance Committee. The Board was apprised that Audit and Finance Committee has recommended the Board to approve the Audited Accounts of Company for FY 2021-22.

After due consideration, the Board agreed to endorse the recommendations of Audit and Finance Committee and resolved as follows.


Resolution

191-BOD-R8 **RESOLVED that** considering the request of Finance Director and recommendations of Audit & Finance Committee, approval of Annual Audited Accounts and Balance Sheet of the Company for the year ended 30 June, 2022 along with accompanying explanatory notes is hereby accorded.

FURTHER RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval of the following salient transactions incorporated in the books of account is hereby accorded.

	(Rupees In Millions)
Additions to property and equipment:	9142
Impairment of capital work-in-progress:	46
Provision for staff retirement benefits:	10106
Re-measurement of staff retirement benefits:	16770
Bonus paid during the year	793
Trade debts written off during the year:	312
Amortization of deferred credit:	3366
Expected credit loss allowance:	421
Provision for slow moving and obsolete Stores and spare parts:	144

FURTHER RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval of transactions with related parties as disclosed in Note 36 & 37 of the financial statements is hereby accorded.

FURTHER RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval to authorize the CEO and Chairman Audit & Finance Committee to sign the financial statements is hereby accorded. 

FURTHER RESOLVED that considering the request of Finance Director & external auditor and recommendations of Audit & Finance Committee, approval of providing certain financial information of the Company for the purpose of obtaining Unique Document Identification Number (UDIN) to be placed on the auditor's audit report as per the Directive 4.27 issued by The Institute of Chartered Accountants of Pakistan (ICAP) on the portal provided by ICAP is hereby accorded.

The above resolutions are based on the following confirmations by the management of MEPCO.

- a. The working paper represents true facts of subject case.
- b. No material information has been withheld and the working papers represent all facts of the case.
- c. All legal and codal formalities have been complied with.
- d. There is no conflict of interest of any officer of the MEPCO.
- e. Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- f. Any Misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

9-b Approval for appointment of MEPCO External Auditors for F.Y 2022-23.


Proceedings:

With permission of the Chair, agenda was presented by Finance Director. He informed the Board that matter regarding appointment of MEPCO External Auditors for F.Y. 2022-23 was presented in 2nd Audit & Finance Committee meeting held on 30-09-2022 wherein, the Committee has recommended the case to Board for approval.

Finance Director apprised that M/s Yousuf Adil, Chartered Accountants have completed Audit of MEPCO Accounts for the FY 2021-22. The Firm has also given the consent for appointment as MEPCO Auditors for the next FY 2022-23. Consent letter along with mail of the firm was also presented to Board. It was further intimated that M/s Yousuf Adil, Chartered Accountants have requested for increase in Professional Fee @ 10%, due to inflationary impact, in the existing Professional Fee i.e. Rs. 2,000,000 plus out of pocket expenses. However, the Audit & Finance Committee in its 2nd meeting held on 30-09-2022 has recommended the case to BoD for approval on same professional fee i.e. Rs. 2,000,000 without any increase.

After due consideration, the Board agreed to endorse the recommendations of Audit and Finance Committee and recommended as follows.

Recommendation

191-BOD-R9 RESOLVED that considering the recommendations of Audit & Finance Committee, the recommendations of the Board are hereby forwarded to the shareholders for consideration in the upcoming AGM for appointment of M/s Yousaf Adil Chartered Accountants, as MEPCO's External Auditors for one year i.e. FY 2022-23 @ Professional Fee i.e. Rs. 2,000,000 plus Out of Pocket Expenses and other terms and conditions. 

The recommendations are based on the following confirmations by the management of MEPCO.

- a. No material information has been withheld and the working paper represents all facts of the case.
- b. All legal and codal formalities have been complied with.
- c. That there is no conflict of interest of any member/Officer of the MEPCO.
- d. Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- e. Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

9-c

Approval for engagement of Tax Consultants for Income Tax, Sales Tax & PST Compliance with Advisory Services for Tax Year-2023 (FY 2022-23).

Proceedings:

With permission of the Chair, agenda was presented by Finance Director. He informed the Board that matter regarding engagement of Tax Consultants for Income Tax, Sales Tax & PST Compliance with Advisory Services for Tax Year-2023 (FY 2022-23) was presented in 1st Audit & Finance Committee meeting held on 19-09-2022 wherein, the Committee has recommended the case to Board for approval.

