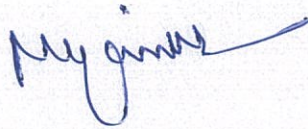


Sub: Minutes of the 30th meeting of the Board held on
24th Sept.2010


The draft minutes of the 30th meeting of the Board of
Directors of the Company held on 24.09.2010 is placed
opposite for kind perusal and approval.


Authorized Signatory

~~MD)~~

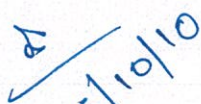


~~Chairperson)~~

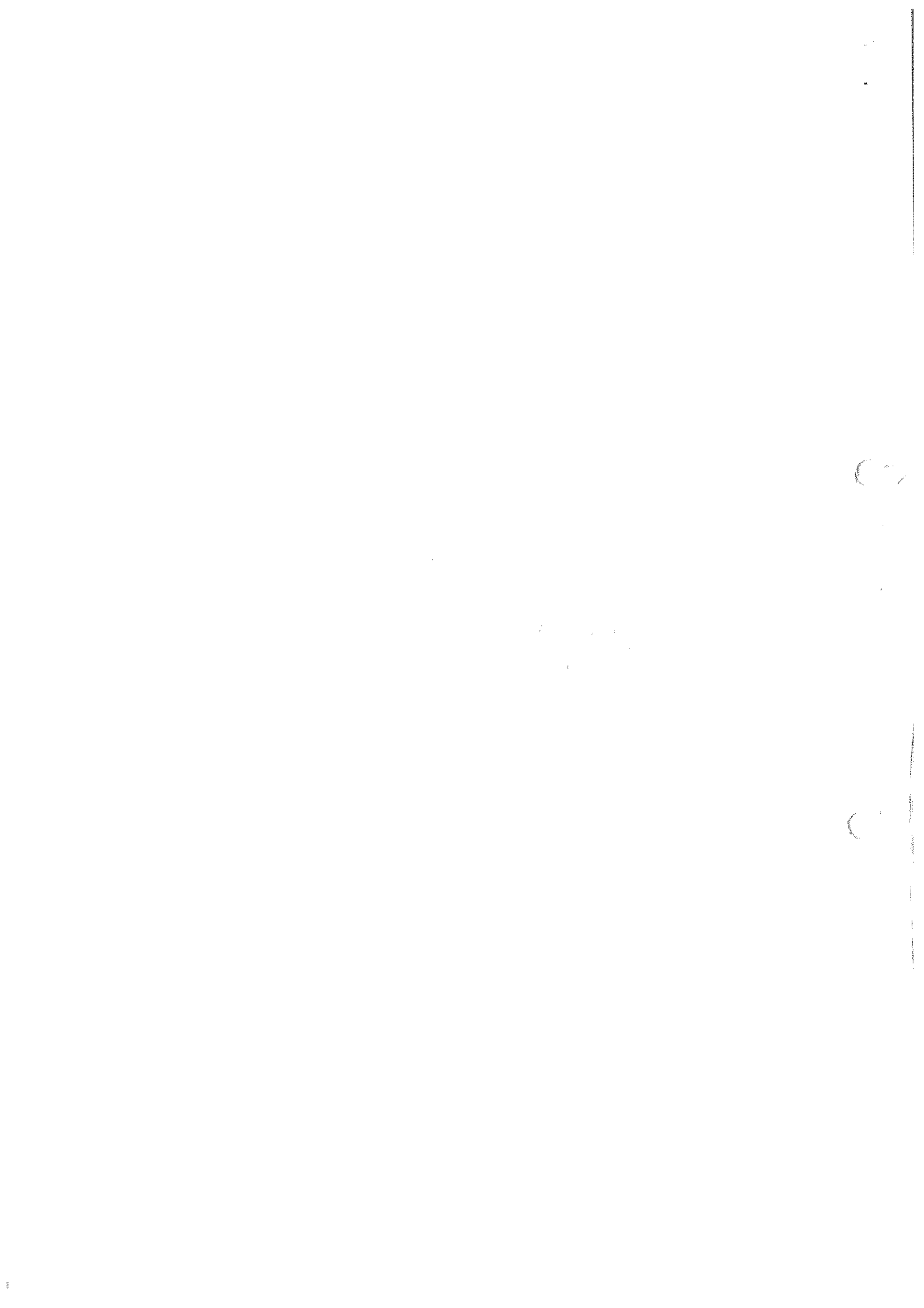

29/9/10

(c) Fair copy of below for kind
signature of chairperson

~~Chairperson)~~


5/10/10

(c)





