



MULTAN ELECTRIC POWER COMPANY

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No. 10661-79 Company Secy

Office of
The Company Secretary

Dated: 06-5-22

1. Mr. Jalil-Ur-Rehman Tarin
209-A, 27th Street,
Off Khayaban-e-Roomi, DHA, Phase-8, Karachi.
2. Mr. Allahyar Khan
Chief Executive Officer,
MEPCO Multan.
3. Commodore Muhammad Siddiq (R),
D-22, Street # 2, Navel Housing Scheme (NHS),
Hilal Road, F11/1, Islamabad.
4. Sardar Naufil Mahmud,
70-B, Sarfraz Rafiqi Road,
Lahore Cantt 54810, Lahore.
5. Mr. Javed Iqbal Khan,
Joint Secretary (Budget), Govt of Pakistan
Finance Division Islamabad.
6. Mr. Ahmed Taimoor Nasir
Joint Secretary (Transmission),
Room No. 220 Ministry of Energy
(Power Division), Islamabad.
7. Mr. Nauman Siddiqui,
59-G Commercial, Phase-I,
DHA, Lahore.
8. Muhammad Shafiq Ur Rahman
214 - Pak Block, Allama Iqbal Town
Lahore.
9. Mr. Arif Mansoor,
1st Floor, Central Design Building,
Old Anarkali, Lahore.
10. Muhammad Saleem Shah Bukhari,
Bukhari & Company, 40-41-A,
Ali Arcade, Multan.
11. Mr. Akhtar Hussain Qamar,
Watan Builders, Old Sales Tax Building,
Vehari Chowk, Multan.

Sub:- MINUTES OF 184TH BOARD MEETING HELD ON 23-04-2022.

Enclosed please find herewith Minutes of 184th Emergent BOD Meeting held on **23-04-2022 (Saturday) at 11:00 AM in Board's Meeting Room MEPCO H/Qs Khanewal Road Multan**, for information and necessary action please.

DA/as above


COMPANY SECRETARY MEPCO

Copy to:-

1. All G.Ms under MEPCO Ltd Multan.
2. All Chief Engineers under MEPCO Ltd Multan.
3. Finance Director, MEPCO Ltd Multan.
4. All D.Gs 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.

MULTAN ELECTRIC POWER COMPANY

MINUTES OF 184TH BOD MEETING, HELD ON 23-04-2022 (SATURDAY) AT 11:00 AM IN BOARD'S MEETING ROOM, MEPCO HEAD QUARTER KHANEWAL ROAD MULTAN.

1.	Mr. Jalil-Ur-Rehman Tarin	Chairman (Through Video Link)
2.	Mr. Nauman Siddiqui	Director (Through Video Link)
3.	Sardar Naufil Mahmud	Director (Through Video Link)
4.	Mr. Arif Mansoor	Director (Through Video Link)
5.	Mr. Javed Iqbal Khan	Director (Through Video Link)
6.	Commodore Muhammad Siddiq (R)	Director (Through Video Link)
7.	Mr. Allahyar Khan	CEO/Director
8.	Muhammad Saleem Shah Bukhari	Director
9.	Mr. Akhtar Hussain Qamar	Director
10.	Mr. Sajid Yaqoob	Company Secretary

Following MEPCO officers attended the Meeting on call.

1.	Engr. Abdul Sattar	General Manager (Tech)
2.	Engr. Nasir Ayaz Khan Gurmani	General Manager (Op)
3.	Engr. Muhammad Naeem	General Manager (CS)
4.	Engr. Zafar Iqbal Gill	Chief Engineer (Dev) PMU
5.	Mian Ansar Mahmood	Finance Director
6.	Mr. Liaqat Ali Memon	D.G (HR & Admin)

Meeting started under the Chairmanship of Mr. Jalil-Ur-Rehman Tarin. 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.