After due consideration, the Board agreed to endorse the recommendations of Audit and Finance Committee and resolved as follows.

Resolution

191-BOD-R10 RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval for engagement of M/s Yousuf Adil, Chartered Accountants as Tax Consultants of MEPCO for professional fee @ Rs. 225,000 per month (Rs. 2,700,000 per annum) excluding PST & out of pocket expenses on actual basis for one year i.e. 01/07/2022 to 30/06/2023 (FY 2022-23) is hereby accorded.

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.

9-d Approval for booking the adjustment of GoP Equity / Investment of Rs. 12.848 Million in the Books of Accounts.**Proceedings:**

With permission of the Chair, agenda was presented by Finance Director. He informed the Board that matter regarding booking the adjustment of GoP Equity/Investment of Rs. 12.848 Million in the Books of Accounts was presented in 1st Audit & Finance Committee meeting held on 19-09-2022 wherein, the Committee has recommended the case to Board for approval.

After due consideration, the Board agreed to endorse the recommendations of Audit and Finance Committee and resolved as follows.

Resolution

191-BOD-R11 RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval for booking of adjustment of GoP Equity of Rs. 12,848 million in the Books of Accounts of MEPCO is hereby accorded.


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.

9-e To consider the approval for acceptance of debit notes regarding PEPCO Management Fee.**Proceedings:**

With permission of the Chair, agenda was presented by Finance Director. He informed the Board that matter regarding acceptance of debit notes regarding PEPCO Management Fee was presented in 2nd Audit & Finance Committee meeting held on 30-09-2022 wherein, the Committee has recommended the case to Board for approval.

One of the Members was of the view that considering above scenario of PPMC formulation, the new role of PPMC approved by the Cabinet is of supporting and monitoring nature. He further advised to file tariff petition accordingly for NEPRA approval to accept the subject Debit Notes. The management noted the same for compliance.

After due consideration, the Board agreed to endorse the recommendations of Audit and Finance Committee and resolved as follows. 

Resolution

191-BOD-R12 RESOLVED that considering the request of Finance Director and recommendations of Audit & Finance Committee, approval for acceptance of debit notes of PEPCO Management Fee amounting to Rs. 50.050 (M) for FY 2021-22 is hereby accorded.

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-10

To consider and review the Statement of Compliance with Public Sector Companies (Corporate Governance) Rules, 2013.

Resolution

191-BOD-R13 RESOLVED that deliberation upon subjected agenda is hereby deferred to next meeting.

Agenda item-11

To fix the date of Annual General Meeting.

Proceedings:

With the permission of Chair, Company Secretary apprised the members that in accordance with the Section 132 (1) of the Company's Act 2017, the Annual General Meeting of the Company is to be held within a period 120 days following the close of its Financial year. The Board was requested to fix the date of the next Annual General Meeting of the Company.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R14 RESOLVED that that the date of 25th Annual General Meeting of the Company be and is hereby fixed on 27.10.2022 at 11:00 AM in Board's Meeting Room MEPCO Sports Complex, MEPCO H/Q Khanewal Road Multan.

Agenda item-12

Matters relating to Procurement & Disposal Committee

12-a

Approval for procurement of 70000 Nos. 11 KV Pin Insulator (T/No. 04/23 dated 27.07.2022, Extended Bid Validity up to 27.10.22).

Proceedings:

With permission of the Chair, agenda was presented by General Manager (Tech). He informed the Board that matter regarding procurement of 70000 Nos. 11 KV Pin Insulator (T/No. 04/23 dated 27.07.2022, Extended Bid Validity up to 27.10.2022) was presented in 2nd Procurement & Disposal

Committee meeting held on 22-09-2022 wherein, the Committee has recommended the case to Board for approval.

After due consideration, the Board agreed to endorse the recommendations of Procurement and Disposal Committee and resolved as follows.

Resolution

191-BOD-R15 RESOLVED that considering the request of General Manager (Tech) and recommendations of Procurement & Disposal Committee, approval for the procurement of 70000 Nos. 11 KV Pin Insulators @ Rs 800/- per unit from M/s Highland Ceramics amounting to Rs. 56.0 million (excluding GST) against Tender No. 04/23 opened on 27.07.2022 is hereby accorded.