MINUTES OF THE 30th BOARD OF DIRECTORS MEETING OF CESC MYSORE HELD ON 24th SEPTEMBER 2010 AT 3:00 PM AT ROOM NO.222, VIKASA SOUDHA, BANGALORE – 560 001.

Members Present:

Shriyuths / Smt

1. M Shamim Banu, IAS : Chairperson
2. M.Govindappa : Managing Director
3. R Veeranna Setty : Director-Technical
4. S.Sumanth : Director
5. Shivayogi C Kalasad : Director
6. Parvathy Keshavachar : Director
7. L Ravi : Director
8. M Nagaraju : Director

By invitation:

1. A.Devaprasad : Financial Adviser
2. S.Ramesh : Controller, Internal Audit
3. G.Chandranayar : SEE, Procurement
4. H.D.Shreenagesh : SEE, Projects (I/c)

In attendance.

1. R Balasubramanian : Authorized signatory

Leave of absence granted to Directors Shri BS Ramprasad & C Shamarao

Item No. 30/1: Confirmation of minutes of the 29th Board meeting held on 09.08.2010

30/1.01 The Board confirmed minutes of the 29th Board meeting held on 09.08.2010 as circulated.

Item No. 30/2: Action taken report on minutes of the 29th Board meeting held on 09.08.2010

While reviewing of action taken report on individual subjects of the previous Board meeting, the Board expressed the following:



- i) *The interest rates on short term borrowings from SBM & Canara Banks may be further negotiated to reduce the rates*

The financial Advisor informed that the rate of interest was obtained by calling quotations from all local banks and the lowest rates are accepted. Since the agreement is already executed with banks at floating interest rates further reduction of interest rates may not be possible. However efforts will be made to negotiate with the banks.

- ii) *Delay in finalization of accounts for the year 2009-10 and holding annual general body meeting before 30.09.2010*

Financial Adviser informed that the statutory audit of the company accounts are in the final stage and C&AG audit will be completed in due course. Since the statutory auditor had met with an accident during the course of unit audit of Mandya division there was slight delay in completing the audit of accounts. FA informed that due to the above delay the AGM would not be possible to hold the meeting with in 30.09.2010 and necessary extension of time up to 31.12.2010 has already obtained. However efforts will be made to complete the audit of accounts and to hold the AGM at the earliest.

Item No. 30/03: Dasara-2010 illumination works of Mysore City, releasing of funds

30/3.01 Managing Director appraised the Board about Dasara festival is being celebrated at Mysore, illumination works at important places in Mysore City under taken by CESC as it was done in the previous years, amount spent by CESC towards Dasara festival during previous years, estimated cost of illumination for Dasara-2010, Dasara preparatory meeting held jointly by Hon'ble Chief Minister & District in-charge Minister on 12.08.2010 & instructions given to all district officers, preparation of estimates and invitation of tenders on total turnkey basis, requirement of power for arranging uninterrupted power supply to Mysore city during Dasara-2010, request letter sent to District Commissioner, Mysore for releasing of Government funds towards illumination works under taken by CESC due to poor financial conditions of the company.



30/3.02 The Board noted the contents of the letter addressed by MD, CESC to DC, Mysore and felt that since Dasara festival at Mysore is being celebrated as a Government function, it would be appropriate to bear the expenditure by CESC towards Dasara 2010 illumination works. In case any Government funds released for this purpose the same shall be accounted for the respective works and it was opined that the illumination works of Dasara 2010 shall be taken up without waiting for Government funds. Chairperson suggested that the Energy Department be addressed to take up the matter with the Department of Kannada and Culture to obtain necessary financial support.

