



**MINUTES OF THE 52nd MEETING OF THE BOARD OF DIRECTORS OF CESC LIMITED HELD ON THURSDAY, THE 24TH SEPTEMBER 2015 AT 11 AM IN ROOM NO 218, 2<sup>nd</sup> FLOOR, VIKASA SOUDHA, BENGALURU-560 001**

**Members present:**

Shriyuths/Smt

1. P Ravikumar IAS : Chairman
2. D Kiran, IRS : Managing Director
3. N Lakshmana : Director Technical
4. B Sindhu, IAS : Director
5. M Pratap : Director
6. M Nagaraju : Director

**By invitation:**

1. Shri A Shivanna : Chief Financial officer
2. Shri KV Sridhar : Controller - Internal Audit [I/c]

**In attendance**

R Balasubramanian : Authorized signatory

*Leave of absence was granted to Smt. C Shikha, Sri S Sumanth, THM Kumar & AN Jayaraj, Directors*

**Item No.52/01: Confirmation of minutes of 51<sup>st</sup> Board of Directors Meeting held on 03.09.2015**

The Board confirmed the minutes of the 51<sup>st</sup> Board meeting held on 03.09.2015 as circulated

**Item No.52/02: Follow up action taken report on 51<sup>st</sup> Board Meeting minutes**

52/02.01 Managing Director apprised the Board of the action taken on the minutes of the 51<sup>st</sup> Board meetings item wise.

52/02.02 The Board noted that action has been taken on all decisions and took on record the same.

**Item No.52/03: Approval of the Audited Annual Accounts (revised) of CESC and Directors Report (Draft) for the Financial Year 2014-15**

52/03.01 The Chief Financial Officer apprised the Board that the draft Annual Accounts of CESC for the financial year ending 31<sup>st</sup> March 2015 consisting of Balance Sheet (along with notes 1-26) and



Statement of Profit and Loss (along with notes 27-35) and Statement of Significant Accounting Policies are compiled in accordance with the provisions of the Companies Act, 2013; were approved by the Board in the meeting held on 09.07.2015.

52/03.02 The Board was informed that, the approved accounts certified by the Statutory Auditors M/s Ganeshan & Co., Chartered Accountants, Bengaluru were handed over for test Audit to the Deputy Accountant General (ES), Bangalore, and for issue of comments under the provisions of Companies Act 2013.

52/03.03 It was also informed to the Board that, the A.G Auditors have completed the audit and have furnished their preliminary comments. The accounts have been revised in the light of certain observations made by the AG Audit. Further, some of the observations of Statutory Auditors are also complied with. The Board felt that non provisioning of power purchase bill of KPCL regarding payment of additional levy to GoI on account of captive block in FY 2014-15 cannot obviate the liability towards KPCL and would need to be reflected in FY 2015-16.

52/03.04 The Board took note of the impact of revision of Annual Accounts as follows:-

- Non-Accounting of energy charges related to Mysore sugars Company limited from the period 2006-07 to 2012-13 of Rs.827.98 lakhs and Interest of Rs. 172.90 lakhs.
- Withdrawal of Interest of Rs.451.17 lakhs due to accounting of revised bills issued by KPCL.
- Deficiency in meeting the Solar Renewable Energy purchase obligation (RPO). Non creation of provision of Rs.79.92 Lakhs.
- Withdrawal of accounting of advance to Coal controller which was accounted under Power Purchase Cost of Rs.1166.17 lakhs.
- Withdrawal of Interest Income accounted on deposits made by encashing the Bank Guarantee relating to M/s Saisudhir (P) ltd. of Rs. 61.55 lakhs.
- Accounting of interest on loan towards NJY projects which was earlier capitalized in now withdrawn amounting to Rs.43.61 lakhs
- Withdrawal of Interest on Fixed deposit pertaining to R-APDRP loan and accounting the same under CWIP Rs.530.23 lakhs.
- Accounting of interest on belated payments to KPCL for the year 2014-15 amounting to Rs.177.08 lakhs.



- Accounting of Prior period power purchase cost of Rs.79.23 lakhs for which bill have been received in current year.

