

**MINUTES OF THE 22<sup>nd</sup> MEETING OF THE BOARD OF DIRECTORS OF CESC HELD ON FRIDAY, THE 31<sup>st</sup> MARCH 2008 AT 11.00 AM AT THE DSM CONFERENCE HALL, BESCOM, KR CIRCLE, BANGALORE**

**Present:**

**Shriyuths:**

- |                             |    |                      |
|-----------------------------|----|----------------------|
| 1. K Jairaj                 | .. | Chairman             |
| 2. AN Ramesha               |    | Managing Director    |
| 3. R Veeranna Setty         | .. | Director - Technical |
| 4. S Sumanth                |    | Director             |
| 5. Alok Mohan               | .. | Director             |
| 6. Smt Parvathy Keshavachar |    | Director             |
| 7. Shivayogi C Kalasad      | .. | Director             |
| 8. L Ravi                   |    | Director             |

**By Invitation:**

A Devaprasad : Financial Adviser

**In attendance:**

R Balasubramanian : Authorised Signatory

**Item No. 22/1: Appointment of Directors**

22/01.01 The Board welcomed Shri C Shama Rao, Dy. Secretary (FR & BCC)&, Finance Dept. GoK, on the Board and took on record the notification EN 4 Samanvaya 2009 (4) dated 07.03.2009.

**Item No.22 /2: Confirmation of the minutes of the 21<sup>st</sup> Board meeting held on 19.12.08**

22/02.01 The Board confirmed the minutes of the 21<sup>st</sup> Board meetings held on 19.12.2008 as circulated.

**Item No. 22/3: Follow up on the minutes of 21<sup>st</sup> meeting of the Board held on 19.12.08**

22/03.01 Managing Director briefed the Board about the action taken on the minutes of the 21<sup>st</sup> meeting held on 19.12.2008. The Board was informed that in respect of Item No. 21/03 pertaining to the comment of the Statutory Auditors on excess/improper payment

of transportation charges on poles, a detailed examination has been carried out and it is confirmed that payments were made only after receipt of poles and that the Statutory Auditors would be addressed suitably. The Board desired that the Statutory Auditors be apprised fully so that the comment is not continuing on the record. The Board thereafter took the action report on record.

**Item No. 22/4: Approval for sanction of the posts of SEE-Projects, EE-Vigilance & EE-General beyond 31-03-2009 on permanent basis**

22/04.01 The Managing Director informed the Board that a post of SE (Projects) was created by the Board by up-grading one post of EE (Elecl). Subsequently, two posts of EE (Elecl) were approved through upgradation till 31.3.09. As it is necessary to monitor the on going works as well as the vigilance activities, it is felt appropriate to continue these posts on a permanent basis.

22/04.02 The Board observed that these posts were created for a specific purpose viz., to monitor the special programmes undertaken by the company such as R-APDRP, RGGVY, NJY, SCADA etc., Since these were time bound programmes, it would not be proper to continue the posts on permanent basis. However, these posts could be continued for a further period of one year and reviewed later. The Board accordingly

**Resolved that the Managing Director be and is hereby authorised to continue one post of SE and two posts of EE (Elecl) through upgradation for a further period of one year.**

**Item No. 22/5: Payment of salary at extra cost**

22/05.01 The Board was apprised of the circumstances under which DT had been posted to MESCOM and had gone on leave and was subsequently posted back to CESC. Since there was no equivalent post under CESC, the salary on account of leave period of 52 days had been paid pending ratification from the Board. Similarly, Shri VN Vasanthakumar EE, Mandya was on leave from 5.8.08 to 10.10.98. Shri NR Nagaraju reported to duty in his place

on 4.8.08 while Shri Vasanthakumar reported for duty at Hubli on 13.10.08. As such for the period of 14.8.08 to 12.10.08, salary was paid to Shri Vasanthakumar, subject to ratification by the Board.

25/05.02 The Board noted that the transfers have been taken place pursuant to orders of GoK and KPTCL and hence ratified the action taken to pay Rs.1,07,656 to Shri Veeranna Setty, DT and Rs.94,953 to Shri KN Vasanthakumar, EE considering the their respective leave periods.

