



MINUTES OF THE 51st MEETING OF THE BOARD OF DIRECTORS OF CESC LIMITED HELD ON WEDNESDAY, THE 3rd SEPTEMBER 2015 AT 11 AM IN ROOM NO 153, GATE 3, MS BUILDING, BENGALURU-560 001

Members present:

Shriyuths/Smt

1. P Ravikumar IAS : Chairman
2. D Kiran, IRS : Managing Director
3. N Lakshman : Director Technical
4. S Sumanth : Director
5. B Sindhu, IAS : Director
6. THM Kumar, IAS : Director
7. M Pratap : Director
8. M Nagaraju : Director

By invitation:

1. KV Sridhar : Controller - Internal Audit [I/c]

In attendance

R Balasubramanian : Authorized signatory

Leave of absence was granted to Smt. C Shikha, Director

Item No.51/01(a): Confirmation of minutes of 49th and 50th Board of Directors Meeting held on 05.06.2015 & 25.08.2015

The Board confirmed the minutes of the 49th Board meeting held on 05.06.2015 with the following modification:

In para 49.25.03 in the sub resolution 2, add the words 'except in cases' after the words 'CGHS 2010/14 rates'

The Board confirmed the minutes of the 50th Board meeting held on 25.08.2015 as circulated.

Item No.51/02: Follow up action taken report on 49th and 50th Board Meeting minutes

51/02.01 Managing Director apprised the Board of the action taken on the minutes of the 49th & 50th Board meetings item wise.



51/02.02 The Board noted that action has been taken on all decisions and took on record the same.

Item No.51/03: Appointment and Cessation of Directors

51/03.01 It was informed that vide Notification No EN 140 Samanvaya 2015 dated 17.06.2015 Sri N Lakshmana has been appointed as the Director (Technical) of the Company in place of Late Sri B BhagyaNaik.

51/03.02 The Board welcomed the newly appointed Director (Technical) and placed on record the services rendered by late Shri B BhagyaNaik during his tenure as Director (Technical).

Item No. 51/04: Carrying out left out portion of short-closed tender for electrical distribution network strengthening works under Part-B of (Restructured Accelerated Power Development & Reforms Program) R-APDRP project scheme on partial turnkey basis in Madikeri Town

51/04.01 The Board was appraised of the electrical network strengthening works awarded under R-APDRP during January 2012, failure of the agency to complete the works in spite of several notices, short closing of the tender in June 2015, forfeiture of performance bank guarantee of Rs.39.49 lakhs furnished by the firm and taking the inventory of materials into stock. The agency M/s Rajshekar & Associates, Bangalore have filed a suit in the court of the district and sessions judge at Mysuru regarding short closure of the subject tenders vide A.A.No 12/2015 and the same is pending. They have completed the work of Rs. 19.43 lakhs only, as against the awarded amount of Rs.3.95 Crores. The revised estimate cost for the left out portion of the work as per common SR 14-15 is Rs 3.43 crores.

51/04.02 The Board was further appraised of the tender called for the balance portion of work on partial turnkey basis, participation of 3 bidders, the evaluated position of bids, offer of L1 bidder at Rs.477.58 lakhs being 39.18% above the estimated amount of Rs.343.14 lakhs (*without turnkey component*) and 24.54% above the estimated amount of Rs.383.47 lakhs with turnkey component taken into account.



51/04.03 The Board noted that the objective of strengthening of electrical distribution network is to sustain the AT & C losses of 15% and below as per the guidelines issued by MoP, Govt. of India. The non-performance of earlier contractor has already resulted in delay. These works are funded by GoI through M/s PFC and have to be completed early to strengthen the network for reliable power supply. It also noted that the quoted price of the L1 bidder is 24.54% above the updated estimated amount taking into account PTK components.

51/04.04 The Board felt that there has been good participation and all bidders have quoted on the higher side. Given the nature of the work, the previous bidder had not completed the same and his contract was short closed. Now that these works have to be completed to avail the funding benefit from GoI, it may be prudent to consider the offer of the L1 bidder. The Board noted that the bidder has offered 0.25% discount on negotiation and his final offer is Rs.476.392 lakhs.

