

**MINUTES OF THE 10<sup>th</sup> MEETING OF THE BOARD OF DIRECTORS OF THE CESC ON TUESDAY, 14<sup>TH</sup> NOVEMBER, 2006 AT 3.00 PM AT REGISTERED OFFICE OF THE CORPORATION, MYSORE**

**Present:**

Shriyuths:

- |                         |    |                      |
|-------------------------|----|----------------------|
| 1. Bharat Lal           | .. | Chairman             |
| 2. Vijayanarasimha      | .. | Managing Director    |
| 3. KV Srinivasamurthy   | .. | Director (Technical) |
| 4. Dr.Aditi Raja        | .. | Director             |
| 5. S Pratapkumar        | .. | Director             |
| 6. MV Murthy            | .. | Director             |
| 7. BN Sathyaprema Kumar | .. | Director             |

**By invitation**

- |               |    |                               |
|---------------|----|-------------------------------|
| 1. UR Badiger | .. | Chief Engineer ( Mysore Zone) |
| 2. RR Joshi   | .. | Financial Adviser             |

**In attendance:**

- |                   |    |                      |
|-------------------|----|----------------------|
| R Balasubramanian | .. | Authorised Signatory |
|-------------------|----|----------------------|

*Leave of absence was granted to Shriyuths VM Chandre Gowda, M Lokaraj, Vishvanath Hiremath & Darpan Jain, Directors*

**Item No. 10/1: Confirmation of the minutes of the 9<sup>th</sup> meeting**

10/1.01 The Board confirmed the minutes of the 9<sup>th</sup> meeting of the Board held on 07.10.2006 as circulated.

**Item No.10/2: Follow up action on the Minutes of the 9<sup>th</sup> meeting of the Board of Directors of the Corporation held on 07.10.06**

10.2.01 While noting the action taken on the minutes of the 9<sup>th</sup> meeting, the Board made the following observations:

Item No. 9/14 – Reasons for not preparing the list of villages – Shri MV Murthy

Item No. 9/14– Outcome of the verification of unmetered/non read installations – Shriyuths MV Murthy and BN Satyaprema Kumar

**Item No. 9/14 – List of outstandings of more than Rs. 5000/- -- whether prepared and CEs informed for pursuing - Shri BN Satyaprema Kumar**

The Board was informed that the above data have been compiled and were being verified. It was also clarified that on completing the computerization in the next two months, a clear picture would emerge facilitating corrective action on a sound footing. The Board desired the Managing Director to complete these tasks expeditiously and also instructed that concerned officers to be proactive and vigilant to protect the interests of the Company which was financially weak. It was noted that Shri BN Satyaprema Kumar may continue to be a member of the audit committee. The Board advised Managing Director to take action on Audit of Energy and fixing of DTC meters.

**Item No. 10/3: Proceedings of the 16<sup>th</sup>, Adj 16<sup>th</sup> & 17<sup>th</sup> Purchase Committee meetings held on 5<sup>th</sup> Sept. 13<sup>th</sup> Sept. and 7<sup>th</sup> Oct. 06 respectively**

10/3.01 Shri Pratap Kumar Member Purchase Committee observed that the proceedings of the Purchase Committee could be taken on record on confirmation of the same by the Purchase Committee. The Board noted the same subject to confirmation by the Purchase Committee.

**Item No. 10/4: Approval for borrowing by way of bridge loan from M/s. REC Ltd.**

10/4.01 The Managing Director informed the Board of the action taken to issue LOI for the RGGY works of Chamarajnagar district pending formal sanction of REC and the proposal to avail short term loan of Rs. 10.00 crores as bridge loan as an interim measure.

10/4.02 The Board felt that DWE should be issued after ensuring funds availability. However, in the instant case, as the works are to be taken in Chamarajnagar district, the proposal could be agreed to. The Board, thereafter

Resolved that the Managing Director is hereby authorized to raise loan from M/s REC Ltd.,

Resolved a) that pursuant to the provisions contained in Section 292(1)(c) of the Companies Act,1956 and the provisions contained in the Memorandum and Articles of Association of the Company consent of the Board be and is hereby accorded to the company to borrow from REC or any other Financial Institutions/ Commercial Banks by way of bridge loan a sum of Rs. 10.00 crores (*Rupees ten crores only*) to meet the contractual obligations in respect of RGGY works of Chamarajnagar district awarded to M/s SPML Bangalore on the terms and conditions indicated by them in their Sanction Letter:

b) that the Board hereby declares that the term Loan being availed by the Company is within the Borrowing powers and limits specified in section 293(1)(d) of the Companies Act, 1956.

c) that the Managing Director and/ or Director (Technical) be and are hereby authorized severally to convey to REC or any other Financial Institutions/ Commercial Banks acceptance on behalf of the Company of the said offer for financial assistance on the terms and conditions contained in their Sanction Letter aforementioned.

d) that the company do borrow from REC or any other Financial Institutions/ Commercial Banks a Bridge Loan not exceeding Rs 10 crores (*Rupees Ten crores only*) on the terms and conditions set out in the draft of Loan Agreement (*“hereinafter referred to as the Agreement”*) as provided by REC or any other Financial Institutions/ Commercial Banks

e) that the Managing Director and/ or Director (Technical) be and hereby are severally authorized to sign, execute such deeds, documents and other writings as may be necessary or required for this purpose by REC or any other Financial Institutions/ Commercial Banks on behalf of the Company and

carry out such modifications / amendments /alterations therein as may be required & acceptable to REC or any other Financial Institutions/ Commercial Banks and finalize the same.