**Item No. 22/6: Upgradation of 6 posts of Junior Engineer (Ele) to Assistant Executive Engineer (Ele) in CESC**

22/06.01 The Board was informed of the decision taken in the KPTCL Board meeting to upgrade 110 posts of JE (Elecl) to the cadre of AEE (E) with the objective of enhancing promotional opportunities to AEE(E) and the allocation of each of ESCOMS for up-gradation of the JE(E) post.

22/06.02 The Board noted that as per KPTCL recommendation, six posts of JE were to be upgraded in CESC to the post of AEE at an additional cost of Rs.0.94 lakhs per month.

22/06.03 The Board noted that KPTCL being the parent body for the officials working in ESCOMS and as up-gradation was part of cadre management exercise, the proposal of KPTCL could be accepted. Accordingly, the Board

**Resolved that five posts of JE(E) in MT Section and one post of JE(E) in 33 KV Sub-Station has been upgraded in terms of KPTCL resolution dated 12.11.2008**

**Item No.22/7: Allocation of Rs.321.50 Crores Budget for the year 2009-10 to CESC**

22/07.01 Managing Director explained to the Board in detail the proposed budget of Rs.321.50 crores for 2009-10. He also explained the extent of capital expenditure incurred up to February end and up to end of March 09. He stated that an amount of Rs.321.50 crores as

per multi year tariff filing is proposed for completion of the balance works of 08-09 and targeted works for 09-10.

22/07.02 The Board observed that the budget presentation did not provide details about the works proposed to be taken up under each head, split up between spill over and new works. The Board felt that it would have been proper for the budget note to have a detailed analysis of each component and basis for provisions made for better appreciation by the Board of Directors. Pending such detailed analysis, the Board felt that excluding special programmes like R-APDRP, NJY and special programmes approved by GoK, the company could take up works limited to 25% of the budget, i.e. Rs.80 crores. Apart from this, the provisions made for special programmes could be taken up as approved since they are as per approval of GoK. It also observed that expenditure towards training is part of revenue budget. The Board desired that comprehensive budget covering capital and revenue works with detailed analysis, break up of spill over and new works be presented at the next meeting. In the interim, the Board

**Resolved that the Managing Director be and is hereby authorized to operate Capex budget limited to the approved programmes of GoK and a financial limit of Rs.80 crores in respect of other works.**

**Item No.22/8: Optimal Utilisation of GIS support in the Corporation Jurisdiction**

22/08.01 Managing Director briefed the Board about the utilization of GIS support in the Corporation, the proposal to extend the scope of GIS and the financial implications involved. The Board was further informed that the existing GIS is on the verge of completion and that the same had proved to be highly useful to the company in its working.

22/08.02 The Board noted that the present proposal involving extension of the services to LT grid applications had significant financial implications and could not be extended on direct entrustment basis. It was felt that a pilot project could be made in

one of the towns to understand the benefits of the proposed LT grid applications and thereafter a decision could be taken on the methodology of extending the technology to other areas of the company. Chairman observed that the cost of the pilot project shall not exceed 25% of the original approved cost of the contract. Sri Sumanth, Director informed that GIS had been carried out successfully in MESCOM urban areas.

22/08.02 The Board noted the usefulness of the GIS and felt that a pilot project could be taken up in Mysore city at a cost of about Rs.75 lakhs. Further, MD, MESCOM could inspect the GIS at CESC and offer his comments for the proposed extension to LT network in the pilot study. Financial Adviser and GM (HRD) shall evaluate the technical and financial feasibility. The Board, thereafter

**Resolved that the Managing Director be and is hereby authorized to explore the possibility of carrying out LT grid applications with GIS support at a cost not exceeding Rs.75 lakhs as a pilot project at Mysore duly incorporating the suggestions of MD, MESCOM, if any and the cost benefit analysis of the FA and GM (HRD).**

**Item No.22/9: Manufacture & supply of 3000 Nos. 15KVA, 3PH,11KV/433V, 50 HZ wound or stacked core type, oil immersed, out door type, self cooled Distribution Transformer suitable for mounting on single RCC pole as per IS Standards**