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

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- g) Previously, there is no issue on supplier side from which this procurement is being made.
- h) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- i) The procurement will be in accordance with the approved financial budget and procurement plan.
- j) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- k) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

12-b

Approval for procurement of 25000 No. 11 KV Disc Insulator (T/No. 05/23 dated 27.07.2022, Extended Bid Validity up to 10.10.2022.

Proceedings:

With permission of the Chair, agenda was presented by General Manager (Tech). He informed the Board that matter regarding procurement of 25000 No. 11 KV Disc Insulator (T/No. 05/23 dated 27.07.2022, Extended Bid Validity up to 10.10.2022 was presented in 2nd Procurement & Disposal Committee meeting held on 22-09-2022 wherein, the Committee has recommended the case to Board for approval subject to issuance of LOI / PO in other DISCOs. 

Upon query of the Chair, General Manager (Technical) presented price comparison with other DISCOs' last purchase rates. The analysis exhibited that the above tender rate is 56.89%, 12.07% & 11.87% on higher side as compared with the purchase rate of MEPCO, GEPCO & FESCO respectively, whereas; 5.01% & 11.33% lower with tender rate of PESCO & LESCO respectively.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R16 RESOLVED that considering the request of G.M (Technical) and recommendations of Procurement & Disposal Committee, approval for the procurement of 25000 No. 11 KV Disc Insulators @ Rs 3130/- per unit from M/s Emco Industries amounting to Rs. 78.25 million (excluding GST) against Tender No. 05/23 opened on 27.07.2022 is hereby accorded.

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

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- g) Previously, there is no issue on supplier side from which this procurement is being made.
- h) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- i) The procurement will be in accordance with the approved financial budget and procurement plan.
- j) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- k) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

12-c Approval for procurement of 1000 MCM (S/CORE) Power Cables against tender No. 09/2022 (NCB) opened on 31.08.2022 (Item No. 02) financed under MEPCO's own resources / deposit works.

Proceedings:

With permission of the Chair, agenda was presented by Chief Engineer (Dev) PMU. He informed the Board that matter regarding procurement of 1000 MCM (S/CORE) Power Cables against tender No. 09/2022 (NCB) opened on 31.08.2022 (Item No. 02) financed under MEPCO's own resources / deposit works was presented in 2nd Procurement & Disposal Committee meeting held on 22-09-2022

wherein, the Committee has recommended the case to Board for approval with the instruction to mention the finalized rate by PESCO while presenting the case to Board.

Upon query of the Chair, General Manager (Technical) presented price comparison with other DISCOs last purchase rates. He intimated that MEPCO tender quoted rates are 8.84% less as compared with recent quoted rates in QESCO. Whereas, comparing with GEPCO purchase rate, PESCO & LESCO tender rate of Power Cables, US\$ Exchange rate and LME Aluminum comparison, it is evident that the rates offered by the lowest bidder M/s Newage Cables Lahore seems reasonable. He also presented the status of the finalized rate by PESCO which is at par with that of MEPCO. The GM (Technical) asserted that if the current tender is scrapped, the rates of Power Cables 1000MCM (S/Core) may increase due to increasing trend of US\$ and ongoing projects will also be delayed. The available stock of Power Cables 1000MCM (S/Core) has been depleted completely.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R17 RESOLVED that considering the request of Chief Engineer (Dev) PMU and recommendations of Procurement & Disposal Committee, approval for issuance of L.O.I / P.O for the supply of 21315 meters of 1000MCM Power Cables @ 4330/- per unit total cost amounting to Rs. 92,293,950/- (excluding GST) against Tender No. 09/2022 opened on 31.08.2022 in favor of M/s Newage Cables Lahore is hereby accorded.

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

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- g) Previously, there is no issue on supplier side from which this procurement is being made.
- h) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- i) The procurement will be in accordance with the approved financial budget and procurement plan.
- j) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- k) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

12-d

Approval for procurement of printing solutions opened on 08.02.2022, Bid Validity up to 06.10.2022.**Proceedings:**

With permission of the Chair, agenda was presented by D.G (IT). He informed the Board that matter regarding procurement of printing solutions opened on 08.02.2022, Bid Validity up to 06.10.2022 was presented in 2nd Procurement & Disposal Committee meeting held on 22-09-2022 wherein, the Committee has recommended the case to Board for approval with the desire to provide the availability of budget regarding the subjected proposal while presenting the case to Board.