- f) that the Common Seal of the Company be affixed to the stamped endorsement(s) of the Mortgage Deed/Deed of Hypothecation and to such other documents as may be required to be executed as per the terms and conditions set out in the Agreement under the Common Seal of the Company in favour of REC or any other Financial Institutions/ Commercial Banks to secure the aforesaid facilities in the presence of Managing Director and /or Director (Technical)
- g) that Managing Director and /or Director (Technical) of the Company be and are hereby severally authorized to accept amendments to such executed Agreements/ Deed of Mortgage / Deed of Hypothecation and other documents as and when become necessary and to sign letter(s) of undertakings, declarations, agreements and other papers where the Company may be required to sign for availing of the aforesaid facilities and, if so required, the Common Seal of the Company be affixed thereto in the presence of any of the said Directors or Officers, who shall also sign / countersign the same in token thereof as required by the AoA of the Company.
- h) that Managing Director and/ or Director (Technical) of the Company be and is hereby severally authorized to take such actions for registration of the said documents with the registrar of Companies and the Sub- Registrar under registration Act, and / or file the particulars of charges with the RoC under the Companies Act, 1956 within the stipulated time allowed under the Companies Act, 1956 and to take all necessary steps to give effect to the above resolution.

**Item No. 10/5: Operations / Management of Electricity Distribution in Kirugavalu Section in Malavalli Taluk**

10/5.01 The Board was apprised of the O&M arrangement of Kirigavalu section with Gramin Abirudhi Mandali based on the agreement executed by MESCOM with them and KPTCL, the performance of the section and the formation of a Committee to study the performance and recommend suitable course of action.

10/5.02 The Board desired that the examination be done expeditiously and detailed report placed before the Board. The Managing Director to take appropriate action.

**Item No. 10/6: Installation of Any Time Payment (ATP) machine in Mysore city as per the rate contract finalized by BESCOM**

10/6.01 The Board was informed of the tender process initiated by BESCOM for installation of any time payment machine in CESC area, the outcome of the tender and the proposal to award the work of installation of ATP machine by the L1 bidder at selected placed at BESCOM approved rates.

10/6.02 The Board noted that there appears to be variation in the rates offered by M/s TCS and SPML with regard to the slab for Rs. 20,000/- and above transactions and that this needed to be got verified from BESCOM and thereafter orders issued. The Board therefore

**Resolved that the proposal to award the work of installation of ATP machines of BOO basis to M/s TCS Bangalore and or SPML Bangalore at the following rates (*subject to confirmation from BESCOM*) be and is hereby approved:**

| Material  | Qty                 | No of Transactions | Amt in Rs. Per Transaction inclusive of Service Tax at 12.24% | One Time Payment payable in Rs. If ESCOM does not provide space for installation of ATP Machines. |
|---|---------------------|--------------------|---|---|
| Installation of ATP Machines on Build Own and operate Basis as per conditions of Enquiry No. BCP-182/06-07 of BESCO | All feasible places | 1 to 10000         | 4.26  | 120000.00<br>(Electricity and Backup to be provided by ESCOM)                                     |
|   |                     | 10000 to 15000     | 4.04  |   |
|   |                     | 15001 to 20000     | 3.75  |   |
|   |                     | 20001 to 25000     | 3.10  |   |
|   |                     | Above 25000        | 2.75  |   |

**Further the Managing Director to take decision to facilitate early implementation.**

**Item No. 10/7: Execution of Government works pending receipt of funds from Government of Karnataka**

10/7.01 The Board was informed of the execution of the works relating to illumination at Chamundi temple/hills, illumination and system improvement works in connection with Panchalinga darshan and shifting of over head power lines in high ways at the instance of instructions from the Hon'ble Chief Minister and Hon'ble Minister for PWD and Energy in their review meetings.

10/7.02 The Board observed that the works carried out/sought to be carried out at the instance of the GOK should be based on a written requisition from the concerned authorities. Normally the works falling outside the scope of the Corporation should be taken up on deposit contribution basis with funding arranged by the indenting departments/agencies. Hence the Board advised the Managing Director to address and obtain suitable requisition from the concerned agencies for taking up the works pending release of funds from GOK.

### **Item No. 10/8: Remuneration to Statutory Auditors**

10/8.01 The Board was informed of the response of the Chartered Accountants to the offer of CESC regarding remuneration and their stand in the matter.

10/8.02 The Board noted that this was the first year of audit and the audit was for a period in excess of 12 months. As such, taking into account the actual work involved and the other factors, the remuneration could be fixed at Rs. 1.75 lakhs plus service tax and refund of out of packet expenses of Rs. 45,000/- The Managing Director was authorized to finalise the fees accordingly.

### **Item No.10/9: Final Accounts of the Company for FY 05- 06**

10/9.01 The financial accounts as vetted by the Audit Committee were briefed to the Board.

10/9.02 The Board discussed the various accounting results.

10/9.03 The Chairman advised that payment of Income Tax may be finalised after consulting professional experts. Financial Advisor may take action on this.

10/9.04 The Board after discussion passed the following resolutions:

Resolved that i) in pursuance of the provisions of Section 215 of the Companies Act, 1956 and all other applicable provisions, the Balance Sheet as on 31.03.2006 and the Profit and Loss account and the cash flow statement for the year ended 31.03.2006, which are for the purpose of identification signed by the Financial Advisor of the Company, be and are hereby approved, subject to such modifications as may be necessary in the light of the observations of the Comptroller & Auditor General of India, if any and the Managing Director and Director(Technical) of the Company be and are hereby authorised to sign the same on behalf of the Board of Directors;

- ii) the Balance Sheet as at 31.03.06 and the Profit and Loss Account and the cashflow statement for the year ended 31.03.06 be furnished to the Statutory Auditors of the company for the year 2005-06 viz., M/s MY Ramesha & Co, Chartered Accountants, Mysore for obtaining their certification and report thereon;
- iii) the Balance Sheet of the company as at 31.03.06 and the Profit and Loss account for the year ended 31.03.06, together with the report of the statutory auditor, will be submitted to the Principal Accountant General, Karnataka, Bangalore for supplementary /test audit under section 619 of the Companies Act, 1956;
- iv) in pursuance of the provisions of section 217 of the Companies Act, 1956 and all other applicable provisions, the Chairman of the Company be and is hereby authorised to sign the Directors' Report for the financial year 2004-06, and any addendum thereto on behalf of the Board of Directors.

10/9.05 The Board noted that Shri BN Sathyaprema Kumar who was a member of the audit committee and desired that he be continued. Further, modifications if any, made by the Company to the final accounts on the recommendation of CAG along with the draft Directors' Report may be placed before the Audit Committee before coming to the Board.