**Effect on P&L Account**

Sl. No	Particulars	Income		Expenditure	
		Increase	Decrease	Increase	Decrease
a)	Revenue from Operation	827.99	-		-
b)	Other Income	111.35			
d)	Power purchase cost			-	1086.25
e)	Finance Costs	-	-		230.47
f)	Depreciation	-	-		13.69
g)	Other debits			645.81	
	<b>Total</b>	<b>939.34</b>	<b>-</b>	<b>645.81</b>	<b>1330.41</b>
	<b>Net</b>	<b>939.34</b>			<b>684.60</b>
	<b>Increase in Profit</b>			<b>1623.94</b>	

**Effect on Balance sheet**

Sl. No	Particulars	Assets		Liabilities	
		Increase	Decrease	Increase	Decrease
a)	Reserves & surplus	-	-	1623.94	-
b)	Trade Payables			-	1281.10
c)	Other current liabilities			541.82	
d)	Tangible Assets	-	326.51	-	-
e)	CWIP	36.23		-	-
f)	Trade Receivables		2958.98		
g)	Cash and Bank Balances	4000.00	-	-	-
h)	Other current assets	133.93			
	<b>Total</b>	<b>4170.16</b>	<b>3285.49</b>	<b>2165.75</b>	<b>1281.1</b>
	<b>NET</b>	<b>884.66</b>		<b>884.66</b>	

52/03.05 The Board also took note of the analysis of Balance Sheet and Statement of Profit and Loss for the year ending March 31st 2015 with the previous year ending 31.03.2014 as presented in the Agenda Note. The Board felt that all issues relating to settlement of KPTCL and inter escom power purchase dues should be resolved early, if necessary by adjusting subsidy payable to escoms and that the Energy department shall be addressed to convene all escoms for this purpose.



52/03.06 The Board also took note of the Secretarial audit report in which certain observations have been made about appointment of independent directors, company secretary and constitution of some committees for which suitable reply is made in the annexure to the said report forming part of the Board report.

**52/03.06 The Board thereafter resolved that**

- (i) in pursuance of the provisions of the Companies Act, 2013 and all other applicable provisions, the revised Balance Sheet as on 31.03.15 and the revised Statement of Profit and Loss for the year ended 31.03.15, which are for the purpose of identification signed by the Chief Financial Officer, 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)/any other Director of the Company be and are hereby authorised to sign the same on behalf of the Board of Directors;
- (ii) the revised Balance Sheet as at 31.03.15 and the revised Statement of Profit and Loss for the year ended 31.03.15 be furnished to the Statutory Auditors of the Company for the year 2014-15 viz. M/s Ganeshan & Co., Chartered Accountants, Bengaluru for obtaining their certification and report thereon;
- (iii) the revised Balance Sheet of the Company as at 31.03.2015 and the revised Statement of Profit and Loss for the year ended 31.03.2015, together with the report of the Statutory Auditors, be submitted to the Principal Accountant General, Karnataka, Bengaluru for supplementary /test audit under section 139 of the Companies Act, 2013;
- (iv) in pursuance of the provisions of section 134(1) of the Companies Act, 2013 and all other applicable provisions, the Chairman of the Company be and is hereby authorised to sign the Directors' Report for the financial year 2014-15 as annexed to the agenda note along with the secretarial audit report and management reply thereon; he is further authorised to sign any addendum thereto on behalf of the Board of Directors arising out of management reply to the observations of the statutory auditor and C&AG on the annual accounts;
- (v) the Authorised Signatory be and is hereby authorized to convene the 10<sup>th</sup> AGM on or before 30.09.15 and if necessary, extension of time up to 31.12.15 may also be sought from the Ministry of Corporate Affairs by way of abundant precaution for holding the 10<sup>th</sup> AGM

  
(P Ravikumar)  
Chairman

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- (ii) the revised Balance Sheet as at 31.03.15 and the revised Statement of Profit and Loss for the year ended 31.03.15 be furnished to the Statutory Auditors of the Company for the year 2014-15 viz. M/s Ganeshan & Co., Chartered Accountants, Bengaluru for obtaining their certification and report thereon;
- (iii) the revised Balance Sheet of the Company as at 31.03.2015 and the revised Statement of Profit and Loss for the year ended 31.03.2015, together with the report of the Statutory Auditors, be submitted to the Principal Accountant General, Karnataka, Bengaluru for supplementary /test audit under section 139 of the Companies Act, 2013;
- (iv) in pursuance of the provisions of section 134(1) of the Companies Act, 2013 and all other applicable provisions, the Chairman of the Company be and is hereby authorised to sign the Directors' Report for the financial year 2014-15 as annexed to the agenda note along with the secretarial audit report and management reply thereon; he is further authorised to sign any addendum thereto on behalf of the Board of Directors arising out of management reply to the observations of the statutory auditor and C&AG on the annual accounts;
- (v) the Authorised Signatory be and is hereby authorized to convene the 10<sup>th</sup> AGM on or before 30.09.15 and if necessary, extension of time up to 31.12.15 may also be sought from the Ministry of Corporate Affairs by way of abundant precaution for holding the 10<sup>th</sup> AGM

  
(P Ravikumar)  
Chairman