Upon query of the Chair, Finance Director confirmed that the budget is available for the proposed printing solution. Chairman Procurement and Disposal Committee informed that a huge financial implication is involved if the request to accept the tender is not acceded to. He further enlightened that the existing printers have become obsolete & out of order and required to be replaced with the new & advanced printers involving huge cost.

While providing justification of proposed printing solution, D.G (IT) informed that per page cost as per opened tender of LESCO, GEPCO, FESCO & SEPCO is Rs. 1.85, 2.44, 2.44 & 1.97 respectively, whereas; our printing solution costs Rs. 2.58 per page including all expenses.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R18 RESOLVED that considering the request of G.M (Tech) and recommendations of Procurement & Disposal Committee, approval for procurement of printing solutions for MEPCO in Option-5 amounting to Rs. 1,253,920,493/- (excluding Taxes) for five years from M/S TCS (Pvt.) Ltd. against Tender No. 146/22 opened on 08.02.2022 is hereby accorded. Initially, the work will be awarded for a period of three years amounting to Rs. 752,352,296/ extendable further on yearly basis with the consent of both the parties on agreed rates.

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

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- g) Previously, there is no issue on supplier side from which this procurement is being made.

- h) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- i) The procurement will be in accordance with the approved financial budget and procurement plan.
- j) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- k) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

12-e Approval for scrapping the tender for procurement of Single Cabin vehicles (4×2) Tender No. 192/22 dated 16.02.2022.

12-f Approval for scrapping the tender for procurement of Mini Truck (03 Ton) Tender No 193/22 dated 16.02.2022.

At the very outset, the members observed that the bid validity of the subjected tenders has already been expired and the tender has reached to its ultimate end. Therefore, members were of unanimous view that no deliberation is required for subjected matters.

Agenda item-13 Approval for procurement of 30000 Nos.(10000x3 Lots) 3-Phase Energy Meters (T/No. 212/22 dated 15.06.2022 Bid Validity upto 14.10.2022).

Proceedings:

Before start of formal presentation of the subjected agenda item, the management sought condonation of the requirement of presenting the case along with recommendations of Procurement & Disposal Committee as the case is of urgent nature. After due consideration, the Board acceded the request.

With the permission of Chair, General Manager (Tech) apprised the members that tender inquiry regarding procurement of 30000 Nos. (10000x3 Lots) Three Phase Energy Meters was floated in widely circulated newspapers in line with the approval of competent authority under Single Stage, Single Envelope. Six (06) firms purchased the tender documents whereas Four (04) firms participated in the tender and submitted their bids along with offered rates with full lot / tender quantities. The bids were opened by the tender opening committee on scheduled date i.e 15.06.2022.

While continuing General Manager (Tech) informed that the Bid Evaluation Committee evaluated the tender and based on the Technical, commercial & Financial evaluation, M/s Creative Electronics Pvt Ltd has emerged as most advantageous bidder for Lot-I @ Rs. 16023/- each without GST, M/s Transfopower Ind Pvt Ltd has emerged as most advantageous bidder for Lot-II @ Rs. 15989/- each without GST and M/S Accurate Pvt Ltd has emerged as most advantageous bidder for Lot-III @ Rs. 16034/- each without GST for the procurement of Three Phase Energy Meters. Later on M/S Creative Electronics Pvt Ltd and M/S Accurate Pvt Ltd Voluntarily reduced the rates to Rs 15989/-

While providing justification of the quoted rate, General Manager (Tech) presented price comparison with other DISCOs' last purchase rates. The analysis exhibited that the above tender rate is +42.46%, -42.46%, +42.46%, +59.83%, 6.25% are higher side as compared with the tender purchase rate of MEPCO, LESCO, IESCO, GEPCO, & FESCO respectively.

Upon query of one of members, GM (Technical) confirmed that MEPCO has complied with the PPRA rules/procedures related to such procurement. He also assured that technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders. The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any bidder. Moreover, previously there is no issue on supplier side from which this procurement is being made.

Continuing with his briefing, General Manager (Tech) apprised the Committee that the total cost for procurement of 30000 Nos.(10000×3 Lots) Three Phase Energy Meters would be Rs.479.67 million (excluding 17% GST) from aforementioned firms which is beyond the competency of CEO vide Section-V, Clause 5.2 of MEPCO DFP-2003. CEO MEPCO also accorded approval for putting up agenda item in BOD.