**Item No.10/10: Chairman's agenda for the Month of Sept-2006**

10/10.01 The Board reviewed the action taken in respect of various items in the Chairman's agenda as below. After detailed discussions it was desired that the Managing Director shall initiate necessary actions on all pending issues, to complete the metering and computerization processes and also to build up a valid data base for

carrying out energy audit, intensive revenue collection drives and systems improvement for loss reduction.

| SL. No        | Tasks to be performed and measures to be taken by EEEs / AEEEs and Corporate office | Attributes to be Quantified                         | Qty   | Action taken by ESCOMS  |
|---------------|---|---|---|---|
| 1             | 2   | 3   | 4   | 5   |
| 1             | Metering of:  |   |   |   |
|               | a) All Installations (except BJ/KJ, Street-Lights, IP-Sets)                         | No. of Installations as at the end of Month         | 1436682                                     |   |
|               |   | No. of Installations Metered as at the End of Month | 1436682                                     |   |
|               |   | No. of Installations yet to be Metered              | 0   |   |
|               | I)BJ/KJ Installations   | No. of Installations as at the end of Month         | <b>222250</b>                               | Month wise target has given to division officers for fixing the meters to balance 65931 installations.  |
|               |   | No. of Installations Metered as at the eom          | 156319                                      |   |
|               |   | No. of Installations yet to be Metered              | 65931                                       |   |
|               | II)Street Lights  | No. of Installations as at the end of Month         | <b>14017</b>                                | For the firm contimeters 9478 numbers is ordered. Achievement is 8541. The balance 937 numbers are yet to be metered from the firm's side. For remaining installations action has been taken to procure the meter box. PO's issued for 4000 numbers |
|               |   | No. of Installations Metered as at the eom          | 9268  |   |
|               |   | No. of Installations yet to be Metered              | 4749  |   |
| III) I.P.Sets | No. of Installations as at the end of Month   | <b>191110</b>                                       | Diversion order is issued to Havelis to fix |   |
|               | No. of Installations Metered as at the eom  | 33567   |   |   |

|   |  |   |                         |   |
|---|--|---|-------------------------|---|
|   |  | No. of Installations yet to be Metered                                    | 157543                  | meters to urban IP sets in first phase. Work is under progress  |
|   | b) All DTCs with RRAMR   | Total DTC's as at the end of Month  | <b>31622</b>            |   |
|   |  | No. of DTC's with Meter at the eom  | 10358                   |   |
|   |  | No. of DTC's yet to be Metered  | 21264                   |   |
|   |  | Total DTC's with RRAMR at the end of Month                                | 0                       |   |
|   |  | Total DTC's with RRAMR yet to be covered at the eom                       | 31622                   |   |
|   |  | c) All feeder Meters with RRAMR   | Total Feeders as at eom |   |
|   | Total Feeders with RRAMR at the eom  |   | 0                       |   |
|   | Total Feeders with RRAMR yet to be covered at the eom  |   | 619                     |   |
|   | d) DC / MNR Pending cases  | I) DC/MNR Meters as at the Beginning of the month                         | 30526                   | Revolving Fund of Rs 3 Lakhs has been given to each Division, to each Circle and Zone to purchase meters from outlets and use it in replacing MNR meters. |
|   |  | II) DC/MNR Meters noticed during the month                                | 3277                    |   |
|   |  | III) DC/MNR Meters replaced during the month                              | 4541                    |   |
|   |  | IV) Balance DC/MNR Installations to be Metered as at the end of the month | 29262                   |   |
|   |  | V) % of DC/MNR Installations to the total number of Installations at eom  | 1.57                    |   |
| 2 | Re-conductoring of Trunk feeders with Rabbit Conductor and 33 KV lines with Coyote Conductor | No. of feeders to be reconducted with Rabbit Conductor                    | 376                     |   |
|   |  | Length of line to be Reconducted  | 5595.38                 |   |
|   |  | Length of line reconducted up to the end of the month                     | 701                     |   |
|   |  | Balance to be reconducted as at the end of the month                      | 4894                    |   |
| 3 | RLMS (Rural Load Management System)  | No. of Rural Feeders  | 471                     | Techno-commercial bid opened on 06.11.2006. It is under process.  |

|   |   |   |     |   |
|---|---|---|-----|---|
| 4 | TOD for HT Installations and all ETV Meters on BOT basis including LT Installations with Load of 20 HP and above. | No. of HT Installations as at the end of the Month                                    | 693 | ETV meters are fixed to all the installations.  |
|   |   | No. of HT Installations provided with ETV Meters up to the end of the month           | 693 |   |
|   |   | No. of HT Installations yet to be provided with ETV Meters up to the end of the month | 0   |   |
|   |   | No. of ETV Meters to which TOD is enabled at the end of the month                     | 0   |   |
|   |   | No. of ETV Meters to which TOD is yet to be enabled at the end of the month           | 693 |   |
| 5 | MIS- IT Measures: Web site  | To be adopted and implemented   |     | The work of computerization of total revenue management and other activities has been entrusted to service provider to all the 14 divisions. The awards of P.Pura, Ch.Nagar and Kollegal have been terminated due to default in service by service provider. Fresh tenders have been called to entrust the work |
| 6 | Centralized Billing Information   | To be completed by the end of NOV-06  |     | Billing of HT installations is centralized.   |
| 7 | Preparation of action plan for FY-06-07 with three times outlay compared to FY-05-06                              | completed   |     | Action Plan for Fy-07 is 368.72 crores which is 177.80 crores more than FY-06.  |
| 8 | Capital Expenditure made - % cumulative expenditure.  |   |     | Up to Sept-06 Rs. 46 Crores- % cumulative expenditure is 12.47%.  |