Before start of formal agenda of the meeting, Chairman invited the attention of the members that the meeting has been called on short notice. Chairman requested the Members to resolve to condone the mandatory time period required for issuance of notice. All the members unanimously resolved to condone the time period required for issuance of notice for 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 granted leave of absence to Honorable Members, Mr. Ahmed Taimoor Nasir and Muhammad Shafiq Ur Rahman.

AGENDA ITEM NO. 2

To review the compliance status on the directions issued by BOD during its 182nd Meeting held on 12-03-2022.

With the permission of Chair, Company Secretary submitted the compliance status received from management. The relevant HoDs apprised the members as follows.

- a) Regarding issuance of offer of appointment to Mr. Waqar Ahmed for the post of Director (Security & Vigilance), DG (HR & Admin) informed that letter has been issued after approval of Board. The members noted the compliance status.

Status (Closed)

- b) Regarding re-advertisement the posts of Chief HSE Officer and Chief People Officer with revised advertisements, DG (HR & Admin) informed that revised advertisement for the post of Chief HSE Officer has been approved by Board, whereas; the advertisement for post of Chief People Officer will be presented in upcoming HR & Nomination Committee meeting. After due consideration, the Board directed to present the revised advertisement after vetting of HR & Nomination Committee.

Status (Open) 

- c) Regarding 179-BOD-D1, GM (CS) presented tariff wise detail of Permanent Disconnected Consumers and deferred amount. The members observed that status of recovery from permanent disconnected consumer is alarmingly slow. No visible progress has been achieved by the management in this regards. After due consideration, the Board directed to exert all possible efforts for recovery of these outstanding amounts.

During the course of discussion, the Chair was of the view that some fundamental changes which are required to be made. He proposed that revenue offices must be report to Finance Director. All other members agreed with the proposal and after due consideration directed DG (HR & Admin) to present a comprehensive proposal encapsulating all pros and cons of proposal and comments of Finance Director & CEO in next Board meeting. Moreover, GM (CS) was directed to present age wise data and status of recovery from permanent disconnected consumers & deferred amount in next meeting.

Status (Open)

- d) Regarding 179-BOD-D2, DG (HR & Admin) informed that a reference was made to GM (HR) PEPCO for expert opinion, however; the reply is still awaited despite of 5 reminders. The members directed personally DG (HR & Admin) to visit the office of GM (HR) PPMC and present the progress in next meeting.

Status (Open)

- e) Regarding 179-BOD-D4, Chief Engineer (Development) informed that Power of Attorney has been issued in favor of Barrister Dr. Irfan Ahmad Chattha, Advocate Supreme Court to defend MEPCO in the suit filed by M/s Metropolitan Steel Corporation against MEPCO. The last date for hearing was 21.02.2022. The next date of hearing has not been fixed by High Court yet. Moreover, a high level committee has been constituted to inquire the facts of the case which will submit its recommendations in due course of time. After due deliberation, the Board directed Chief Engineer (Development) to present the progress in next meeting.

Status (Open)

- f) Regarding 182-BOD-D1, DG (HR & Admin) informed that proposed Pay Package for BPS-01 to 20 keeping in view the market trends will be presented to Audit and Finance Committee for its vetting in its upcoming meeting. The Board directed to present the same after vetting of Audit & Finance Committee.

Status (Open)

- g) Regarding 182-BOD-D2, Board was apprised that enquiry committee has been constituted to probe into the matter regarding non consideration of observations of Procurement and Disposal Committee recorded in its 8th Meeting against agenda item relating to procurement of PVC 2/Core 10mm² SID Cable (Tender No. 182/22 opened on 04.02.2022) but the report is still awaited. The Board directed to present the report in next meeting.

Status (Open)

AGENDA ITEM NO. 3

Approval for the following.

- i. **Hiring of HR performance management specialist in MEPCO.**
- ii. **Hiring of individual GIS consultant.**
- iii. **Hiring of individual IT consultant.**

With the permission of Chair, agenda was presented by DG (HR & Admin). He informed the Board that Expression of Interest along with proposed TORs for hiring of subjected consultants was presented in respective Board Committees wherein; the Committees have recommended the cases for Board's approval. Moreover, a committee has been constituted to prepare Request For Proposal / bidding documents to initiate the process of hiring of above said consultancy services. After detailed

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discussion, the members agreed for hiring of HR performance management specialist (individual), IT and GIS consultants (both individual and firm).

