

Chamundeshwari Electricity Supply Corporation Ltd. 
(CIN: U40109KA2004SGC035177)

MINUTES OF THE 66TH MEETING OF BOARD OF DIRECTORS OF CESC HELD ON FRIDAY, THE 27TH OCTOBER 2017 @4.00PM AT BOARD ROOM, K.R.CIRCLE, BESCOM, BANGALORE-560001.

MEMBERS PRESENT

Sl.No.	Sriyuths/Smt	Board
1	P.Ravikumar, IAS	Chairman
2	D.Kiran, IRS	Managing Director
3	M.Pratap	Director
4	T.R.Ramakrishnah	Director
5	A.N.Jayaraj	Director
6	D.Siddaraju	Director
7	D.Gopal	Director
8	Hucchegowda	Director
9	Swamy Gowda	Director
10	Latha	Director
11	Chandrakala	Director
12	Madana Murali	Director
13	C.K.Suresh	Director

IN ATTENDANCE


Sri.K.T.Hiriyanna, FCS	Company Secretary, BESCOM / Authorised Signatory, CESC
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INVITEES PRESENT

1	Sri. A. Shivanna	CFO
2	Sri. Venkatesh	CGM(I/A)
3	Sri. Ramesh.B.S.	GM(Proc)
4	Sri. Nataraj	AGM(Admin) & Asst. CS I/C

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The Company Secretary/Authorized Signatory welcomed the new Chairman, Sri.P.Ravikumar, IAS, Managing Director, all the directors and invitee officers to the meeting. The valuable services rendered to the company by the outgoing Chairman Sri.Dr.Rajneesh Goel, IAS were appreciated by the Board and was taken on record. The Board noted the situation under which meeting was called at shorter notice in view of urgency of the subjects in the interest of the Company. All the directors consented for shorter period notice.

Quorum being present, the Company Secretary/ Authorised Signatory, CESC requested Hon'ble Chairman to take up the agenda items for discussion and decision thereon.

PART I - ROUTINE SUBJECTS

1. Agenda item No. BoDM 66/01: Grant of leave of absence:

The leave of absence was granted to the following directors who had informed their inability to attend the meeting, in advance.

- (1) Sri. K.T.Mahantappa
- (2) Sri. H.Nagesh
- (3) Sri.Pavankumar Malapati
- (4) Sri.Ziyaullah
- (5) Sri.D.Randeep
- (6) Kum.Charulatha Somal
- (7) Sri.Arif Khan

2. Agenda item No. BoDM 66/02: Noting of Minutes of the 65th Board of Directors meeting held on 21st September 2017:

The minutes of 65th Board of Directors meeting held on 21.09.2017, which were already circulated, were placed before the Board by the Company Secretary/Authorized Signatory, CESC. The same were noted by the Board, considered and confirmed without any modification proposal.

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3. Agenda item No. BoDM 66/03: Review of "Action Taken Report" on the minutes of the 65th Meeting of Board of Directors held on 21st September 2017:

The Managing Director informed the Board that, required actions have been taken fully on the minutes of 65th meeting of Board of Directors held on 21st September 2017. Board took note of the same and was taken on record.

4. Agenda item No. BoDM 66/04: Noting of Minutes of Board Sub-Committees:

The minutes of following Sub-committee meetings were placed before the Board for kind noting. Board noted the same and was taken on record.

Sl.no	Sub-committee meeting	Meeting held on
1	87 th Central Purchase Committee	13.09.2017
2	12 th Annual General Meeting	26.09.2017

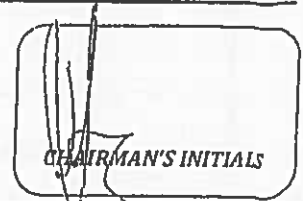
5. Agenda item No. BoDM 66/05: Appointment and Cessation of directors:

Board noted the following new appointments:

- (a) The appointment of Sri.P.Ravi Kumar, IAS, Additional Chief Secretary to GoK as Chairman of the Corporation vide Notification No.EN 55 EEB 2017 dtd 21.10.2017 and valuable services rendered by the Dr.Rajneesh Goel, IAS during his tenure as Chairman of the Corporation was noted and following resolution was passed:

"RESOLVED THAT, approval be and is hereby accorded and authorised Company Secretary/Authorised Signatory, CESC to file necessary e-form with Registrar of Companies in accordance with provisions laid down under Companies Act 2013 in respect of new appointment of directorship on the Board of CESC as per the above notifications of Govt. of Karnataka."