|    |   |  |    |  |
|----|---|--|----|--|
| 9  | Steady procurement and supply of materials                        |  |    | 160No.s of P.O.s issued from 01-04-06 to 30-09-06.   |
| 10 | Insurance of Assets and Employees                                 |  |    | M/S Sujaya Insurance Services Pvt ltd has been engaged to look after CESC Insurance portfolio. Insurance policy of maintenance staff is renewed and other items are in process   |
| 11 | 100% Computerized billing –Total Revenue Management               | No. of Sub-divisions as at the end of the month                                  | 51 | Computerized bills are being issued to the consumer using Spot billing machines in 25 Sub-divisions.   |
|    |   | No. of Sub-division with 100% of Computerized billing as at the end of the month | 0  |  |
|    |   | Balance to be Computerized as at the end of the month                            | 51 |  |
| 12 | Setting up of HRD Centre  | Started  |    | HRD training Centre has been started from 25.01.2006.12 Nos. training batches are conducted and training given for 265 Nos AE/JE's. Training for the linemen has been started from 12.6.06. 9 Batches are completed from 19.7.06 to 26.7.06 pre- employment has given for newly recruited 123 Nos. AE's/JE's |
| 13 | <b>Business Plan:</b><br>Each division to be a Strategic Business |  |    | The Business plan has been adopted in CESC, to improve revenue and uninterrupted   |

|    |                                   |   |    |  |
|----|-----------------------------------|---|----|--|
|    | Unit (SBU)                        |   |    | <p>quality of power supply to the consumers. The following factors are considered in order to improve revenue and quality of power supply.</p> <ol style="list-style-type: none"> <li>1) 100% metering of all installations.</li> <li>2) 100% billing and collection efficiency to be achieved.</li> <li>3) To replace all DC/MNR meters by good high precision meters.</li> <li>4) Standing arrears to be collected.</li> <li>5) Computerization of billing.</li> <li>6) Uninterrupted power supply to be maintained.</li> <li>7) To detect theft of power.</li> <li>8) To reduce the transmission losses.</li> </ol> |
| 14 | a) Meter outlets in each Division | No. of Divisions having Meter outlets   | 13 | In Additional CAD outlet will be opened shortly.   |
|    |                                   | Balance No. of Divisions to be provided with Meter outlets as at the end of the month | 1  |  |
|    | b) Revolving funds with EE's      |   |    | Revolving Fund of 3 Lakhs is sanctioned to each Divisions / Circle / Zonal office. Details enclosed.   |
| 15 | Video Conferencing with Divisions | To be provided during 2007  |    | Facility available at Corporate Office, Mysore Circle, Mandya  |

|    |  |                                 |  |   |
|----|--|---------------------------------|--|---|
|    |  |                                 |  | Circle & Hassan Circle.   |
| 16 | Setting up of H.T. Cell for High End consumers                   |                                 |  | Implemented.  |
| 17 | Preparation for Intrastate ABT                                   |                                 |  | All IF points of CESC with KPTCL are with meters having ABT features.   |
| 18 | Inspections and Compliance to observations – AG and Internal     | Periodical review is being done |  | There are no pending AG paras in 04-05 and 38 paras received during 05-06. All the paras have been replied and are referred for local verification. Necessary instructions have been issued to the Division officers/Circle officers to pursue. |
| 19 | 24 Hours, Customer Care Center in each division / Toll free Nos. | Provided to 5 Districts         |  | Toll free access to service station provided at Mysore, Mandya, Chamarajanagar, Hassan and Madikeri. 24 hour service station in operation at Mysore, Hassan, Chamarajanagar, Mandya and Madikeri.   |
| 20 | 100% Computer literacy – A, B & C categories of employees        | To be completed by DEC-06       |  | Training program has arranged at Corporate/ Zonal/ Circle/ Division level. 2 batches completed the training programme.  |
|    | Number of sub-divisions with out computer                        |                                 |  | All the subdivisions have been provided with computer.  |

|    |  |   |       |   |
|----|--|---|-------|---|
| 21 | Permissible loss levels – from MUSS feeders :( Urban less than 9% and Rural less than 18%)     |   |       | Instructions have been issued to bring down the losses of urban feeders to 9% and rural feeders within 18%. |
| 22 | Booking of Theft cases – 10 cases each O&M Section every month without fail including backlog. | No. of O&M Sections as at the end of month  | 184   |   |
|    |  | Total No. of Theft Cases Booked as at the end of the month                            | 75    |   |
| 23 | Jan Samparka Sabha – 4 in each Sub-Division every month  | No. of Sub-Divisions as at the end of month   | 51    |   |
|    |  | Total No. of Jan Samparka Sabha conducted as at the end of the month                  | 106   |   |
| 24 | Soujanya Counters in each Sub Division.  | No. of Sub-Divisions with Soujanya Counters   | 47    |   |
|    |  | No. of Sub-Divisions to be provided with Soujanya Counters as at the end of the month | 4     |   |
| 25 | <b>DTC Failure:</b><br>a) Zero in Urban Feeders  | Total No. of Urban Feeders as at the end of the month                                 | 152   | Refer page No. 27(a)  |
|    |  | Total No. DTC's on Urban Feeders at the end of the month                              | 4949  |   |
|    |  | Total No. DTC's Failed on Urban Feeders at the end of the month                       | 11    |   |
|    |  | % of DTC's Failure on Urban Feeders as at the end of the month                        | 0.22  |   |
|    | b) 0.5% in Rural Feeders   | Total No. of Rural Feeders as at the end of the month                                 | 471   |   |
|    |  | Total No. DTC's on Rural Feeders at the eom   | 26673 |   |
|    |  | Total No. DTC's Failed on Rural Feeders at the eom                                    | 531   |   |
|    |  | % of DTC's Failure on Rural Feeders as at the eom                                     | 1.99  |   |
| 26 | Energisation of Ganga Kalyana Schemes  | <b>SC/ST Development Corporation</b>  |       | Serviced in April-06 =20, May-06=41, June=16, July =24, Aug=23, Sept=25 pending                             |
|    |  | Target  |       |   |
|    |  | Achieved as at the end of the month   | 149   |   |