22/09.01 SE (Procurement) briefed the Board about the need for procurement of 3000 nos. of 15KVA, 3PH, 11KV/433V, 50 HZ wound or stacked core type, oil immersed, out door type, self cooled Distribution Transformer suitable for mounting on single RCC pole as per IS Standards, the basis for assessment of the tender quantity of 3000 sets, the stock available, the average usage from the last three years, the salient features of the tender process, the qualifying requirements, extent of participation by the bidders, the views of the FA and Internal Audit, the offer of L1 and the budget provision.

22/09.02 The Board was informed that a policy decision has been taken to go in for 15 KVA TCs to service IP sets so that there will no secondary line and 2-3 IP sets would be connected to one such transformer. This would prevent unauthorized tapping on the secondary lines and ensure proper voltage to the connected IP sets. On a pilot basis, around 3000 nos. have been proposed for procurement to be implemented in chronic problem areas. As no other ESCOM has gone in for the procurement of the said sets, reference rates are not available.

22/09.03 The Board noted that the tender quantity of 3000 sets would cover only a small percentage of the unauthorized IP Sets. It also noted that the tender process has been carried out in line with the provisions of the KTPP Act and that the observations of the Internal Audit have been attended to. It noted the reason for treating four firms as non responsive and the offers of five firms as responsive. It was observed that M/s VTST Switchgear & Transformers had been disqualified as it had been blacklisted in HESCOM. However, since the blacklisting order has been set aside by the Hubli Circuit Bench, it would be necessary to open the price bid of the said firm and evaluated. Accordingly, the Managing Director was authorized to open their price bid after obtaining a legal opinion.

22/09.04 The Board noted that negotiations have been carried out with the L1 firms and unit FORD price of Rs.46,900 arrived at and that the 12 L1 firms have agreed to the same. However, the final position would be known only after opening the price bid of M/s VTST Switchgear & Transformers. The Board felt that the issue of extending the HVDS scheme had ramifications and it was desirable to discuss the frame work of the scheme in the monthly multi level review meetings in the Energy Department so that a basic policy decision could be firmed up. If it is decided to go ahead with HVDS scheme along with the Nirantarajyothi scheme then perhaps a pilot could be done in one of the taluks under CESC jurisdiction. The Board therefore decided to defer the consideration of this proposal till a policy decision is taken by the Government in the MMR meeting and communicated to CESC.

**Item No. 22/10: Procurement of 660 Nos. of 63 KVA 11/0.433  
KV Distribution Transformers to CESC**

22/10.01 The Board was apprised of the requirement of 63 KVA transformers for the CAPEX works to be carried out during the current year and next year, the stock position and the need for emergency procurement of 660 nos. It was further informed that GoK has provided for direct procurement from M/s KAVIKA under section 4(g) of the KTPP Act and that other ESCOMS have also been procuring the transformers from KAVIKA at negotiated rates. The Board was further informed that M/s KAVIKA had offered a lower price to GESCOM.

22/10.02 The Board, *after noting the factual position*, felt that the price decided by the Committee headed by MD, KPTCL be adopted and orders placed. It was informed that this process may take further time and hence the order could be released based on the offer now firmed up subject to the decision of the Committee headed by MD, KPTCL. The Board after discussions

**resolved that the Managing Director be and is hereby authorized to place orders on M/s KAVIKA for procurement of 660 nos. of 63 KVA transformers at the negotiated rate of Rs.81,604/- subject to the decision of MD, KPTCL in respect of transformers to be procured by all ESCOMs from KAVIKA**

**Item No. 22/11: Procurement of 200 Nos. of 100 KVA 11/0.433  
KV Distribution Transformers to CESC**

22/11.01 The Board was apprised of the requirement of 100 KVA transformers for the CAPEX works to be carried out during the current year and next year, the stock position and the need for emergency procurement. It was further informed that GoK has provided for direct procurement from M/s KAVIKA under section 4(g) of the KTPP Act and that other ESCOMS have also been procuring the transformers from KAVIKA at negotiated rates.