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PART II - SPECIAL SUBJECTS

6. Agenda item No. BODM 66/06: Tender invited for implementation of pre-paid meters using keypad technology along with the vending system for temporary installations in CESC, Mysuru on DBFOT (Design Build Finance Operate and Transfer) basis for 5 years.

Reference:

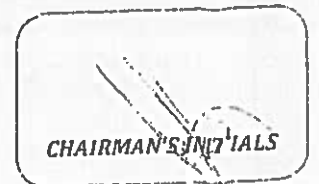
- Enquiry No. :GM(P)/C2-4251/15.11.2016
- NIT Published date :Samyuktha Karnataka, Udayavaani,
The Hindu, dated: 17-08-17
- Last date for receipt of bids :21-09-17
- Techno-Comm1 bids opened :23-09-17
- Financial Bids opened on :12-10-17
- Amount put to tender :Rs.29.29 Crores
- Quantity :15,000 (14,000 - single phase and 1,000- Three phase)

The Managing Director apprised the Board as below:

- (1) As per the KERC Tariff Order 2017, Dated: 11-04-2017 power supply to all the temporary installations is required to be arranged through Pre-paid Energy Meter duly observing the provisions of Clause 12 of the Conditions of Supply of Electricity of the Distribution Licensees in the State of Karnataka. The KERC vide Order dated: 02, June, 2016, OP No.34/2015 has given approval to collect the rentals from the LT 7 consumers as under:

LT installations for a period upto 7 days.	No Meter Security Deposit or Meter Rental Charges.
LT-7 installations for a period in excess of 8 days upto 56 days.	Meter Rental Charges at Rs.75/- (Seventy Five) per week.
LT-7 installations for a period in excess of 57 days.	Meter Security Deposit equivalent to the cost of the Meter and Meter Rental Charges at Rs.75/- (Seventy Five) per week.

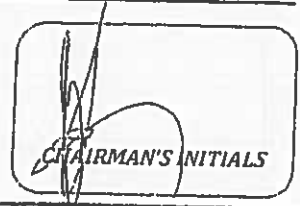
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- (2) The suitability of various technology of prepaid meters, the technical team constituted by BESCO has done comprehensive study by visiting MSPDCL (Manipur State Power Distribution Company limited) and the report is furnished to the company. It is clear from the report that the key pad technology is highly successful, user friendly and economically more feasible. BESCO has also obtained the "Technical Feasibility & Viability Report for the implementation of Pre-paid meters using Keypad Technology with vending System for Temporary Installations in BESCO" which was submitted on 09-05-2017 by Sri.N.Murugesan, Former Director General, C.P.R.I, Bengaluru who is now working as Technical Advisor to BESCO.
- (3) From the above two studies it is very clear that the keypad technology is more economical, user friendly and successful. The same keypad prepaid technology is also in vogue in PUVVNL (Purvanchal Vidyuth Vitaran Nigam Limited), UPCL (Uttarkhand Power Corporation Limited), APDCL (Assam Power Distribution Company Limited), WBSEDCL (West Bengal State Electricity Distribution Company Limited), AVVNL (Ajmer Vidyuth Vitaran Nigam Limited) & MSEDCL (Maharashtra State Electricity Distribution Company Limited).
- (4) The Tender was invited for implementation of pre-paid meters using keypad technology along with the vending system for temporary installations in CESC, Mysuru on DBFOT (Design, Build, Finance, Operate and Transfer) basis for 5 years with a total number of 15,000 meters on the same lines of BESCO.
- (5) Technical criteria & financial criteria were explained as per agenda note and informed that the prices are FIRM throughout the contract period.
- (6) Taxes & duties liabilities to the Company has been taken care in line with the prevailing provisions under the respective tax laws.
- (7) The payment/commercial clauses were explained and performance guarantee and scrutiny clauses were apprised to the Board.
- (8) The prime advantages to the Company as well as consumers were explained fully by the MD and indicated that no upfront payment and no initial investment to the Company which is at zero level.

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(9) The MD further apprised the scope of the bidder to execute the work comprehensively.