During the course of discussion, one of members proposed that condition regarding availability of consultant at Multan during the consultancy period should be relaxed. After detailed discussion, the members unanimously agreed to rephrase the condition as “The consultant will be preferably mostly placed in Multan”.

The Board resolved as follows.

Resolution

184-BOD-R1 Considering the request of Director General (HR & Admin) and recommendations of respective Committees of the Board, **RESOLVED that** approval for publication of Expression of Interest for hiring of HR performance management specialist (individual), IT and GIS consultants (both individual and firm) in daily newspapers after observing all codal formalities is hereby accorded.

AGENDA ITEM NO. 4

Approval for payment of SAP software annual support & maintenance fee.

With the permission of Chair, agenda was presented by Finance Director. He informed the members that the Agenda for approval of Annual Maintenance Fee payment US\$ 83,048 for period October-2021 to September-2022 was submitted in the Audit & Finance Committee meeting wherein; the Audit & Finance Committee deferred the Agenda for reduction in the rates. Later on a presentation by SAP was arranged by the Company Secretariat through Finance Department.

Continuing with his briefing, he stated that Technical Automation and New Initiative Committee during the presentation resolved to constitute a committee headed by Chief Executive Officer MEPCO to negotiate Annual Maintenance Fee with M/s ABACUS Consulting Technology. In compliance, the committee negotiated Annual Maintenance Fee with M/s ABACUS Consulting Technology whereby the vendor agreed to allow discount @ 2.5% of Software Price. While discussing the payment being made by other DISCOs, he informed that other DISCOs are paying Annual Maintenance Fee @ 22%.

Responding to a query from one of the members, Finance Director informed that non-payment of Annual Support & Maintenance Fee may cause disturbance / stoppage of smooth implementation and operations of SAP/ERP Project in MEPCO. Besides, in case the SAP Licenses Support and Maintenance Services are terminated due to non-payment, MEPCO will have to pay 18% charges for restoration of the same.

In view of above, he requested to approve payment of Annual Maintenance Fee to M/s ABACUS Consulting Technology for 02 years amounting to US\$ 161,944 (Net of discount @ 2.5% of Software Price i.e. Gross Amount US\$ 166,096). The subject payment is payable in Pak Rupees @ exchange rate prevalent on date of payment as per terms and conditions of the Agreement.

After detailed discussion and deliberation, the members were of unanimous view that an individual should be hired that has experience of negotiating such type of issues and future course of action should be decided in the light of recommendations of hired consultant.

The Board resolved as follows.

Resolution

184-BOD-R2 **RESOLVED that** CEO shall do the needful for hiring the services of a consultant (individual or firm) to negotiate the Annual Maintenance Fee with SAP and present its recommendations to Board for its consideration.

AGENDA ITEM NO. 5

Approval for grant of Disparity Reduction Allowance.

With the permission of Chair, agenda was presented by D.G (HR & Admin). He informed the members that matter regarding grant of Disparity Reduction Allowance @ 15% of Basic Pay Scales-

2017 w.e.f. 01.03.2022 to the Employees of BPS-1 to BPS-19 was presented to HR & Nomination Committee, wherein; the Committee has recommended the case for Board's approval.

Responding to a query of one of the members, DG (HR & Admin) informed that this allowance shall be admissible to MEPCO employees in BPS-1 to 19 who have never been allowed additional allowance/allowances equal to or more than 100% of the basic pay (whether frozen or not) or performance allowance.

After due consideration, the Board resolved as follows.

Resolution

184-BOD-R3

Considering the request of Director General (HR & Admin) and recommendations of HR & Nomination Committee of the Board, **RESOLVED** that in order to provide relief to MEPCO in service employees and compensate for the increased cost of living owing to inflation and rupee depreciation, approval for grant of Disparity Reduction Allowance @ 15% of the Basic Pay Scales 2017 w.e.f. 01.03.2022 to MEPCO Employees in BPS-1 to 19 subject to the conditions as mentioned below is hereby accorded.