22/11.02 The Board noted that CESC has obtained the Unit FORD price of Rs.1,32,422.65 from M/s KAVIKA which is competitive and comparable as compared to the procurement price of HESCOM and BESCOM. The Board was informed that the performance of the KAVIKA transformer was satisfactory and hence they could be considered.

22/11.03 The Board, *after noting the factual position*, felt that the price decided by the Committee headed by MD, KPTCL be adopted and orders placed. It was informed that this process may take further time and hence the order could be released based on the offer now firmed up subject to the decision of the Committee headed by MD, KPTCL. The Board after discussions

**resolved that the Managing Director be and is hereby authorized to place orders on M/s KAVIKA for procurement of 200 nos. of 100 KVA transformers at the negotiated rate of Rs.104,349/- subject to the decision of MD, KPTCL in respect of transformers to be procured by all ESCOMs from KAVIKA**

**Item No. 22/12: Procurement of 9750 Nos., 8M long, 200 kgs working load PSC poles to O&M divisions of Mysore District on rate contract for a period of one year**

22/12.01 The Board was informed of the requirement of 8M long 200 Kgs working load PSC poles in CESC and in Mysore district in particular, the salient features of the tender, budget provision, the extent of tender participation and the outcome of the tenders.

22/12.02 The Board noted that three firms were found responsive and one firm non responsive. The tenders have been processed in line with provisions of the KTPP Act and views of Finance and Internal Audit factored in the proposal. Three firms have emerged as L1 at unit FORD price of Rs.2613.51 which is lower than the present procurement price of MESCOM and HESCOM.



22/12.02 The Board noted that though the tenders appear to be lesser than the procurement price of existing contract in MESCOM and HESCOM, it is to be noted that there has been a slump in the market, particularly with reference to steel and cement which should result in lower prices in the present tenders. The Board desired to know the rate analysis for the manufacture of the pole with prevailing market rates.

22/12.04 The Board was informed that the relevant rate structures for 8M long PSC poles was furnished to the Purchase Committee which showed that after considering the cost of all the raw materials and over head and profit elements, ex-works price came to Rs.1641.08 as against Rs.1715.00 quoted in the tender. To the ex-works price, the tax component on ED and VAT and transportation charges has to be added. The Committee had felt that prima-facie there appeared to be scope for further reduction and hence the same should be explored. Accordingly, the negotiations have been carried out and the negotiated rate came to Rs.2368.12.

22/12.05 The Board desired to know the payment terms and whether payments are released after receipt of poles. It was confirmed that it is so and the payment clause in the tender reads as under:

**“2.26 PAYMENT:**

The Company will arrange payment of 100% value of materials plus Taxes and Duties against presentation of dispatch and other documents as specified below by means of cheque of the Executive Engineer El., of the Consignee Division of the OWNER after satisfying the terms and conditions of the order and after the receipt of Material Acknowledgement Statement from the Consignee Stores.

For arranging 100% payment, the following documents will have to be furnished by the supplier:

- i) Invoice in duplicate, stamped and pre-receipted.
- ii) Delivery Challan duly acknowledged by Consignee. The payment will be arranged against clear acknowledgment duly signed by the Storekeeper and Store Officer of the relevant CESC Stores.
- iii) Material Acknowledgment Statement (to be furnished by Consignee).
- iv) Approved Test Certificate or reference to letter of OWNER approving the test certificate.

- v) a) 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.
- b) The Serial number of the invoices, which were brought into use by the supplier is to be informed to the Asst. Collector of Central Excise of the Jurisdiction and a Xerox copy to that effect shall be produced.
- vi) The triplicate and quadruplicate copies of the invoices may be sent to the respective consignees for submission of Material Acknowledgement Statement.”