30/3.03 After detailed deliberations, the Board

Resolved that the Managing Director be and is hereby approved to take up illumination works of Dasara-2010 at an estimated cost of Rs.123.00 lakhs through tenders meeting the expenditure from CESC funds

Item No.30/4: Procurement of 3000 km Weasel ACSR conductor on rate contract basis for a period of one year

30.04.01 The SEE (Purchase) apprised the Board about the invitation of tenders for the procurement of 3000 Kms of Weasel ACSR conductor on rate contract basis required for completion of annual program of works for the year 2010-11, present stock position of conductor, assessment of quantity based on the average consumption of last three years, tender qualifying requirements, extent of participation of bidders, scope of supply, opening of techno commercial & price bids, evaluation of tenders, scrutiny of tenders by TSC, observations of the Internal audit and the replies to audit, budget provisions, Discussions and recommendations of Purchase Committee to the Board.

30/04.02 The Board noted the salient features of tenders, tender process in line with the provisions of KTPP Act, participation of five firms, treating of firm M/s Hi-Tech conductors (P) Ltd., Mysore as non responsive for non fulfilling of QR conditions and treating other firms M/s Sharavathy Conductors Pvt. Ltd., Bangalore, M/s Sterlite Technologies Ltd., Pune, M/s Uni Power Transmission Pvt. Ltd.,



Mysore and M/s Gupta Power Infrastructure Ltd., Bhuvaneshwar as technically responsive.

30/04.03 The Board noted the unit FORD price of Rs.15561.10 quoted by the L1 firm M/s Sterlite Technologies Ltd., Pune an outside state firm which is 14.46% less than the unit rate of Rs.17811.79 quoted by L2 local SSI firm M/s Sharavathy conductors Pvt. Ltd., Bangalore and 14.84% less than the unit rate of Rs.17869.70 quoted by L3 local SSI firm M/s Uni power Transmission Pvt. Ltd., Mysore, both L2 & L3 local SSI firm's quote well within the 15% price band as per KTPP Act.

30/04.04 The Board further noted the voluntary discount offer made by M/s Sterlite Technologies Ltd., Pune at 1% on ex-works price quoted by the firm subsequently after opening of price bid, comparing the same with L2 & L3 firm's quoted rates and negotiation with both state SSI firms, non acceptance of the L2 state SSI firm M/s Sharavathy Conductors Pvt. Ltd., Bangalore to match with the rates quoted by L1 firm, acceptance of L3 state SSI firm M/s Uni Power Transmission Pvt. Ltd., Mysore to match with the rates quoted by L1 firm unit FORD price of Rs.15561.10 before discount and sharing of quantity at 25% & 75% between the outside state firm and local SSI firms respectively.

30/04.05 The Board noted the all inclusive unit Ford price of Rs.15561.10 quoted by L1 firm M/s Sterlite Technologies Ltd., Pune and subsequent rates of Rs15410/- offered by the firm at 1% discount on the quoted Ex-works price, the prevailing taxes & duties, comparison of unit FORD prices with other ESCOMs procurement rates and reasonableness of the quoted price.

30/04.06 Shri L Ravi, Director informed the Board that the data of average quantity of procurement / consumption during the previous years and quantity of present procurement shall be furnished in a separate format in the future proposals as is done at BESCOM to give more clarity and for ready reference of Directors. SEE (Procurement) assured the Board the same will be followed in future.

30/04.07 The Board, after detailed deliberations

Resolved that the Managing Director be and is hereby authorized



- a) to place orders on M/s Sterlite Technologies Ltd., Pune at all inclusive unit FORD price Rs.15410/- for a total quantity of 750 Km being 25% of tendered quantity on FIRM price basis for first six months from the date of purchase order and VARIABLE price basis for the next six months calculated as per CACMAI circular with base rates reckoned as on 01.05.2010;
- b) to place orders on M/s Uni power Transmission Pvt. Ltd., Mysore at all inclusive unit FORD price of Rs.15561.10 for a total quantity of 2250 Km being 75% of tendered quantity of Weasel ACSR conductor on FIRM price basis for first six months from the date of purchase order and VARIABLE price basis for the next six months calculated as per CACMAI circular with base rates reckoned as on 01.05.2010

