

MULTAN ELECTRIC POWER COMPANY

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No. 41221-45 Company Secy

Office of
The Company Secretary

Dated: 22-6-20

1. Mr. Akhlaq Ahmad Syed
House No.162, Street No. 73,
G-9/3, Islamabad.
2. Engr: Tahir Mahmood
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. Sheikh Fazal Elahi
President, Multan Chamber of Commerce & Industry
Shahrah-e-Aiwan-e-Tijarat-o-Sanat,
Near Kalma Chowk, Multan
6. Mr. Shafiq Ahmad Malik
Addl.Commissioner (Consolidation)
Multan.
7. Mr. Zaffar Abbas
Joint Secretary (Transmission),
Room No. 235 Ministry of Water & Power,
Islamabad.
8. Muhammad Anwer Sheikh,
Joint Secretary (CF-II), Govt of Pakistan
Finance Division Islamabad.

Sub:-MINUTES OF 158TH BOD MEETING HELD ON 12-06-2020.

Enclosed please find herewith Minutes of 158th BOD Meeting held on 12-06-2020, (Friday) at 2:00 PM in Board's Meeting Room, MEPCO HQ, Khanewal Road Multan, for information and necessary action please.

DA/as above


COMPANY SECRETARY MEPCO

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.
12. Manager (Security) / Transport MEPCO Multan.
13. Manager Internal Audit, MEPCO HQ Multan.
14. Manager (L&L) MEPCO HQ, Multan.
15. Manager (MM) MEPCO HQ Multan.
16. Manager (Civil) MEPCO HQ Multan.
17. Addl: Manager (Public Relations) 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 158TH BOD MEETING, HELD ON 12.06.2020 (FRIDAY) AT 2:00 PM IN BOARD'S MEETING ROOM, MEPCO HEAD QUARTER KHANEWAL ROAD MULTAN.

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|-----------------------------|-------------------------------|
| 1. Mr. Akhlaq Ahmad Syed | Chairman (Through Video Link) |
| 2. Engr. Tahir Mahmood | Director/CEO |
| 3. Mr. Zaffar Abbas | Director (Through Video Link) |
| 4. Muhammad Anwar Sheikh | Director (Through Video Link) |
| 5. Mr. Khalid Masood Khan | Director |
| 6. Shaikh Fazal Elahi | Director (Through Video Link) |
| 7. Mr. Shafique Ahmad Malik | Director (Through Video Link) |
| 8. Mr. Sajid Yaqoob | Company Secretary |

Following MEPCO officers attended the Meeting on call.

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|----------------------------|------------------|
| 1. Mr. Jahangir Bhutta | Finance Director |
| 2. Mr. Nasar Hayat Maken | D.G (HR & Admin) |
| 3. Syed Khalid Ali Chishti | GM (Technical) |
| 4. Mian Javaid Iqbal | Addl: D.G (MM) |

Meeting started under the Chairmanship of Mr. Akhlaq Ahmad Syed. Chairman noted the quorum and declared the meeting to be in order. Proceedings commenced with recitation of verses from the Holy **Quran** by Mr. Akhlaq Ahmad Syed.

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 NO. 1

Leave of absence of Honorable Members of BOD Meeting.

The Chairman of Board of Directors accorded approval for the leave of absence of the Honorable Member namely Mr. Saadullah Khan.

AGENDA ITEM NO. 2

To consider and confirm the minutes of the 157th BOD Meeting held on 16.05.2020.

Company Secretary apprised that the Minutes of 157th BOD Meeting held on 16.05.2020 dully endorsed by the Chairman BOD were circulated among all Board Members. The Chairman BOD invited the attention of all Members for offering any reservation(s) / comments(s) regarding approval of the minutes.


Resolution

158-BOD-R1 There being no objection from the house, **RESOLVED** that the Minutes of 157th BOD Meeting held on 16.05.2020 be and is hereby confirmed as true record of the proceedings of the meeting.

AGENDA ITEM NO. 3

Matters relating to Audit Committee.

i. Approval of MEPCO Corporate Budget for Financial Year 2020-21.

The Board was apprised that the agenda was presented by Finance Director in 8th Audit & Finance Committee held on 06.06.2020. He intimated that MEPCO Corporate Budget for Operating and Capital Expenditure for F.Y. 2020-21 has been prepared and is being presented to the MEPCO BOD. 

At the very outset, he apprised that the Corporate Budget for FY 2020-21 was presented in 157th MEPCO BOD meeting held on 16.05.2020 but Board referred back the matter to Audit & Finance Committee for review of CAPEX and OPEX in the light of discussion in the said meeting. In compliance of directions of Board, the same was presented to Audit & Finance Committee on 06.06.2020. After thorough discussion, the Committee has directed to reduce the CAPEX and to revise the budgetary estimates with target of 14.50% line losses.

He further stated that observations of Audit & Finance Committee have been incorporated in the presented budget document. He informed the Board that the line losses target has been revised @ 14.50%, own source budget has been reduced from Rs.9,795 (M) to Rs.8,600 (M) and Consumer Finance Budget has been reduced from Rs.9,800 (M) to Rs. 7,800(M) by reducing Rs.2,000 (M) under SDGs. Other features of budget were also apprised to the Board in detail.

The Board was further apprised that Audit Committee has also recommended to direct CE (P&E) and GM (CS) to present a detailed study before 30th June, 2020 regarding CAPEX investment made and corresponding energy savings target against actual savings realized during last five years. The Board desired that the study should be presented to the Board for its consideration on or before 30th June, 2020.

While summarizing the Budget presentation, Finance Director informed the Board that following budget estimates have been figured out keeping in view past performance, consumer end tariff, projected availability of power, Covid-19 pandemic & inflationary trend etc:

	<u>Rs. in million</u>
Total Revenue	308,256
Operating Cost and Other Expenses	<u>284,967</u>
Net Profit	23,289
Own Source	8,600
Consumer Finance	<u>7,800</u>
Capital Expense (CAPEX)	16,400

Moreover, Consumer Finance heads will be utilized / allocated on quarterly basis, 1st quarter will be allocated as per the strategy for release of funds for FY 2020-21 and remaining quarters budget will be allocated on the basis of actual funds received under the respective head during the preceding quarter.

Continuing with his briefing, Finance Director apprised that Budget Disbursement Strategy has been prepared on the guidelines provided by Muhammad Anwar Sheikh and the same has been rechecked by the Honorable Member. The Board desired to follow Budget Disbursement Strategy as reviewed by Muhammad Anwar Sheikh. It was further desired that no adjustment in budget will be made during 1st and 2nd Quarter, however; if any readjustment is required by the management, the same should be presented to Board after vetting of Audit & Finance Committee and notification should be issued to all head of departments about allocation of budget for their departments as per the strategy for release of funds for FY 2020-21.

While concluding, the Chairman and all members appreciated the efforts of Finance Department and the management for completion of budget exercise in a meaningful and timely ensuring compliance to the directions of the Audit Committee and Board. Board further expressed its hope that the management will achieve the budgetary targets.

The after due deliberation resolved as follows.

Resolution

158-BOD-R2 RESOLVED that considering the request of Finance Director and the recommendations of Audit & Finance Committee of the Board, approval for the proposed Corporate Budget of MEPCO for FY 2020-21 comprising Operating