The Board noted the outcome of the negotiations and decided to limit the procurement to 75% of the tender quantity of 13000 nos. viz. 9750 nos. and unit rate to Rs.2318. The Board thereafter

**Resolved that the Managing Director be and is hereby authorized to place orders on the following three L1 firms viz.**

- i) M/s Kolar Cement Products, Mysore
- ii) M/s Mysore Concrete Products
- iii) M/s Mysore Cement Pipes, Mysore

**for supply of 3250 Nos. of 8M 200Kgs working load PSC poles each on rate contract basis for a period of one year to O&M divisions in Mysore district at the negotiated unit FORD price of Rs.2318**

**Item No. 22/13: Procurement of 7350 Nos., 9M long, 200 kgs working load PSC poles to O&M divisions of Hassan District on rate contract for a period of one year**

22/13.01 The Board was informed of the requirement of 9M long 200 Kgs working load PSC poles in CESC and in Hassan district in particular, the salient features of the tender, budget provision, the extent of tender participation and the outcome of the tenders.

22/13.02 The Board noted that three firms were found responsive and two firms non responsive. The tenders have been processed in line with provisions of the KTPP Act and views of Finance and Internal Audit factored in the proposal. Three firms have emerged

as L1 at unit FORD price of Rs.3105.97 which is lower than the present procurement price of MESCOM and HESCOM.

22/13.03 The Board noted that though the tenders appear to be lesser than the procurement price of existing contract in MESCOM and HESCOM, it is to be noted that there has been a slump in the market, particularly with reference to steel and cement which should result in lower prices in the present tenders. The Board desired to know the rate analysis for the manufacture of the pole with prevailing market rates.

22/13.04 The Board was informed that the relevant rate structure for 9M long PSC poles was examined by the Purchase Committee which showed that after considering the cost of all the raw materials and over head and profit elements, ex-works price came to Rs.2002.50 as against Rs.2030/- quoted in the tender. To the ex-works price, the tax component on ED and VAT and transportation charges has to be added. The Committee had felt that prima-facie there appeared to be scope for further reduction and hence the same should be explored. Accordingly, the negotiations have been carried out and the negotiated rate came to Rs.2851.42.

22/13.05 The Board desired to know the payment terms and whether payments are released after receipt of poles. It was confirmed that it is so and that payment clause in the tender refers to the standard clause "2.26" for PAYMENT.

22/13.06 The Board noted the outcome of the negotiations and decided to limit the procurement to 75% of the tender quantity of 9800 nos. viz. 7350 nos. and unit rate to Rs.2800. The Board thereafter

**Resolved that the Managing Director be and is hereby authorized to place orders on the following three L1 firms viz.**

- i) M/s Nikhil Concrete Products, Hassan
- ii) M/s Shree Industries, Arasikere
- iii) M/s Suvarna Industries, Hassan

**for supply of 2450 Nos. of 9M long 200 Kgs working load PSC poles each on rate contract basis for a period of one year to O&M divisions in Hassan district at the negotiated unit FORD price of Rs.2800**

**Item No. 22/14: Procurement of 8550 Nos., 9M long, 200 kgs working load PSC poles to O&M divisions of Mysore District on rate contract for a period of one year**

22/14.01 The Board was informed of the requirement of 9M long 200 Kgs working load PSC poles in CESC and in Mysore district in particular, the salient features of the tender, budget provision, the extent of tender participation and the outcome of the tenders.

22/14.02 The Board noted that two firms were found responsive and three firms non responsive. The tenders have been processed in line with provisions of the KTPP Act and views of Finance and Internal Audit factored in the proposal. Two firms have emerged as L1 at unit FORD price of Rs.3105.97 which is lower than the present procurement price of MESCOM and HESCOM.

22/14.03 The Board noted that though the tenders appear to be lesser than the procurement price of existing contract in MESCOM and HESCOM, it is to be noted that there has been a slump in the market, particularly with reference to steel and cement which should result in lower prices in the present tenders. The Board desired to know the rate analysis for the manufacture of the pole with prevailing market rates.

22/14.04 The Board was informed that the relevant rate structure for 9M long PSC poles was examined by the Purchase Committee which showed that after considering the cost of all the raw materials and over head and profit elements, ex-works price came to Rs.2002.50/- as against Rs.2030/- quoted in the tender. To the ex-works price, the tax component on ED and VAT and transportation charges has to be added. The Committee had felt that prima-facie there appeared to be scope for further reduction and hence the same

should be explored. Accordingly, the negotiations have been carried out and the negotiated rate came to Rs.2851.42.