|    |  |   |       |   |
|----|--|---|-------|---|
|    |  | Balance to be energized   | 1378  | with CESC 556 and pending with corporation =822   |
|    |  | <b>KBCDC</b>  |       | Serviced in April-06 =9, May-06=4, June=2, July=2, Aug=6, Sept=12 pending with CESC 135 and pending with corporation =126 |
|    |  | Target  |       |   |
|    |  | Achieved as at the end of the month   | 37    |   |
|    |  | Balance to be energized   | 261   |   |
|    |  | <b>KMDC</b>   |       | Serviced April-06 =3, May-06= 1, June=2, July=2, Aug=1, Sep=8 pending with CESC 47 and pending with corporation =80       |
|    |  | Target  |       |   |
|    |  | Achieved as at the end of the month   | 18    |   |
|    |  | Balance to be energized   | 127   |   |
| 27 | Regularization of IP sets-Execution of works.  | Total No. of Un-authorized IP Sets regularized  | 21154 | Action is being taken to complete the work.   |
|    |  | Total No. of Un-authorized IP Sets to which Infrastructure is provided as at the end of the month             | 12538 |   |
|    |  | Balance No. of Un-authorized IP Sets to which Infrastructure is yet to be provided as at the end of the month | 8616  |   |
| 28 | Achieving fully, MMR Targets:<br>a) Electrification of Kutir Jyothi beneficiaries.<br>b) Electrification of Hamlets/ DB/JC/AC/Tandas | <b>Electrification of Hamlets</b>   |       |   |
|    |  | Target  | 500   | Apr=53, May=0, June=5, July=163, Aug=15, Sept=0   |
|    |  | Achieved as at the end of the month   | 221   |   |
|    |  | Balance to be energized   | 279   |   |
|    |  | <b>DB/JC/AC/Tandas</b>  |       |   |
|    |  | Target  | 700   | June=6, July=18, Aug=8, Sept=0  |
|    |  | Achieved as at the end of the month   | 24    |   |
|    |  | Balance to be energized   | 676   |   |
|    |  | <b>Tribal Colonies</b>  |       |   |
|    |  | Target  | 45    | July=1, Aug=0, Sept=0   |
|    |  | Achieved as at the eom  | 1     |   |

|    |   |                                   |        |  |
|----|---|-----------------------------------|--------|--|
|    |   | Balance to be energized           | 44     |  |
|    |   | <b>Kutir Jyothi beneficiaries</b> |        | Mar=1435, Apr=3  |
|    |   | Target                            | 125000 | 138, May=244, Jun  |
|    |   | Achieved as at the eom            | 8434   | e=305, July=295,   |
|    |   | Balance to be energized           | 116566 | Aug= 1766,<br>Sep=2686   |
|    | Progress under various programmes   | To be reviewed                    |        |  |
|    | a) APDRP  |                                   |        | Refer page No. 29  |
| 29 | b) RGGVY  |                                   |        | Works are under progress in Hassan, Mysore and Mandya districts. For Ch.Nagar District LOA issued. For Madikeri District tenders have been invited. Refer page No. 31-32   |
| 30 | Synchronization of MUSS works of KPTCL and 11 KV evacuation lines – Holding of monthly co-ordination meeting with CEE, Tr. Zones of KPTCL |                                   |        | Co-ordination meeting with KPTCL is being held periodically.   |
| 31 | Submission of subsidy bills to Government as per P.P. Model   |                                   |        | Capital subsidy bills worked out amounting to Rs. 14.58 Crores (April-05 to Aug-06) sent to Financial Department, GOK. Revenue subsidy bills worked out amounting to Rs.7.47 Crores in respect of BJ/KJ Installations have been submitted to Principal |

|  |  |   |       |  |   |
|--|--|---|-------|--|---|
|  |  |   |       | Secretary<br>Bangalore up to<br>the end of June-06<br>(April-05 to June-<br>06). |   |
| 32   | Disconnection of IP<br>Sets:   | To bring below 1% level by<br>DEC-05  |       |  |   |
| 33   | a) Rating of HT<br>&LT Installation.   | Total Number of HT&LT<br>Installations  | 79317 |  |   |
|  |  | Total No. of HT&LT<br>Installations Rated as at the<br>end of the month                       | 16014 |  |   |
|  |  |   | 63303 |  |   |
|  | b) Constitution of<br>one rating. Team for<br>each sub-division.<br>With outsourcing | No. of Sub-Divisions yet to<br>be constitute one Rating<br>Team as at the end of the<br>month |       | 51   | Rating batches<br>have strengthened<br>by creative more<br>post of AE's/JE's.<br>Details as follows.<br>AEE=10 nos,<br>AE's=20 nos,<br>JE's=13 nos.               |
|  |  | No. of Sub-Divisions yet to<br>be constitute one Rating<br>Team as at the end of the<br>month |       |  |   |
|  | c) Procurement of<br>acuchecks   | Total No. of acuchecks<br>required as at the end of the<br>month                              | 51    |  | Due to non<br>responsiveness of<br>the Bidders re-<br>tender notification<br>has been issued on<br>9.6.06. Price bid<br>opened on<br>18.7.06. PO's are<br>issued. |
| Total No. of acuchecks<br>Procured as at the end of the<br>month         |  |   |       |  |   |
| Balance No. of acuchecks to<br>be Procured as at the end of<br>the month |  |   |       |  |   |
| 34   | Standards of<br>performance of<br>KERC   |   |       | Being submitted<br>regularly and also<br>reviewed                                |   |

|    |  |   |        |   |
|----|--|---|--------|---|
| 35 | Review of<br>performance<br>parameters           |   |        | Being<br>submitted<br>regularly &<br>also reviewed. |
| 36 | Compliance to<br>Regulatory<br>Directives        | Periodical review to be done  |        | Is being<br>reviewed                                |
| 37 | Providing<br>infrastructure for all<br>ATL Cases | No. of Installations<br>regularized under ATL as at<br>the end of the month | 107943 |   |