Board perused the following:

- (1) The tender scrutiny committee (TSC) has scrutinized the proposal and recommended to place before the Board and price evaluation is made in accordance with the provision of KTPP Act, 1999 and rules thereon.
- (2) Necessary negotiation has been made with the L-1 bidder.
- (3) Board further perused and noted evaluation details as below:

Sl. No.	Item Description	M/s Ensure Reliable Power Solutions Pvt. Ltd., Bengaluru	M/s Genus Power Infrastructures Limited., Jalpur
		Unit rate (Ford Price) In Rs.	Unit rate (Ford Price) In Rs.
A1	Supply of single phase Pre-paid Energy meter with Consumer Interface Unit along with Pilfer proof Box	6992.59	8041.47
A2	Supply of three phase Pre-paid Energy meter with Consumer Interface Unit along with Pilfer proof Box	10077.57	11589.20
PART-B: Labour			
Sl. No.	Item Description	Unit rate in Rs	Unit rate in Rs
B1	Installation and Commissioning charges for Meters-single phase (including Lead wire) + Software	944.00	1085.60
B2	Installation and Commissioning charges for Meters-Three phase (including Lead wire) + software	1145.54	1317.37
PART-C: Value Added Services (Demonstration & Transaction Charges)			

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Sl. No.	Item Description	Unit rate in Rs	Unit rate in Rs
C1	Pre-payment Demonstration charges for 100 meters for 3 months	0.00	0.00
C2	Transaction Charges per month per meter for 5 years	22.56	25.95
PART-D: Value Added Services (Maintenance Charges)			
Sl. No.	Item Description	Unit rate in Rs	Unit rate in Rs
D1	Maintenance Charges per meter per month for 5 years (maintenance of meter, CIU, Vending station, all billing Software integration, Mobile App, generation of reports etc)	108.76	125.07
Total Quoted Amount for 15000 Meters		240524870.00	276603400.00

Sl. No.	Item Description	SR 2016-17 Rate In Rs	Quoted FORD Price Rs.	% Difference compared to SR 2016-17	Awarded Rate in BBSCOM for Prepaid Meters using Smart Card Technology
A1	Single Phase 2 wire, 240 V, 5-30 Amps Class-1 Prepaid Meter, however tendered rating is 5/10-60 A	9832	6992.59	-28.88%	6992.59
A2	Three Phase 4 wire, whole current, 3X240 V, 5-30 Amps, Class-1 Prepaid Meter, however tendered rating is 20-80A	12396	10077.6	-18.70%	10077.57

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(4) Board noted the reasonableness of the offer:


Sl. No.	Item Description	SR 2016-17 Rate in Rs	Quoted FORD Price Rs.	% Difference compared to SR 2016-17	Awarded Rate in BESCOM for Prepaid Meters using Smart Card Technology
A1	Single Phase 2 wire, 240 V, 5-30 Amps Class-1 Prepaid Meter, however tendered rating is 5/10-60 A	9832	6992.59	-28.88%	6992.59
A2	Three Phase 4 wire, whole current, 3X240 V, 5-30 Amps, Class-1 Prepaid Meter, however tendered rating is 20-80A	12396	10077.6	-18.70%	10077.57

(5) Board also perused comparative figures with other ESCOMs

Sl.No	PART-A: Material			L1 Quoted Rate	BESCOM Awarded Rate
	Item Description	Quantity put to tender	Unit rate (Ford Price) in Rs. (As per Estimate)	M/s Ensure Reliable Power Solutions Pvt. Ltd., Bengaluru Unit rate (Ford Price) in Rs.	
A1	Supply of single phase Pre-paid Energy meter with Consumer Interface Unit along with Pilfer proof Box	14000	6888.69	6992.59	6992.59

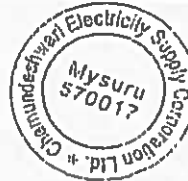
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A2	Supply of three phase Pre-paid Energy meter with Consumer Interface Unit along with Pilfer proof Box	1000	9499.99	10077.57	10077.57
Material Cost				107973830.00	107973830.00
PART-B: Labour					
Sl.No	Item Description	Qty	Unit rate in Rs	Unit rate in Rs	Unit rate in Rs
B1	Installation and Commissioning charges for Meters-single phase(including Lead wire) + Software	14000	1750	944.00	944.00
B2	Installation and Commissioning charges for Meters-Three phase (including Lead wire) + software	1000	1750	1145.54	1145.54
Labour Cost				14361540.00	14361540.00
PART-C: Value Added Services (Demonstration & Transaction Charges)					
Sl.No	Item Description	Number of Units as per tender	Unit rate in Rs	Unit rate in Rs	Unit rate in Rs
C1	Pre-payment Demonstration charges for 100 meters for 3 months	100	100	0.00	0.00
C2	Transaction Charges per month per meter	15000	60	22.56	22.56