22/14.05 The Board desired to know the payment terms and whether payments are released after receipt of poles. It was confirmed that it is so and that payment clause in the tender refers to the standard clause "2.26" for PAYMENT:

22/14.06 The Board noted the outcome of the negotiations and decided to limit the procurement to 75% of the tender quantity of 11400 nos. viz. 8550 nos. The Board thereafter

**Resolved that the Managing Director be and is hereby authorized to place orders on the following two L1 firms viz.**

- i) M/s Mysore Concrete Products, Bangalore
- ii) M/s Mysore Cement Pipes, Mysore

**for supply of 4275 Nos. of 9M long 200 Kgs working load PSC poles each on rate contract basis for a period of one year to O&M divisions in Mysore district at the negotiated unit FORD price of Rs.2800**

**Item No.22/15: Admission of Price Variation clause for RCC/PSC poles ordered during January 2008 against this office enquiry No C2-3180 to C2-3199 dtd:7.05.07**

22/15.01 The Board was informed of the request of the manufacturers of poles for extension of price variation clause, the decision of the earlier Board to restrict the price variation clause to a quantity of 30000 numbers and to call for fresh tenders.

22/15.02 The Board noted that a decision has been taken regarding non extension of price variation clause in respect of supplies already made before the cut off date of 15.9.08. Hence, the position is to be reaffirmed and communicated to the suppliers.

**Item No. 22/16: Procurement of 3000 Kms Weasel ACSR Conductor on rate contract for a period of one year to CESC - reg.**

22/16.01 SE (Procurement) briefed the Board about the need for procurement of 3000 weasel ACSR conductor, the basis for assessment of the tender quantity of 3000 kms., the stock available, the average usage from the last three years, the salient features of the tender process, the qualifying requirements, extent of participation by the bidders, the views of the FA and Internal Audit, the offer of L1 and the budget provision.

22/16.02 The Board noted that the tender quantity of 3000 kms. was reasonable considering the requirements for Ganga Kalyan and other water works. Further, it noted that the tender process has been carried out in line with the provisions of the KTPP Act and that the observations of the Internal Audit have been attended to. It noted the reason for treating four firms as non responsive and the offers of six firms as responsive.

22/16.03 The Board observed that the negotiated offer of the L1 firm viz. M/s Uni Power Transmission (Mysore) Pvt Ltd., Bangalore at unit FORD price of Rs.13,755.35 was less than the prevailing CESC SR 2007, the present procurement price of CESC and HESCOM. The Board, noted that maximum price reduction had been obtained. The Board after discussions

**Resolved that the Managing Director be and is hereby authorized to place orders on M/s Uni Power Transmission (Mysore) Pvt Ltd., Bangalore for supply of 3000 kms. of Weasel ACSR Conductor on rate contract basis for a period of one year at the negotiated rate unit FORD price of Rs.13,755.35**

**Item No. 22/17: Regularisation of “*diesnon*” period of Sri Kashipathi, Junior Engineer (Ele), Mysore**

22/17.01 The Board was informed of the request of Shri Kashipathi JE(E) that regularization of the diesnon period, the action of the employee to contest his transfer to Madikeri dismissal of the WP and the appeal of the employee, non interference with the transfer order by the Hon’ble Supreme Court while disposing of the SLP and the order for consideration of the representation.

22/17.02 The Board noted that the employee had not shown due respect to the administrative actions taken in transferring him and after having unsuccessfully contested the management action, he is now coming with the plea for regularization of the diesnon period that he was under medical treatment.

22/17.03 The Board noted the facts and observed that the Hon’ble Supreme Court had only indicated that the representation be considered. Considering that the employee had not adhered to the transfer orders in the first place and come up with request only after having failed in his attempts before various fora, the genuineness of the plea has not been established. As such his request cannot be considered. The Board authorized the Managing Director to inform the employee accordingly.