|    |  |   |        |   |
|----|--|---|--------|---|
|    |  | No. of Installations provided with infrastructure facility as at the end of the month | 107943 |   |
|    |  | Balance to be provided with infrastructure facility as at the end of the month        | Nil    |   |
| 38 | Quality of Service: Reliability index of feeder- Urban - 99.9%. Rural feeders 99% for prescribed hours | To ensure for all areas   |        | Preventive maintenance works and strengthening of existing works are being carried out to achieve the target. |
| 39 | 24 Hours Power Supply in all feeders with 94% Revenue Collection                                       | Wherever applicable   |        | Instructions are issued   |
| 40 | Feeders as Basic unit of Administration:- Feeder-Wise DCB Franchisee at feeder level.                  | To be completed by JAN-06   |        |   |
| 41 | Micro Feeder Franchise (MFF) and Input Based Franchisee (IBF)  | To be completed by JAN-07   |        | 503 Micro feeders Franchisee are working.   |
| 42 | MoU with AEEs/AEs/ Jes/GVPs – Incentives and Disincentives to be inbuilt                               | To be completed by JAN-07   |        | Received MOU from some of the sub-divisions and is in process.  |
| 43 | ATP (Any Time Payment Kiosks) in all District Head Quarters  | To be completed by JAN-07   |        | BESCOM has awarded and it is in process to implement in CESC as per the BESCOM rate contract.                 |

|    |   |                                    |  |  |
|----|---|------------------------------------|--|--|
| 44 | Initiatives for Demand side Management for LT-2 and other LT-4 Categories | To be done                         |  | 1) BJ/KJ Metering: Work is under progress. Initiated action to provide meters by purchasing through retail outlets.<br>2) Street light Metering: work under progress. PO issued for 4000 No. meter box |
| 45 | U.G. Cable Service in District Head quarters/ Corporation Areas           | To be implemented from now onwards |  | Orders have been issued for implementation   |

|    |   |            |  |  |
|----|---|------------|--|--|
| 46 | System Improvement Studies / Cost to serve etc.,  | To be done |  | To be taken up.  |
| 47 | Reshuffling of Meter Readers and Linemen whose performance is not good in Urban Areas and where losses are not coming down. |            |  |  |
|    | No. of Meter Readers and linemen shifted from Urban areas and Rural areas to be furnished.                                  |            |  |  |
| 48 | Incentives and disincentives to officials:<br>(a) No. of officials rewarded with incentives for good performance.           |            |  | 5 numbers of vigilance officials are rewarded with incentives, during March-2006 |

|    |  |  |    |   |
|----|--|--|----|---|
|    | (b) No. of officials penalized with disincentives for poor performance.  |  |    | 1 numbers of LT rating official is penalized with Disincentives, during June-2006   |
| 49 | Initiation of Departmental Enquiry against officials for poor performance under Rule 11 and or 12.   |  |    |   |
|    | No. of persons against whom Deptl. Enquiries have been initiated for poor performance under Rule 11 and or 12 to be furnished.   |  | 45 |   |
| 50 | Notification of important Telephone No's of all the concerned offices and complaint handling centers in the Local and District level Newspapers as paid advertisement on a quarter bases.<br><br>No. of Notifications issued as paid advertisement in the Local and District level Newspapers in each quarter to be furnished. |  |    | RAD, Hunsur and Pandavapura Divn advts given in Vijaya Karnataka. CAD Divn- advt in all local & Dist level Newspapers. Chamaraja nagar Divn- advt in Reshme nadu & Andolana local paper. Hassan, CRP & HNP Divn, Advt in Janatha darshana & Jana - mithra local papers. |
| 51 | Holding of customer awareness campaigns for metering of IP Sets, installations of TOD meters and Safety measures for preventing electrical accidents etc.  |  |    | One day Consumer Interaction Meeting was arranged on 7.03.06 at Kadakola. Training to maintenance staff is being arranged regarding safety measures.  |
|    | No. of customer awareness campaigns held and date of holding the same is to be furnished.  |  |    |   |

|    |  |  |  |   |
|----|--|--|--|---|
| 52 | Phone-in-Programme of Chm, ESCOMs and MD, KPTCL in AIR and Doordarshan.  |  |  | No. of Complaints received -44<br>No. of complaints attended-44   |
|    | No. of Complaints attended and pending to be furnished.  |  |  |   |
| 53 | Negative items published in the News papers, affecting the image.  |  |  | Nil   |
|    | No. of rejoinders issued to the press on the negative items published in News Papers to be furnished.  |  |  |   |
| 54 | Attending to the Petitions received from the public.   |  |  | No. of Petitions received =38.<br>No. of Petitions disposed=38,<br>Pending =0.  |
|    | Details of No. of Petitions received, disposed and pending to be furnished.  |  |  |   |
| 55 | Creating awareness among school children about electricity usage, safety and conservation<br>No. of Divns conducted the programme with schools |  |  | Letters addressed to all Exe Engrs of O&M Divns. Two programs conducted in CAD in March-06, in Hunsur 1no. & in Mysore RAD 1 no.conducted during April-06 |
|    |  |  |  |   |

**Item No.10/11: Procurement of 5,00,000 Nos. (Five lakhs) Compact Fluorescent lamps 11W on rate contract basis for RGGVY works**

*Tender enquiry No: CESC/CEE/EE (O)/AEE-1/23/06-07Dtd 09-10-2006*

Bid Validity Up to: 01-03-2007

Cost of Procurement for 5.0 lakhs bulbs: 11 Watts Rs.3.8595 crs.

10/11.01 The Board was informed that

- i) the CESC is carrying out Rural Electrification works in Hassan, Mysore & Mandya districts by awarding the works to

contractors on total turn key basis under RGGVY scheme for rural electricity infrastructure and house hold electrification;

- ii) Under this scheme it is proposed to service BPL house holds by extending lines/Service mains with interior wiring, duly providing meter, meter board, DP switch one 40 W bulb etc.,. The interior wiring work is not under the scope of the contractor to whom the turn key works are awarded. This work is being carried out, by entrusting the works to local contractors on CESC/PWD Schedule of Rates;
- iii) During the ESCOM's Co-ordination committee meeting held on 20-07-2006 under the Chairmanship of Chairman ESCOM's & MD KPTCL at Bangalore, it was decided that MD CESC has to float tender for procurement of 5 Lakhs Compact Fluorescent lamps including the requirement of other ESCOM's also & other ESCOM shall make payment to CESC for the same;
- iv) Accordingly. short term tender notification for supply of the subject material on Rate Contract basis for a period of one year was issued on 09-10-2006 by Chief Engineer, Electricity, O & M Zone, CESC, Mysore, in leading newspapers vide enquiry No CEE/EE (O)/AEE-1/23/06-07/dt9-10-2006;
- v) The bidders were to submit their offer on or before 30-10-2006 through two parts e-tender on CESC website. The techno-Commercial bid was opened on 30-10-2006 and price bid was opened on 06-11-2006;
- vi) The proposal is for the procurement of 5 lakhs Energy saving Compact Fluorescent lamp 11Watts to be used for servicing BPL houses under RGGVY scheme in all ESCOM's.
- vii) The specification covers supply of Compact Fluorescent lamps 11 Watts conforming to relevant IS and technical specifications. The lamps shall be retrofit pin type (BC) long life, High luminous efficiency & Eco friendly type.
- viii) The Qualifying requirements as per Bid document are as follows:

**a. General**

Manufacturers or firms who have signed MOA or having consortium with manufacturers can quote.