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	for 5 years				
	Sub Total			20305500.00	20305500.00
	PART-D: Value Added Services (Maintenance Charges)				
Sl.No	Item Description	Number of Units as per tender	Unit rate in Rs	Unit rate in Rs	Unit rate in Rs
D1	Maintenance Charges per meter per month for 5 years (maintenance of meter, CIU, Vending station, all billing Software integration, Mobile App, generation of reports etc)	15000	62.5	108.76	108.76
	Sub Total			1631400.00	1631400.00
	Total estimate cost (Part-A + Part-B + Part-C + Part-D)			240524870.00	240525170.00
	% Over Total estimate cost Including TTK component (Amount put to Tender)			-17.89	-17.89
	% Over Total estimate cost without TTK component (Amount put to Tender)			-0.80	-0.80

- (6) Board took note that the price offered by the L-1 bidder which is below 17.89% when compared to estimated figure. The concerned GM has ascertained in the market, the rates are in line with prevailing wholesale market and not lesser than tendered rate.
- (7) Board was informed that the proposal is undergone audit by CGM (I/A), CBSC and observations have been complied suitably and an internal committee has also given its report to place the proposal before Board.
- (8) Board further took note that budget provisions is required. The same will be met by raising loan to an extent required from financial

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institutions/commercial banks within the permitted range as approved in EGM of the Company.

(9) Present proposal is submitted seeking approval of the Board:

To issue Letter of Intent/ DWA on M/s.Nsure Reliable Power Solutions Pvt. Ltd., Bangalore for implementation of pre-paid meters using keypad Technology along with the vending system for Temporary installations in CESC on DBFOT (Design Build Finance Operate and Transfer) basis for 5 years at a total amount of Rs. 24,05,24,870.00.

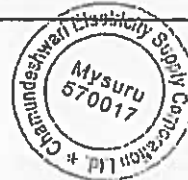
Board went through the proposal, debated and discussed at length. Keeping in view the wide range of advantages to the Company as well as the consumers, Board considered the proposal in the larger interest of company, consumers and general public. After a detailed discussion Board passed the following resolutions in this context:


"RESOLVED THAT, for the reasons explained, approval be and is hereby accorded to issue letter of intent(LOI)/ DWA on M/s. Nsure Reliable Power Solutions Pvt. Ltd., Bangalore for implementation of pre-paid meters using keypad technology along with the vending system for temporary installations in CESC on DBFOT (Design Build Finance Operate and Transfer) basis for 5 years at a total amount of Rs. 24,05,24,870.00(Rs.Twenty four crores five lakhs twenty four thousand eight hundred seventy only)."

"RESOLVED FURTHER THAT, the MD, CESC and CFO, CESC be and is hereby authorized to avail the financial assistance/loan to an extent required from the Financial Institutions/Commercial banks at the competitive/least rate of interest, to meet the requirement for discharging commercial liability towards the project."

"RESOLVED FURTHER THAT, the MD, CESC be and is hereby authorized to take all further necessary actions as per tender terms & conditions and corporate norms and to execute agreement with a suitable dispute resolution clause as the contract is long-term contract of five years."

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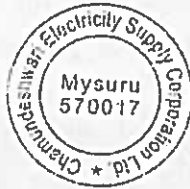
Since there were no other subjects to discuss meeting concluded @ 5.00 PM
with vote of thanks to the chair.

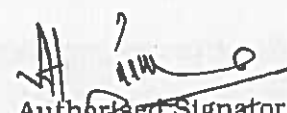
PLACE: [8 NOV 2017
DATE:



(P. RAJAKUMAR, IAS)
DIN: 02285126
CHAIRMAN
CESC, MYSURU

CERTIFIED TRUE COPY




Authorised Signatory
(COMPANY SECRETARIAL)

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