**Item No.22/18: Rate contract for the Execution of Action plan work on totally Turnkey Basis for Two years in Hassan Circle**

22/18.01 The Board was informed that the subject was brought before the Board earlier and the Board had sought certain clarifications for considering the works. Necessary clarifications had been provided under the action taken report.

22/18.02 The Board observed that total turn key works which were admitted earlier in BESCOM was subsequently discontinued and works are carried out on partial turn key basis only in all other ESCOMS. It was felt that the scope of turnkey works could also be discussed in the MMR meetings to arrive at a decision regarding its

extension in ESCOMS. Under such circumstances, it may not be prudent to go in for total turn key basis for two years for the entire Hassan Circle.

22/18.03 The Board observed that since the total turn key project has been suggested to ensure adequate progress for system improvement works in difficult terrain and remote areas, where there has not been much response for carrying out works in place, the subject could be considered. However, it shall be only carried out in areas warranting such an intervention. It was also felt that the proposal to allocate Rs.30 crores under the total turn key works was not desirable since the efficacy of the programme itself had to be established. It was felt that a moderate allocation of Rs.10 crores could be provided for system improvement works through total turn key basis in Hassan circle. The Board thereafter took up for consideration the tender proposals.

22/18.04 The Board noted the salient features of the tender process and out come of the tender. The Board further noted that M/s Asian Fab Tec Ltd, Bangalore quoted the lowest evaluated amount of Rs.23,92,832 for execution of action plan works on turn key basis in Hassan circle for a period of two years on rate contract. The Board further noted that the bidder has the capacity to carryout the works and that detailed negotiations has been carried out in respect of each schedule. The Board observed that there was no tendered quantity, but the proposal is to get the system improvement works executed on rate contract basis through the approved contractor up to the allocated amount which could be pegged at Rs.10 crores. The Board also noted that there was no ambiguity in the scope of work to be carried out departmentally and by the contractor and that the scope of works to be got done through contractor was defined. The Board noted the clarifications provided by Management and

**Resolved that the Managing Director be and is hereby authorized to place orders on M/s Asian Fab Tec Ltd, Bangalore at L-1 unit FORD rate of Rs.23,92,832/- for execution of Action Plan works on Turnkey basis in Hassan Circle on M/s Asian Fab Tec Limited, Bangalore for a period of 1Year on Rate Contract for works not exceeding Rs.10 crores**



**and limited to 11 KV lines and connected works excluding Nirantara Jyothi works**

**Item No. 22/19: Long term loan for Capex of Niranthara Jyothi, DTC metering & improvement works**

22/19.01 Financial Adviser briefed the Board about the on going projects, the financial requirements of existing and proposed works, both under CAPEX and as well as improvement works, loans already taken, the difficulty in meeting CAPEX payments and the suggestion of the Chairman to go in for loans for the proposed projects.

22/19.02 The Board noted that there was a need to avail loan facilities to support the CAPEX activities in the company. It further noted the rates offered by the various Banks and that the offers of Vijaya Bank and Corporation Bank at 11.25% were most competitive. The Board therefore felt that the proposal to avail loans of Rs.40 crores and Rs.30 crores from Vijaya Bank and Corporation Bank respectively could be considered and accordingly

**resolved the Managing Director and/or the Director Technical be and is hereby authorized severally**

- i) to accept the loans of Rs.40 crores and Rs.30 crores from Vijaya Bank and Corporation Bank respectively on the terms and conditions sanctioned and**
- ii) to execute necessary documents and do all other deeds necessary for securing the loan including affixing the common seal of the company and filing necessary returns with the ministry of Corporate Affairs**

**Item No.22/20: Approval for extending period of work award & for arranging payment to service Provider for the extended period in respect of computerization of total services inclusive of supply of Hardware, Software, Manpower and stationeries for issue of consumer bills, supplementary bills and other activities awarded in CAD Mysore, ACAD Mysore, RAD Mysore, Hunsur, H.N.Pura Madikeri, C.H.Nagar, Kollegala & Pandavapura O & M Divisions of CESC**