Bidder shall be financially sound and shall submit audited financial report for last Three years preceding the date of bid submission i.e for the year 2003-04, 2004-05 & 2005-06.

**b. Additional requirements:**

- i) The Principal supplier (manufacturer) must have manufactured at least 5 lakhs CFlamps in any one calendar year during last three years for this particular enquiry.

**c. Financial Capabilities:**

For the purpose of this particular bid, bidders shall meet the following minimum criteria.

- i) Average annual turnover for the best ONE year out of last three years of the company as annualized in supply of materials and equipments and execution of works shall be equal to **Rs. 10.00** lakhs
- ii) Liquid Assets (LA) and /evidence of assets or availability of credit facilities from balance sheet or credit offer letter from schedule bank for the year 2006-07 and shall be 50% of the Annual turnover.

*Note: - For SSI's established in Karnataka, financial capability of 50% of the above is sufficient for both i & ii on production of certificate from industries and commerce department.*

- ix) Tenders were invited on e-tendering mode through News papers vide tender Notification No. **CEE/EE (O)/AEE-1/23/06-07/Dt.9-10-2006**. The notification was published in leading News papers such as all India edition English paper New Indian Express dt.12.10.2006 &kannada paper Vijaya Karnataka dt.11.10.06. Also copy of NIT was sent to Tender Bulletin Officer Govt of Karnataka. The details of Notification inviting tender, Invitation of Bids, Instruction to Bidders Technical specification Techno-commercial Schedules and Price Schedules of the subject enquiry were made available on Web site [www.tenderwizard.com/cesc](http://www.tenderwizard.com/cesc) for the bidder to quote their bids on e-tendering mode.
- x) Date of opening of Technical Bid: 30-10-2006
- xi) Date of opening of Price Bid: 06-11-2006

- xii) The prices are FIRM through out the period of contract and no price Variation will be allowed.
- xiii) The supplies of the total bid quantity shall be completed within a period of 3 Months from the date of orders.
- xiv) The CESC will arrange payment of 100 % value of material +taxes & duties against presentation of dispatch & other relevant documents, by means of cheque against the bill after receipt of MAS by the consignee division.
- xv) In the event of tender being accepted, the bidder shall guarantee the material offered for satisfactory operation and against failure due to bad workmanship and inherent defects in design or materials, for a period of **12 months** from the date of supply. The supplier has to make good, by replacing with new materials at his own cost, the materials that fail during the guarantee period.
- xvi) Security Deposit amount equal to **5 %** of the value of the order. In the event of the manufacturer/supplier failing to deposit such security, the earnest money deposited with the tender shall be forfeited by the OWNER who shall have full discretion to cancel the acceptance communicated to the said bidder
- xvii) The contract performance security shall be retained till the expiry of 90 days after the end of the Guarantee period as referred to herein after. The Bank Guarantee furnished against security deposit shall be valid till the expiry of 90 days after the end of Guarantee period.
- xviii) The bids were purchased by the following six firms.
  - 1) M/s Gupta Infotech, Falta SEZ, WB
  - 2) M/s Indo Asian Fuse gear Ltd, Noida (Bangalore)
  - 3) M/s Philips Electronics India Ltd, Chennai
  - 4) M/s Vasantha Electricals, Bangalore
  - 5) M/s Osram India Pvt Ltd, Bangalore
  - 6) M/s Arihant Lighting Palace, Bangalore.
- xix) The following firms have submitted the bids by e-mode and have paid the requisite EMD:
  - 1) M/s Indo Asian Fuse gear Ltd, Noida (Bangalore)
  - 2) M/s Philips Electronics India Ltd, Chennai.

- 3) M/s Gupta Infotech, Falta SEZ, WB.
- 4) M/s Osram India Pvt Ltd, Bangalore

xx) In the tender scrutiny committee meeting held on 06-11-2006, the detailed Techno Commercial Evaluation statement was verified along with the documents of the four firms downloaded from e-tendering mode by the committee members. After detailed discussion it was decided to open the price bid of the responsive bidder M/s Philips Electronics India Ltd, Chennai. The following 3 firms have been decided as non responsive since all the required documents have not been uploaded in e-tendering mode.

- 1) M/s Indo Asian Fuse gear Ltd, Noida (Bangalore)
- 2) M/s Gupta Infotech, Falta SEZ, WB.
- 3) M/s Osram India Pvt Ltd, Bangalore

xxi) The details of M/s Philips Electronics India Ltd, Chennai are as follows:

- 1) The firm is supplier & importer of CFL products. The CFL products are manufactured at their affiliated company in China under the brand name "PHILIPS". The production is more than 5 lakhs /Year
- 2) Paid EMD Rs.37,500/- in the form of DD
- 3) Bid Validity is for 120 days from the date of opening the bid.
- 4) Delivery period: The firm has agreed to supply the tendered quantity within 3 Months.
- 5) Payment: The firm has agreed for CESC terms of payment.
- 6) Guarantee: Agreed to the guarantee clause and stated that guarantee is against any manufacturing defect when operated within the lamp operating condition.
- 7) Furnished Audited Financial Accounts in e- tendering mode & hard copy
- 8) Deviation over Technical & Commercial Terms: The firm has noted the following in their bid.
  - ◆ 'Standard Technical Specification Sheet will be provided' as against tender condition requiring '*Detailed Engineering Design, manufacture & supply*';
  - ◆ 'As supplies will be from imported stocks pre inspection can be done at our warehouse Chennai. Routine test certificate can be offered prior to dispatch' as against tender condition requiring '*The supplier shall afford necessary facilities to the representative of the OWNER to inspect his works during the*

*process of manufacture of the material ordered and conduct all routine tests on the material to be delivered to the OWNER'*

- ◆ 'Authentication by authorized Officer of the company to be included' as against tender condition requiring '*For payment of Excise duty the original invoice, (buyers copy) duly authenticated by the Proprietor / Director or the Company Secretary of the Supplier Company shall be submitted*'.