Item No.30/5: Procurement of 4500 km Rabbit ACSR conductor on rate contract basis for a period of one year

30.05.01 SEE (Purchase) apprised the Board about the invitation of tenders for the procurement of 4500 Kms. of Rabbit ACSR conductor on rate contract basis required for completion of annual program of works for the year 2010-11, present stock position of conductor, assessment of quantity based on the average consumption of last three years, tender qualifying requirements, extent of participation of bidders, scope of supply, opening of techno commercial & price bids, evaluation of tenders, scrutiny of tenders by TSC, observations of the Internal audit and the replies to audit, budget provisions, discussions and recommendations of Purchase Committee to the Board.

30/05.02 The Board noted the salient features of tenders, tender process in line with the provisions of KTPP Act, participation of four firms, treating two firms M/s Gupta power Infrastructure Ltd., Bhuvaneshwar and M/s Uni Power Transmission Pvt. Ltd., Mysore as non responsive for non fulfilling of QR conditions and treating other firms M/s. haravathy Conductors Pvt. Ltd., Bangalore and M/s Sterlite Technologies Ltd., Pune, as technically responsive.



30/05.03 The Board noted the unit FORD price of Rs.25732.22 quoted by the L1 firm M/s Sterlite Technologies Ltd., Pune, an outside state firm which is 14.39% less than the unit rate of Rs.29438.38 quoted by L2 local SSI firm M/s Sharavathy Conductors Pvt. Ltd., Bangalore, local SSI firm's quote well within the 15% price band as per KTPP Act.

30/05.04 The Board further noted the voluntary discount offer made by M/s Sterlite Technologies Ltd., Pune at 1% on ex-works price quoted by the firm subsequently after opening of price bid, comparing the same with L2 firm's quoted rates and negotiation with state SSI firm, non acceptance of the L2 state SSI firm M/s Sharavathy Conductors Pvt. Ltd., Bangalore to match with the rates quoted by L1 firm for sharing of quantity as per KTPP Act.

30/05.05 The Board noted the all inclusive unit FORD price of Rs.25732.22 quoted by L1 firm M/s Sterlite Technologies Ltd., Pune and subsequent rates of Rs.25482/- offered by the firm at 1% discount on the quoted Ex-works price, the prevailing taxes & duties, comparison of unit FORD prices with other ESCOMs procurement rates and reasonableness of the quoted price.

30/05.06 The Board, after detailed deliberations

Resolved that the proposed procurement of 4500 Kms of Rabbit ACSR conductor be and is hereby approved to place orders on M/s Sterlite Technologies Ltd., Pune at all inclusive unit FORD price Rs.25482/- on FIRM price basis for first six months from the date of purchase order and VARIABLE price basis for the next six months calculated as per CACMAI circular with base rates reckoned as on 01.05.2010

Item No.30/06: Carrying out Niranthara Jyothy Project Works (under phase-1) at Pandavapura taluk in Mandya district on partial turnkey basis

30/06.01 The Managing Director apprised the Board about the tenders invited on partial turnkey basis for construction of new 11 KV independent NJ feeders bifurcating the agricultural loads from the existing rural feeders in Pandavapura taluk of Mandya District. It



was informed about the cancellation of earlier tender as per the directions of the 28th Board meeting and issue of notification for re-tendering, number of new 11 KV NJ feeders to be constructed, supply of major materials by CESC, scope of partial turn key tenders, evaluation of techno-commercial bids, verification of bids by the Tender Scrutiny Committee, Internal Audit verification and replies furnished to the audit, discussions and recommendation of Purchase Committee.

30/06.02 The Board noted the amount put to tender is as per the rates provided in the typical cost data sheet of SR-2009 for turnkey contract works, evaluation of tenders excluding 60% employees cost and comparison of bids including employees cost component of 60% of labour charges, scope of contractor supply of materials, completion schedule of 9 months from the date of issue of work award, payment conditions, taxes & duties payable to the contractor.