51/04.05 The Board was informed that out of the tendered cost of Rs.395 lakhs, the left out portion of the earlier agency was Rs.270 lakhs. If the present L1 offer of Rs.476.392 lakhs is considered then the difference is Rs.206.39 lakhs which is to be recovered from the previous agency. The Board thereafter

Resolved that the proposal to award the contract on L1 bidder M/s Prema Electricals, Mysuru at the total all inclusive bid price of `Rs. 476.392 lakhs for execution of left out portion of RAPDRP Part-B works in Madikeri Town be and is hereby approved and the increase in cost of Rs.206.39 lakhs shall be at the risk of the previous agency M/s Rajshekar & Associates, Bangalore

Item No. 51/05: Carrying out left out portion of short-closed tender for electrical distribution network strengthening works under Part-B of (Restructured-Accelerated Power Development & Reforms Program) R-APDRP project scheme on partial turnkey basis in Mysuru City

51/05.01 The Board was appraised of the electrical network strengthening works awarded under R-APDRP during January 2012, failure of the agency to complete the works in spite of several notices,



short closing of the tender in June 2015, forfeiture of performance bank guarantee of Rs.983.51 lakhs furnished by the firm and taking the inventory of materials into stock. The agency M/s Chadalavada Infratech Pvt. Ltd, Hyderabad, have filed a case in the High court of Karnataka regarding short closure of the subject tenders vide Writ petition no.28259/2015 and the same is pending.They had completed the work of Rs.26.90 crores only, as against the awarded amount of Rs.98.35 crores. The revised estimate cost for the left out portion of the work as per common SR 14-15 is Rs.93.25crores.

51/05.02 The Board was further apprised of the tender called for the balance portion of work on partial turnkey basis, participation of 3 bidders, the evaluated position of bids, offer of L1 bidder at Rs.10910.03 lakhs which is 17.00% excess over the estimate cost of Rs.9325.15 lakhs (*without turnkey component*) and 7.51% excess over the estimated amount of Rs.10148.06 lakhs with turnkey component.

51/05.03 The Board noted that the objective of strengthening of electrical distribution network is to sustain the AT & C losses of 15% and below as per the guidelines issued by MoP, Govt. of India. The non-performance of earlier contractor has already resulted in delay. These works are funded by GoI through M/s PFC and have to be completed early to strengthen the network for reliable power supply. It also noted that the quoted price of the L1 bidder is 7.51% above the updated estimated amount taking into account PTK components.

51/05.04 The Board felt that there has been good participation and all bidders have quoted on the higher side. Given the nature of the work, the previous bidder had not completed the same and his contract was short closed. Now that these works have to be completed to avail the funding benefit from GoI, it may be prudent to consider the offer of the L1 bidder. The Board noted that the bidder has not offered any discount on negotiation and his final offer remains at Rs. 10910.03 lakhs.

51/05.0505 The Board was informed that,out of the tendered cost of Rs.9835 lakhs, the left out portion of the earlier agency was Rs. 5969 lakhs. If the present L1 offer of Rs.10910 lakhs is considered then the difference is Rs.4941 lakhs which is to be recovered from the previous agency. The Board thereafter.



Resolved that the proposal to award the contract on L1 bidder M/s Asian Fab Tec., Bengaluru at the total all inclusive bid price of Rs.10910.03 lakhs for execution of the left out portion of RAPDRP Part-B works in NR Mohalla & VV Mohalla divisions of Mysuru City be and is hereby approved and the increase in cost of Rs.4941lakhs shall be at the risk of the previous agency M/s Chadalavada Infratech Pvt. Ltd, Hyderabad

Item No.51/06:Electrification of un-electrified habitations (Hamlets/JC/DB/TC/ Thandas/Hadis) and BPL households through solar P.V on Build, operate, maintain and transfer (BOMT) basis for a period of 5 years through Decentralized Distributed Generation (DDG) under DDUGJY scheme (erst while RGGVY XII Plan) in Mysore, Madikeri and Chamarajanagar Districts

