

MINUTES OF THE 14th MEETING OF THE BOARD OF DIRECTORS OF CESC HELD ON SATURDAY, THE 4th AUGUST, 2007 AT 12.00 NOON AT THE BOARD ROOM, KPTCL, CAUVERY BHAVAN, BANGALORE -560009

Present:

Shriyuths:

- | | | |
|------------------------------|----|-------------------|
| 1. Bharat Lal | .. | Chairman |
| 2. Vijayanarasimha | .. | Managing Director |
| 3. Smt. Aditi Raja | .. | Director |
| 4. VM Chandre gowda | .. | Director |
| 5. Vishvanath Hiremath | .. | Director |
| 6. BN Sathyaprema Kumar | .. | Director |
| 7. Smt. Parvathi Keshavachar | .. | Director |

In attendance:

R Balasubramanian .. Authorised Signatory

Leave of absence was granted to Smt. M Imkongla Jamir and S Pratap Kumar, Directors

Item No.14/1: Confirmation of Minutes

The Board confirmed the minutes of the 13th meetings held on 30.7.2007 as circulated.

The Board desired the follow up action taken in respect of the said minutes be put up in the next meeting.

Item No.14/2: Approval of draft Annual Accounts for FY 2006-07

14/2.01 The Board was apprised of the salient features of the Annual Accounts of CESCOP for the financial year 2006-07, the basis for reckoning the Tariff Subsidy received/receivable from the Government of Karnataka and the operational results and the recommendations of the Audit Committee.

14/2.02 The Board noted that the accounts have been prepared incorporating the recommendations of the Audit Committee. It was further noted that return on equity at 14% on opening capital has been achieved. The Board observed that the equity base was very low as compared to other ESCOMS and desired the Managing Director to take up the matter with the GoK.

14/2.03 The Board after discussions

Resolved i) that in pursuance of the provisions of Section 215 of the Companies Act, 1956 and all other applicable provisions, the Balance Sheet as on 31.03.07 and the

profit and loss account for the year ended 31.03.07, which are for the purpose of identification signed by the Financial Advisor, be and are hereby approved, subject to such modifications as may be necessary in the light of the observations of the statutory auditors/C&AG of India, if any and the Managing Director & Director (Technical) / BN Satyaprem Kumar, Director 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 31.03.07 and the Profit and Loss Account for the year ended 31.03.07 be furnished to the Statutory Auditors of the company for the year 2006-07 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 31.03.2007 and the Profit and Loss account for the year ended 31.03.2007, together with the report of the statutory auditor, 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 2006-07, and any addendum thereto on behalf of the Board of Directors

Any other item with the permission of the Chair

14/3.01 The Managing Director informed that the approval to revision of Schedule of rates-2007 under Item No. 13/2 needs to be modified in view of the fact of service tax being leviable in respect of labour contracts also. ST had been factored for turnkey contracts only. This will be suitably incorporated in the SR of 2007.

14/3.02 The Managing Director indicated that the financial powers to the MD was Rs. 15 lakhs and in the absence of the Director Technical there were difficulties in operating the same. The Board felt that the powers to MD should be raised to Rs.25 lakhs as in MESCOM and accordingly authorized the Managing Director to exercise powers in respect of tenders upto Rs. 25 lakhs.

Item No.15/1: Confirmation of Minutes of the 14th Meeting held on 04.08.2007

15/1.01 The Board confirmed the minutes of the 14th meeting held on 04.08.2007 with the following modification:

Add the following para at the end of the minutes

14/4.01 The Board noted the requirements under online filing for compliance to company law and approved the filing of documents under the digital signature of any of the directors of the company

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