30/06.03 The Board also noted the salient features of partial turnkey tenders, participation of two bidders in the tender and only one technically responsive firm M/s Sri Lakshminarasimha Electricals, Tumkur, the all inclusive rates quoted by the lone bidder of Rs.336.65 lakhs which is 11.48% excess over the tender amount, process of tenders as per KTPP Act, views of Financial Adviser, observations of Internal Audit and replies furnished to internal audit, non acceptance for reduction of rates during negotiations held with the firm, discussions and recommendations of the Purchase Committee.

30/06.04 The Board felt that having regard to the rates at which the works have been awarded for similar works in other ESCOMS, the same could be considered competitive and reasonable.

30/06.07 The Board, after detailed deliberations

Resolved that the proposed construction of 7 Nos. of new 11 KV NJ feeders in Pandavapura, of Works Circle, Mandya, and awarding of contract to lone bidder M/s Sri Lakshminarasimha Electricals, Tumkur at the quoted all inclusive price of Rs.336.65 lakhs on partial turnkey basis be and is hereby approved



**Item No.30/07: Carrying out Niranthara Jyothy Project Works
(underphase-1) at Kollegala-1 in Chamaraja
nagar district on partial turn key basis**

30/07.01 The Managing Director apprised the Board about the tenders invited on partial turnkey basis for construction of new 11 KV independent NJ feeders bifurcating the agricultural loads from the existing rural feeders in Kollegala-1 of Chamarajanagar District. It was informed about the cancellation of earlier tender as per the directions of the 28th Board meeting and issue of notification for re-tender, extension of time due to non participation, cancellation and re-tender once again, number of new 11 KV NJ feeders to be constructed, supply of major materials by CESC, scope of partial turn key tenders, evaluation of techno-commercial bids, verification of bids by the Tender Scrutiny Committee, Internal Audit verification and replies furnished to the audit, discussions and recommendation of Purchase Committee.

30/07.02 The Board noted the amount put to tender is as per the rates provided in the typical cost data sheet of SR-2009 for turnkey contract works, evaluation of tenders excluding 60% employees cost and comparison of bids including employees cost component of 60% of labour charges, scope of contractor supply of materials, completion schedule of 9 months from the date of issue of work award, payment conditions, taxes & duties payable to the contractor.

30/07.03 The Board also noted the salient features of partial turnkey tenders, participation of single bidder in the tender and only one technically responsive firm M/s Prema Electricals, Mysore, the all inclusive rates quoted by the lone bidder of Rs. 301.83 lakhs, which is 7.81% excess over the tender amount, process of tenders as per KTPP Act, views of Financial Adviser, observations of Internal Audit and replies furnished to internal audit, non acceptance for reduction of rates during negotiations held with the firm, discussions and recommendations of the Purchase Committee.

30/07.04 The Board felt that having regard to the rates at which the works have been awarded for similar works in other ESCOMS, the same could be considered competitive and reasonable.



30/07.05 The Board, after detailed deliberations

Resolved that the proposed construction of 15 Nos. of new 11 KV NJ feeders in Kollegala-1, of O&M Circle, Mysore and awarding of contract to lone bidder M/s Prema Electricals, Mysore at the quoted all inclusive price of Rs.301.83 lakhs on partial turnkey basis be and is hereby approved

**Item No.30/08 : Carrying out Niranthara Jyothy Project Works
(under phase-1) at Hunsur-2 in Mysore district
on Partial turn key basis**

30/08.01 The Managing Director apprised the Board about the tenders invited on partial turnkey basis for construction of new 11 KV independent NJ feeders bifurcating the agricultural loads from the existing rural feeders in Hunsur-2 taluk of Mysore District. It was informed about the cancellation of earlier tender as per the directions of the 28th Board meeting and issue of notification for re-tendering, number of new 11 KV NJ feeders to be constructed, supply of major materials by CESC, scope of partial turn key tenders, evaluation of techno-commercial bids, verification of bids by the Tender Scrutiny Committee, Internal Audit verification and replies furnished to the audit, discussions and recommendation of Purchase Committee.

30/08.02 The Board noted the amount put to tender is as per the rates provided in the typical cost data sheet of SR-2009 for turnkey contract works, evaluation of tenders excluding 60% employees cost and comparison of bids including employees cost component of 60% of labour charges, scope of contractor supply of materials, completion schedule of 9 months from the date of issue of work award, payment conditions, taxes & duties payable to the contractor.