9. The firm has agreed for penalty clause for delayed deliveries. Penalty will be at the rate of 1/2 % per week subject to a maximum of 10 % of the contract.
- xxii) The price bid of M/s Philips Electronics India Ltd, Chennai was opened through e-tendering mode on 06-11-2006. Provisions of KTPP Act have been complied with in procurement process;
- xxiii) The bidders were asked to quote unit ex-works price, applicable taxes, duties and F & I as per the bid specification. As such the total evaluated unit FORD price including taxes, duties and F & I charges is considered for the purpose of evaluation;
- xxiv) The total evaluated amount could not be compared with CESC SR since this item rate is not included in CESC SR and also CFL is not used in the works carried out by CESC;
- xxv) M/s Philips Electronics India Ltd, Chennai has furnished the rate as follows:
- 1) The Excise duty is calculated at 16% on 60% MRP value of CFL
  - 2) Cess at 2% on Excise Duty
  - 3) CST at 4 % on Ex works price+ED+Cess on ED+ F & I
- xxvi) The FORD Unit price quoted by the firm is Rs. **77.19**. If CST @ 4 % against C form is considered Special entry Tax if levied by the Government has to be absorbed by the successful bidder.
- xxvii) M/s Indo Asian Fusegear Ltd, Bangalore, has quoted unit FORD price of **Rs.63.00** for 11 W during previous tender enquiry of the CEE, O & M Zone CESC. But the Tender has been cancelled in the Board meeting, hence this fresh tender has been called & processed.

- xxviii) Total amount required for procurement of about 1.00 lakhs (CESC requirement) C F lamps at present L1 rate is as follows.  
**11W- Rs.77,19,000-00.** However the order includes requirement of other ESCOMs also. This tender is for fixing Rate Contract.
- xxix) The Financial Advisor has opined that the fund for procurement has to be met out of REC financial Assistance.
- xxx) The preliminary queries of Internal Audit replied

10/11.2 The Board noted that the single offer of M/s Philips Electronics India Ltd, Chennai appeared to be on the higher side and require to be negotiated. It was also noted that the deviations taken by the firm do not appear to be major ones. Shri Pratap Kumar pointed out that inspection would have to be at manufacturers work in China and a view is to be taken regarding the cost of such inspection. Shriyuths MV Murthy and BN Satyaprema Kumar observed that inspection should be carried out at the cost of the owner to ensure independence. After detailed discussions it was felt that MD/CESC himself could negotiate on behalf of all the ESCOMS and apprise the other ESCOMS about the negotiated rate for placing orders. The Board thereafter

**Resolved that the MD be and is hereby authorized**

- (i) to negotiate with M/s Philips Electronics India Ltd, Chennai for further price reduction from the quoted rate of Rs. 77. 19 per 11 Watt CFL Lamp;**
- (ii) to place orders on M/s Philips Electronics India Ltd, Chennai for 1.00 lakh numbers of CFL lamp on behalf of CESC at the negotiated rates;**
- (iii) to communicate the negotiated rates to other ESCOMS for placement of orders by them in respect of 4.00 lakh numbers of CFL lamps.**

### **Item No. 10/12: Review of Financial performance**

10/12.01 The Board perused the performance parameters of demand, billing and collection of various categories of consumers. It was felt that there were inaccuracies and that the figures are to be reconciled and resubmitted.

The Managing Director clarified that as CESC is lagging behind in computerization, priority given to computerization and establishing a reliable data base. Only this would ensure valid information for taking necessary corrective action as suggested by the Board. In the absence of reliable data for various historical reasons, the data requires to be validated. The Board desired the Managing Director to tackle these tasks on war footing and there after to present the financial performance figures. The Board also felt that financial aspects do not depend on computerization alone. All Officers should do due analysis of data and take corrective action. MD should take up this seriously.

### **Item No. 10/13 : Write off of 1% Interest on ULB dues**

10/13.01 The Board was informed of the release of dues of urban local bodies by the urban development department of GOK after reduction of interest from 2% to 1%, withdrawal of 1% interest amounting to Rs. 6.27 crores and the proposal for ratification of the above action.

10/13.02 The Board noted that the withdrawal of interest has been taken following the understanding with the GOK to release the dues of Rs. 201.30 crores and hence could be agreed to. The Board therefore ratified the action taken in this regard for waiving off 1% interest of outstanding amounting to Rs. 6.27 crores.

**Item No. 10/14: Power Supply to M/s High Tech Rolling Pvt. Ltd., Mysore**

10/14.01 The Board was informed that the installation was disconnected on July 1997 with an arrears of Rs.6,70,121/-. After adjustment of the security deposit of Rs.3,25,230/- the 'B' form was issued for Rs.3,44,891/-. After the notification of this installation as sick industry by the BIFR the industry was taken over by M/s High Tech Rolling during year 2005. The firm requested for reconnection and waiving of interest charges of Rs. 6,02,417/-.

10/14.02 The issue was referred to Energy Department. In turn the Energy Department directed CESC to refer the issue to internal recovery committee seek their recommendation thereon.

10/14.03 The Internal Revenue Recovery Review Committee recommended to recover the principal amount and for exempting the firm from the payment of interest charges. Accordingly the principal amount along with tax was collected and arranged power supply to the installation.

10/14.04 The Board approved the action taken by the Managing Director on the recommendation of the Revenue Recovery Review Committee.

**Sd/-  
(Bharat Lal)  
Chairman**