- (i) This allowance will not be admissible to the employees of the organization who are drawing additional allowance / allowances equal to or more than 100% of the basic pay (whether frozen or otherwise).
- (ii) This allowance will be frozen at the level drawn on 1st March, 2022.
- (iii) This allowance will be subject to Income Tax.
- (iv) This allowance will be admissible during leave and entire period of L.P.R except during extra ordinary leave.
- (v) This allowance will not be treated as part of emoluments for the purpose of calculation of Pension/Gratuity and recovery of House Rent.
- (vi) This allowance will not be admissible to the employees during the tenure of their posting / deputation abroad.
- (vii) This allowance will be admissible to the employees on their repatriation from posting / deputation abroad at the rate and amount which would have been admissible to them, had they not been posted abroad.
- (viii) This allowance will be admissible during the period of suspension.
- (ix) The term 'Basic Pay' will also include the amount of Personal Pay granted on account of annual increment (s) beyond the maximum of the existing pay scales.

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 and 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 NO. 6

Approval for grant of Honoraria / Performance bonus to MEPCO employees.

With the permission of the Chair, the agenda was presented by D.G (HR & Admin). He apprised that MEPCO is one of the largest Power Distribution Company in the country operating exclusively in 13 administrative Districts of Southern Punjab having 9 No. Operation Circles. The service territory of

the Company is mostly rural having more than 7.5 Million consumers. Despite of the fact that 61 % staff is available against sanctioned posts whereas 39 % posts are lying vacant but the work load against existing staff has increased manifold. However, MEPCO Employees rendered extra ordinary performance to assist the Management to achieve KPIs of Company despite of acute shortage of staff. The MEPCO employees strived hard to maintain continuity of electricity supply as well as improved various parameters of performance.

Moreover, following parameters have also been improved / achieved by the concerted efforts of employees.

1. Recovery has been achieved as 99.8% against private consumers by the end of 3rd quarter.
2. Rs. 868.93 (Million) has been recovered from Permanent Disconnected defaulters.
3. 294,922 Nos. of new connections have been installed up to 3/2022.

Responding to a query of the Chair, DG (HR & Admin) informed that NTDC, GEPCO and LESCO have granted Honoraria / Eid Bonus to its Employees while other DISCOs are in process of getting approval from their Boards.


The Chair invited Finance Director to apprise the members about availability of budget. With permission of the Chair, Finance Director intimated that Rs. 442 (M) is financial impact of this proposal. He further informed that one bonus was awarded in 2018-19, no bonus in 2019-20 and 1 bonus was granted in 2020-21. However, one bonus has already been given in 2021-22 which was pertaining to performance ending June, 2021 but the approval was granted in August, 2021 due to late approval of Board. The member showed their satisfaction that bonus is being given once in a year, however; booking is made to next year due to certain reasons. This allocation will not cover tariff space as the regulator allows one honoraria which has already been consumed and payment of one additional honorarium will be financed by profit of the company and ultimately will reduce the profit of the company. He also informed that CEO can re-appropriate the required budget from space in pay and allowances. Responding a query from the Chair, Finance Director confirmed that the authority for this re-appropriation lies with CEO.

One of the members proposed that bonus / honoraria are normally given at the end of year based on performance or profit earned by the Company. The true performance of the Company will be reflected ending June, 2022. He proposed that this grant should be named as "Ex-Gratia" instead of bonus. Moreover, this grant should be given once in a year only. All members agreed with proposal with the direction to management that if case for grant of another bonus / ex gratia grant during one year is put up to Board, the case should be put up along with these comments of the Board. Moreover, the management should devise a mechanism which should ensure award of bonus merely on the performance of employees / achievement of targets against different KPIs.

After due consideration, the Board resolved/directed as follows.