30/08.03 The Board noted the salient features of partial turnkey tenders, participation of two bidders in the tenders, treating of both the firms as technically responsive, process of tenders as per KPPP Act, views of Financial Adviser, observations of Internal Audit and replies furnished to internal audit, negotiation of rates with L1 & L2 firms, discussions and recommendations of the Purchase Committee.



30/08.04 The Board noted the rates quoted by L1 firm M/s Vijay Electricals, Hubli and L2 firm M/s Asian Fab Tech Ltd., Bangalore before and after negotiation. The Board discussed in detail regarding the desirability of negotiations held with L2 firm when the L1 firm refuses to offer suitable reduction in price.

30/08.05 After detailed discussions, the Board felt that the Managing Director may once again explore the possibility of negotiations with L1 bidder to obtain reduction in price to make the offer comparable to bids approved by the Board for similar works in the recent past.

30/08.06 The Board, after detailed deliberations

Resolved that the Managing Director be and is here by authorized

- a) to negotiate the rates once again with L1 firm, M/s Vijay Electricals, Hubli and thereafter to award the contract for the works of construction of 8 Nos. of 11 KV NJ feeders in Hunsur-2, of O&M Circle, Mysore, on partial turnkey basis at the negotiated rates if the same is comparable to the bids already approved for similar works;
- b) If the L1 bidder M/s Vijay Electricals does not agree for the above offered rate, the tender may be cancelled and re-tendered with short term notice

Item No.30/09: Carrying out Niranthara Jyothy Project Works (under phase-1) at H.D.Kote-1 in Mysore district on Partial turn key basis

30/09.01 The Managing Director apprised the Board about the tenders invited on partial turnkey basis for construction of new 11 KV independent NJ feeders bifurcating the agricultural loads from the existing rural feeders in HD Kote-1 of Mysore District. It was informed about the cancellation of earlier tender as per the directions of the 28th Board meeting and issue of notification for re-tendering, number of new 11 KV NJ feeders to be constructed, supply of major materials by CESC, scope of partial turn key tenders, evaluation of techno-commercial bids, verification of bids by the Tender Scrutiny



Committee, Internal Audit verification and replies furnished to the audit, discussions and recommendation of Purchase Committee.

30/09.02 The Board noted the amount put to tender is as per the rates provided in the typical cost data sheet of SR-2009 for turnkey contract works, evaluation of tenders excluding 60% employees cost and comparison of bids including employees cost component of 60% of labour charges, scope of contractor supply of materials, completion schedule of 9 months from the date of issue of work award, payment conditions, taxes & duties payable to the contractor.

30/09.03 The Board also noted the salient features of partial turnkey tenders, participation of single bidders in the tender and only one technically responsive firm M/s. Vijay Electricals, Hubli, the all inclusive rates quoted by the lone bidder of Rs.348.27 lakhs, which is 31.66% excess over the tender amount, process of tenders as per KTPP Act, views of Financial Adviser, observations of Internal Audit and replies furnished to internal audit, outcome of negotiations, the discussions and recommendations of the Purchase Committee.

30/09.04 The Board noted that during negotiations, the L1 firm has agreed to reduce the rates to a final amount of Rs.301.55 lakhs which is 14.00% excess over the amount put to tender. The Board felt that having regard to the rates at which the works have been awarded for similar works in other ESCOMS, the same could be considered competitive and reasonable.

30/09.05 The Board, after detailed deliberations

Resolved that the proposed construction of 6 Nos. of new 11 KV NJ feeders in H.D.Kote-1, of O&M Circle, Mysore and award of contract to lone bidder M/s Vijay Electricals, Hubli at the negotiated all inclusive price of Rs.301.55 lakhs on partial turnkey basis be and is hereby approved



Item No. 30/10: Partial turn key tenders for carrying out Niranthara Jyothy Project Works (under phase-1) at HD Kote-2 in Mysore district

30/10.01 The Managing Director apprised the Board about the tenders invited on partial turnkey basis for construction of new 11 KV independent NJ feeders bifurcating the agricultural loads from the existing rural feeders in H.D.Kote-2 of Mysore District. It was informed about the cancellation of earlier tender as per the directions of the 28th Board meeting and issue of notification for re-tendering, number of new 11 KV NJ feeders to be constructed, supply of major materials by CESC, scope of partial turn key tenders, evaluation of techno-commercial bids, verification of bids by the Tender Scrutiny Committee, Internal Audit verification and replies furnished to the audit, discussions and recommendation of Purchase Committee.