51/06.01 The Board was appraised of the need to provide electricity in un-electrified habitations situated in remote area, the scheme available under Govt. of India for funding the electrification of such habitations through decentralised distribution generation using non-conventional energy sources like Solar, Bio-Mass, Wind and other hybrid systems, the proposal to electrify habitations and BPL households on build, own, operate, maintain and transfer basis for a period of 5 years through the DDG under DDUGY Scheme in Mysore, Madikeri and Chamarajanagar districts using Solar PV Systems, the scope of works proposed in terms of habitations, BPL households and streetlights, REC sanction project cost of Rs.1261.81 lakhs *inclusive of Soft cost of Rs.8.64 lakhs towards DPR preparation cost reimbursed by REC*, invitation of tender on 4 occasions, evaluation of tenders and approval sought from REC for revision in project cost, REC sanction project cost of Rs.2118.21 lakhs, sanction accorded by REC limiting the service charge of BPL households to Rs.3000/- as against the required cost of Rs.11444/- and service charges of Rs.9 lakhs as against the cost of Rs.35.44 lakhs. With this, REC approved cost comes to Rs.1961.82 lakhs and CESC will have to fund the balance project cost of Rs.156.39 lakhs.



51/06.02 The Board noted that the Purchase Committee has examined and felt that the increase in project cost to an extent of Rs.156.39 lakhs is necessitated in view of the electrification being done through UG cable service mains with static meters, internal wiring 3 points, 2 nos. of LED lamps, MCB, metering fuse cut out etc. and also provision of third party inspection charges. The additional costs were justified particularly as the UG cable is to be used to provide safety to wild animals as the hamlets are located in reserve forest area. The Board observed that online applications need to be made and followed up for obtaining necessary forest clearances for implementing the scheme.

51/06.03 Under the circumstances explained, the Board concurred with the action taken to issue LOI to the L1 bidders under 4 packages in Madikeri, Mysore and Chamarajanagar districts as under. Further, the Board

Resolved that approval of the Board be and is hereby accorded to the advance action taken in issuing LOI to the L1 bidders to an extent Rs.1810.24 lakhs incurring additional capital cost of Rs.129.95 lakhs from CESC; & to make provision for additional service charges towards 3rd party inspection and other scheme implementation charges to an extent of `26.44 lakhs from CESC

Further, since REC is contributing 90% of the project cost as capital subsidy, CESC shall meet 10% of the project cost to the 25 projects sanctioned by "REC" i.e. Rs.196.18 lakhs

Item No 51/07:Ratification of financial assistance extended in building of Dr B R Ambedkar Bhavan at Bengaluru by KEB SC and ST Welfare Association

51/07.01 The Board was apprised of the request of KEB SC and ST Welfare Association for financial assistance to complete the Ambedkar Bhavan under construction and the proposal to extend financial assistance of Rs.75 lakhs for this purpose to be released in 3 instalments.

51/07.02 Under the circumstances explained, the Board



Resolved that approval be and is hereby accorded to extend financial assistance of Rs.75.00 lakhs to the KEB SC and ST Welfare Association towards construction of the Dr B R Ambedkar Bhavan at Bengaluru

Item No 51/08: Appointment of Company Secretary on Contract Basis

51/08.01 The Board was apprised of the action taken to advertise the post of Company Secretary and the response thereof.

51/08.02 The Board observed that the present proposal did not meet the requirement of experience of 3-4 years sought in the advertisement.

Item No.51/09: Ratification for Purchase orders placed for Procurement of 100 KVA 11KV/433Volts BEE label 3star rated distribution transformers, from KTPP Exempted firm- M/s KAVIKA, Bengaluru

51/09.01 The Board was apprised of the requirement of 100 KVA transformers for Capex works and replacement of failed transformers for the current year and for 2015-16, low stock position, extent of TCs in pipeline, the proposal to procure 600 nos. of 100 KVA failed BEE label 3 star rated transformers from M/s KAVIKA, M/s KEL and M/s Andrew Yule & Co. Ltd at their offer rate, technical specification, exemption available under KTPP Act as per GoK order No. FD/470/EXP-12/15 dtd: 12-06-2015 for a period up to 31-03-16, the cost of procurement and the budget provision.

51/09.02 The Board noted the need to procure 600 nos. of distribution transformers and concurred with the proposal to procure 100KVA 3 star rated transformers exclusively from M/s KAVIKA under the exemption available under KTPP Act and at their offered rate.