During the course of discussion, GM (Technical) also emphasized that the subjected procurement is very beneficial, critical to the operations of the Company and any delay will cause significant loss to the Company as deposit works & feeders during Financial Year 2022-23 cannot be completed without availability of material.

Based on management's assertions as stated above, the Committee agreed for proposed procurement. The Members considered the lowest quoted price with reference to the last P.O issued by other DISCOs. The Committee also considered that stock balance position is NIL whereas average monthly consumption is 2500 Nos.

After due consideration, the Board resolved as follows.

Resolution

191-BOD-R19 RESOLVED that considering the request of G.M (Tech), approval for the procurement of 30000 No. (10000x3) 3-Phase Energy Meters @ Rs 15989/- per meter from M/s Creative Electronics for (Lot-I), M/s Transpower Industries for (Lot-II) & M/s Accurate for (Lot-III) amounting to Rs. 479.67 million (excluding GST) against Tender No. 212/22 opened on 15.06.2022 is hereby accorded.

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

- a) No material information has been withheld and the working paper represents all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) That there is no conflict of interest of any member/Officer of MEPCO.
- d) MEPCO has complied with the PPRA rules and procedures related to such procurement.
- e) Technical and financial evaluation of the bid submitted for the said procurement have been carried out correctly on the basis of true facts of each bid submitted by the bidders.
- f) The recommendations of Bid Evaluation Committee are unconditional and no grievances have been received from any Bidder.
- g) Previously, there is no issue on supplier side from which this procurement is being made.



- h) There is no violation of SOPs of MEPCO for environmental and social safeguard.
- i) The procurement will be in accordance with the approved financial budget and procurement plan.
- j) Certified that the case has been checked by the sponsoring officer and is complete in all respect for consideration of Board of Directors, MEPCO.
- k) Any misstatement of the facts and figures in the working paper would make MEPCO management liable for the consequences.

Agenda item-14**To consider the proposal regarding conduction of Director's Training Program from one of the institutions registered with SECP.****Proceedings:**

With the permission of Chair, Company Secretary apprised the members that that matter regarding conducting of Directors' Training Program as per Section 11, Clause (1) & (2) of Public Sector Companies (Corporate Governance) Rules 2013, amended upto 2019 was presented in 189th BOD meeting held on 17-08-2022. Consequently, the Board vide resolution No. 189-BOD-R4 has resolved as follows.

"RESOLVED that approval is hereby accorded for conduction of Directors Training program from Rausing Executive Development Centre (REDC) LUMS of all Honorable Members of Board including Finance Director, Company Secretary and Assistant Company Secretary. The Company Secretary will make necessary correspondence with management of LUMS for conduction of this program."

The management of LUMS was contacted to carry out customized training program for MEPCO participants. It has been learnt that conduction of customized program is not possible in near future due to pre-occupation of LUMS management. Moreover, the formalities involved for customized Directors' Training Program may take 4 to 5 months. Keeping in view the above scenario, informal consent of the members was obtained.

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

After due consideration, the Board resolved as follows.

Resolution


191-BOD-R20 RESOLVED that approval for conduction of Directors Training program from Rausing Executive Development Centre (REDC) LUMS and Institute of Chartered Accountants Pakistan (ICAP) of all Honorable Members of Board including Finance Director, Company Secretary and Assistant Company Secretary as per below tabulated schedule is hereby accorded.

Institute	Date Offering	Name of Participants
LUMS	Module I: November 18 - 20, 2022 Module II: December 2 - 3, 2022 Lahore	Sardar Muhammad Jamal Khan Leghari Mr. Khurram Mushtaq Mr. Allahyar Khan Mr. Ahmed Taimoor Nasir Mr. Javed Iqbal Khan
	Module I: February 17 - 19, 2023 Module II: March 4 - 5, 2023 Lahore	Muhammad Nawazish Ali Pirzada Mr. Asghar Leghari Mr. Amad ud Din Rana Yasir Rauf Muhammad Jabir
ICAP	Module I: November 8 - 10, 2022 Module II: November 23 -24, 2022 Lahore	Mr. Fazalullah Durrani Mian Shahid Iqbal Finance Director Company Secretary Assistant Company Secretary

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.

The meeting ended with thanks to and from the chair.



(Engr. Sajid Yaqoob)
Company Secretary MEPCO