30/10.02 The Board noted the amount put to tender is as per the rates provided in the typical cost data sheet of SR-2009 for turnkey contract works, evaluation of tenders excluding 60% employees cost and comparison of bids including employees cost component of 60% of labour charges, scope of contractor supply of materials, completion schedule of 9 months from the date of issue of work award, payment conditions, taxes & duties payable to the contractor.

30/10.03 The Board also noted the salient features of partial turnkey tenders, participation of single bidders in the tender and only one technically responsive firm M/s RK Associates, Bangalore the all inclusive rates quoted by the lone bidder of Rs.488.64 lakhs, which is 33.75% excess over the tender amount, process of tenders as per KTPP Act, views of Financial Adviser, observations of Internal Audit and replies furnished to internal audit, outcome of negotiations, the discussions and recommendations of the Purchase Committee, during negotiations L1 firm's acceptance to reduce the rates to a final amount of Rs.418.00 lakhs which is 14.42% excess over the amount put to tender, discussions and recommendations of the Purchase Committee.

30/10.04 The Board noted that during negotiations, the L1 firm has agreed to reduce the rates to a final amount of Rs.418.00 lakhs which is 14.42% excess over the amount put to tender. The Board



felt that having regard to the rates at which the works have been awarded for similar works in other ESCOMS, the same could be considered competitive and reasonable.

30/10.05 The Board after detailed deliberations

Resolved that the proposed construction of 7 Nos. of new 11 KV NJ feeders in H.D.Kote-2, of O&M Circle, Mysore and awarding of contract to lone bidder M/s RK Associates, Bangalore at the negotiated all inclusive price of Rs.418.00 lakhs on partial turnkey basis be and is hereby approved

Item No. 30/11: Board sub-committee report on implementation of HVDS pilot project at Hullahally section, Nanjangud sub-division, Mysore District

30/11.01 The Board was informed that in the 29th Board meeting held on 09.08.2010, the Board constituted a Sub-committee comprising of MD/ BESCO, MD/MESCO & MD/CESC, to study the implication of HVDS pilot project under taken on 11 KV Ramapura feeder at Hullahally section of Nanjangud Subdivision, Mysore district. The Board had also directed the committee to visit the pilot project site and submit a report after detailed study.

30/11.02 The Board noted that in accordance with the Board directions, the sub-committee had visited the HVDS pilot project 11 KV Ramapura feeder of Hullahally section on 04.09.2010 and submitted a detailed report indicating its implications, suggestions / recommendations to the Board.

30/11.03 The Board noted the contents of the report submitted by the sub committee on HVDS pilot project of 11 KV Ramapura feeder emanating from Hullahally substation, the observations and implications, suggestions/ recommendations, modifications / amendments required for the work already awarded, revision of DPR's for future HVDS scheme, utilization of available 15 KVA distribution transformers for Ganga Kalyana, drinking water supply and other capital works. The Board appreciated the inputs furnished by the Committee from a techno commercial angle. The Chairperson



opined that the benefit of the study could be shared with other ESCOMs as they would also be executing similar works. As such, the Energy Department may be apprised of the report so that circular instructions could be issued to all ESCOMs.

30/11.04 The Board, after detailed deliberations

Resolved that the Report of the Board sub committee be and is hereby accepted and that the Managing Director be and is hereby authorized to take appropriate action in the matter of implementation of HVDS scheme and utilization of 15 KVA distribution transformers available at the store stocks including issuance of amendments to the contract already awarded on 11 KV Ramapura feeder of HVDS pilot project wherever necessary


(M Shamim Banu)
Chairperson