Resolution

184-BOD-R4 **RESOLVED** that considering the request of DG (HR & Admin), approval for grant of Ex-Gratia payment equal to one month running basic pay to all MEPCO employees subject to fulfillment of following criteria is hereby accorded.

- (i) It will be admissible to all employees (Regular / Contract / Deputation / Daily Wages) working on the payroll of MEPCO for six months or more on the date of issue of notification.
- (ii) Daily Wages employees must have originally been appointed at least one year back from issuance of order. They would be allowed Ex-Gratia payment equivalent to minimum of pay scale of their posts.
- (iii) The employees involved in acts of misconduct viz corruption, theft of electricity, embezzlement, fraud and unethical acts / gross misconduct etc. will not be entitled. 

- (iv) The employees who are under any enquiry / investigation in the department as well as in NAB / FIA etc. will not be eligible. In case of exoneration from the charge, the employee will be entitled for Ex-Gratia payment.
- (v) The employees on extra ordinary leave or on deputation abroad will not be entitled.
- (vi) An employee penalized (major penalty) under E&D rules during last one year will not be entitled.
- (vii) It will be allowed to employees transferred to MEPCO and having less than six month stay subject to provision of certificate of previous company from where these employees have been transferred to the affect that these employees have not taken Hardship allowance from their previous company.
- (viii) It will be equal to 40% of the lump sum package be allowed to employees engaged on lump sum package.

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 and 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.

Direction

184-BOD-D1 DIRECTED DG (HR & Admin) to;

- 1. Present list of employees who have not been given this Ex-Gratia grant.
- 2. Present a performance based mechanism for award of bonus to employees in next year.


AGENDA ITEM NO. 7

To authorize the committee to exercise full financial powers for procurement of vehicles under Vehicle Management Policy – 2022.

With the permission of Chair, agenda was presented by General Manager (Technical). He informed the members that the Vehicle Management Policy-2022 duly approved by MEPCO BoD in its 182nd meeting held on 13.03.2022, conveyed vide company secretary letter no. 9891 dated 24.03.2022 and notified vide Dy. Director (Transport) letter no. 176-G/24171-76 dated 25.03.2022. MEPCO has initiated the procurement of cars under PPRA Rules. As per section 8(a) of the MEPCO Vehicle Management Policy 2022 regarding functions of the Transport Committee, which is reproduced as under;

“Transport Committee shall be vested with the mandate to operationalize and implement the MEPCO Vehicle Management Policy, with the approval of Chief Executive Officer of MEPCO, without deviating main pillars of the policy”

He further stated that the Vehicle Management Policy does not define the Financial Competency for the procurement of vehicles/cars at initial stage and time to time procurement under this policy. Following Committee was proposed for the procurement of vehicles / cars at initial stage and time to time procurement under this policy which may be fully authorized to exercise full financial powers for procurement of cars.

- 1. Chief Executive Officer MEPCO Convener
- 2. General Manager (Technical) MEPCO Member 

3. Finance Director MEPCO Member
4. HR & Admin Director MEPCO Member
(being head of Transport Committee)

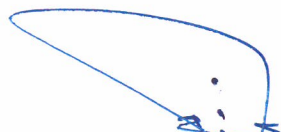
With the permission of Chair, Finance Director apprised the Board about his concerns upon the presented proposal. He briefed that section 8(a) of the MEPCO Vehicle Management Policy 2022 was included in the policy to empower the Transport Committee to implement and operationalize the policy with the approval of CEO. He further informed the members that financial approval of the policy has not been obtained from Board so far. He was of the view that Finance Director, being primary auditor cannot be the member of proposed committee because it gives rise to conflict of interest.

After due consideration, the Board directed as follows.

Direction

184-BOD-D2 Considering briefing by Finance Director, the Board **DIRECTED** DG (HR & Admin) to obtain financial approval of the policy in next Board meeting and revise the proposal by addressing the concerns of Finance Director.

The meeting ended with thanks to and from the chair.


(Engr. Sajid Yaqoob)
Company Secretary MEPCO