22/20.01 The Board was informed of the present status of the contracts for TRM in various divisions of CESC, the cost implications, the proposed IT initiatives under R-APRDP, the recommendations of the PC and the need to extend the services of the existing service providers till date of entrusting computerization work to a fresh agency through tender in respect of above O&M divisions. The Board noted that the PC had examined the proposals and had sought for short term tender. The Board felt that under the circumstances it would be proper to process the tender at the earliest and to extend the existing arrangements till finalization of the tenders. **The Board accordingly authorized the Managing Director to take necessary steps in the matter.**

**Item No. 22/21: Payment of Balance Statutory Audit fees for the F.Y.2006-07**

22/21.01 FA briefed the Board about the scope of work of Statutory Auditors, the remuneration approved during the years 2005 to 2008, the request of the Auditors for higher remuneration towards the audit of Madikeri division, the provision already made in the accounts.

22/21.02 The Board noted that the request of the Auditors was reasonable considering the additional work of audit due to additions of Madikeri to CESC and

**Resolved that a sum of Rs.30,000 towards audit fee for the year 2006-07 be release to the statutory auditors for work done towards Madikeri division**

**Item No.22/22: Schedule of Rates 2008-09(SR 2008) of CESC**  
*(To be made effective from 01.10.2008)*

22/22.01 The Board was informed that Schedule of Rate for the year 2008-09 have been prepared, discussed in full in the Purchase Committee and brought before the Board for approval.

22/22.02 The Board felt that all the ESCOMS are in the process of finalizing their respective Schedule of Rates and it will be desirable to have the subject of Schedule of Rates discussed in the MMR meetings of the Energy Department and thereafter decision taken regarding adoption of the Schedule of Rate. The Board therefore decided to wait the outcome of the discussions in the MMR meetings.

**Item No. 22/23: Sanctioning of HRA and CCA to the staff working at Jayapura, Varuna and Yelawala section offices**

22/23.01 The Board was informed that three O&M units located at Jayapura Varuna and Yelawala are in the jurisdiction of Mysore city area division and within radius of 8 Kms from Mysore city limits. The employees have been requesting for grant of HRA and CCA on par with Mysore based employees.

22/23.02 The Board noted that KPTCL had under similar circumstances approved extension of HRA CCA as applicable to Mysore city to the employees at Kadakola station located about 10 Km away from Mysore city. The Board therefore felt that the request could be considered and

**Resolved that the Managing Director be and is hereby authorised to extend the benefit HRA and CCA payable at the rates applicable to Mysore to those employees working in the offices located at Jayapura Varuna and Yelawala**

### **Item No. 22/24: CESC Performance Parameter**

22/24.01 The Board was apprised of the various physical and financial parameters achieved by CESC during the current financial year with reference to the target and the corresponding period in the previous year.

22/24.02 The Board noted that the T&D losses have come down in relation to the target and previous year. Transformer failures had also come down significantly. The revenue collections had also shown a marked increase. Chairman indicated that during his inspection of Mandya Circle office, it was seen that the performance was good in all respects and the SE and his team are to be complimented. It should serve as a role model for others also. The Board placed on record its appreciation of the efforts of the Managing Director, Director-Technical, Financial adviser and their team of officers and staff in achieving better performance in the above areas during the year.

22/24.03 The Board however expressed its concern at the collection of arrears from the subsidized categories and felt that all steps must be taken to improve performance in this area.


### **Item No. 22/25: Vigilance activities**

22/25.01 The Board was apprised of the extent of vigilance activities carried out during the year. While it noted that there had been an increase in the cases booked and collection of BBC/penalty, it observed that there was a need to intensify the level-1 and level-2 inspections to achieve further progress and bring down AT&C losses.

### **Item No.22/26: Financial Performance**

22/26.01 The Board was apprised of the increase in customer base category wise during the year, the increase in demand and collection during the year and the closing balance ratio.

22/26.02 The Board desired that water supply and street lighting bills should be followed up with RDPR and Urban Development Departments as a substantial amount was due from these consumers. The Board advised the FA to ensure proper billing and documentation to realize the money.



**(K. Jairaj)**  
**Chairman**