51/09.03 The Board noted that the total cost of procurement of 600Nos. of 100KVA 3 star rated transformers from M/s KAVIKA on the unit FORD Prices offered by Firm (exclusive of price variation) is approximately Rs.990.00 lakhs and can be met out of interim Store Budget of Rs.25 crores provisioned for FY: 15-16.



51/09.04 The Board noted that the Purchase Committee has concurred with the proposal and the managing Director has take action to place orders on KAVIKA. The Board, therefore

Resolved that the advance action taken by the Managing Director in placing purchase order on M/s KAVIKA for procurement of 600 Nos. of 100KVA BEE label 3 star rated transformer at their offered FORD price of Rs.179240.00with total cost of Rs.1075.542 lakhs, on variable price as per IEEMA circular with base indices as on 01-05-2015 be and is hereby ratified

Item No.51/10: Ratification of signing the Power Purchase Agreement, Wheeling and Banking Agreement and Supplemental Agreements by the Superintending Engineer (EI), Commercial, Corporate Office, CESC Mysore, details appended below with the approval of the Director Technical and Managing Director, CESC Mysore

51/10.01 The Board noted and took on record the following PPAs, Wheeling & Banking Agreements and Supplemental Agreements signed by the Corporation.

Sl No	Particulars of the Project	Capacity in MW	Type of the Project	PPA / WBA / Supplemental	Date of Signing	Signed by	Location
1	Clean Wind Power Manvi) Pvt.Ltd.	50	Wind	Wheeling & Banking	26.05.2015	SEE (Coml)	Thoppaladoddi, Husainapura, Hirahosur and Anwari villages in Manvi and LingasagurTqs
2	Madhyaranga Energy Pvt.Ltd.	5	Small Hydro	PPA	06.07.2015	SEE (Coml)	Barachukki MHS across Cauvery River , near Shivanasamudra Village, Kollegal Taluk, ChamarajnagarD ist
Supplemental Agreement Executed for Change of Name							



3	NVR Vidyuth Pvt. Ltd.,	4.5	Wind	24.08.2015	SEE (Coml)	Aidahalli Village, HalebeeduTq. Hassan Dist
4	NVR Vidyuth Pvt. Ltd.	1.5	Wind	24.08.2015	SEE(C oml)	Aidahalli Village, HalebeeduTq. Hassan Dist
5	NVR Vidyuth Pvt. Ltd.	1.5	Wind	24.08.2015	SEE (Coml)	Aidahalli Village, HalebeeduTq. Hassan Dist

Item No.51/11: Ratification of signing the Supplemental Agreement between CESC Mysore and M/s Emami Power Ltd. by the Superintending Engineer (El), Commercial, Corporate Office, CESC Mysore, details as appended below with the approval of the Director Technical and Managing Director, CESC Mysore

51/11.01 The Board noted and took on record the following Supplemental Agreement signed by the Corporation.

Particulars of the Project	Cap in MW	Project Type	Date of Signing	Signed by	Before exten	After extension
M/s Emami Power Ltd.	10	Solar	24.06.2015	SEE (Coml)	21.6.15	18.12.15

Item No.51/12 : Authorization for filing on-line returns with the Ministry of Corporate Affairs / ROC

51/12.01 The Board was apprised of the need to file various returns on-line with the Ministry of Corporate Affairs under the digital signature of the Managing Director and/or other Directors for which authorisation of the Board is needed through a resolution.

51/12.02 The Board noted the necessity to authorise for filing various on-line returns with the MCA through a resolution and

Resolved that the on-line returns relating to the Company under the Companies Act be filed with the Ministry of Corporate Affairs, Govt. of India under the digital signature of the Managing Director and/ or Director/s or Company Secretary



51/12.03 The Board was also apprised of the need to form a CSR committee under the new Companies Act. The Board constituted the same with Sriyuths S Sumanth, N Lakshman and M Pratap as members.

Item No.51/13: Disclosure of Interest by Directors in Bodies Corporate

51/13.01 The Board was apprised of the need for statutory compliance in the matter of furnishing the disclosure of interest by all Directors in terms of Section 184 (1) of the Companies Act 2013 every year.

51/13.02 The Board noted the disclosure of interest by the Directors as indicated in the annexure to agenda note and took the same on record.


(P. Ravikumar)
Chairman