

**BANGALORE ELECTRICITY SUPPLY COMPANY Ltd.**

**PROCEEDINGS OF 52nd MEETING OF BOARD OF DIRECTORS
OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED
HELD ON SATURDAY, THE 5th MAY 2012 AT 4:00 PM AT
CORPORATE OFFICE, BESCOM, K.R. CIRCLE, BANGALORE.**

MEMBERS PRESENT:

Sriyuths:

1. D.N. Narasimha Raju : Chairman
2. P. Manivannan : Managing Director
3. P. Ravikumar : Director
4. M. Naveen Kumar : Director
5. K. Ramakrishna : Director (Technical)
6. S. Shivamallu : Director
7. V. Venkatasiva Reddy : Director
8. M. Nagaraju : Director

In Attendance:

R. Sridhara : Authorised Signatory, BESCOM.

At the outset, Managing Director welcomed the Chairman and other Directors to the meeting.

Quorum being present, subjects were taken up for discussion and decision thereon.

PART I - ROUTINE SUBJECTS***Subject No.52/01: Leave of Absence.***

Leave of Absence was granted to the following Directors:

1. Sri P.K.Garg
2. Sri M.Maheshwara Rao
3. Dr. P. Bore Gowda.
4. Sri. Manoj Kumar H.Poojar.


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Subject No.52/02: Confirmation of Minutes of the 51st Meeting of Board of Directors of BESCOM held on 26th March 2012

Confirmed without any modifications.

Subject No.52/03: Action Taken Report on the Minutes of the 51st Meeting of Board of Directors of BESCOM held on 26th March 2012.

The submission that the same will be placed before the next meeting was taken note of.

Subject No.52/04: Proposed Budget (CAPEX) for the year 2012-13 - Reg.

Details were explained. Managing Director, BESCOM submitted to the Board that in the past years owing to one or the other reason, BESCOM has not been able to achieve the targeted progress. However, it is proposed to plan for achieving the best target this year. Reckoning the deficiency in the past years and the requirement for the immediate present and also looking at the future requirements, it is proposed to incur an outlay of Rs.1281 Crores during the next Financial Year 2012-13.

Board went through the proposal. Broadly the following were noted in this context:

- (1) As against the Budget of Rs.990 Crores during the last fiscal, BESCOM may be able to achieve around Rs.500 Crores.
- (2) The present proposal involves both Plan and Non-plan works. Plan works accounts for around 10 to 15% of the total outlay.
- (3) Broadly the Budget aims at reduction of Technical Losses through System Improvement, Reduction of Commercial Losses so as to improve the AT & C loss levels, Reliability

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Improvement works by way of Niranthara Jyothi Scheme works, Distribution Automation System and R-APDRP works.

- (4) While the plan works viz., Water Supply, Ganga Kalyana etc. are funded by Government/Government Agencies, Non-plan works will have to be met either through borrowings or by way of internal generation.
- (5) In respect of Niranthara Jyothi Scheme works, Government of Karnataka is funding the project to the extent of 40% by way of Equity Infusion.

Having noted as above, the proposed budget had made substantial allocation towards the following works:

- | | |
|---|-----------------|
| (a) Niranthara Jyothi Scheme Phase-1 &2 : | Rs.250 Crores |
| (b) Distribution Automation System | : Rs.150 Crores |
| (c) R-APDRP Part -A & B | : Rs.200 Crores |

Broadly the budget aims at addressing System Improvement and reduction of AT & C losses. Following works which find a place in the budget contribute to reduction of Technical and Commercial losses:

REDUCTION OF TECHNICAL LOSSES:

- (1) System Improvement works like;
 - (a) Reconductoring
 - (b) Bifurcating over loaded 11 KV lines by additional lines
 - (c) Providing additional Transformers.
- (2) Shifting of Transformers to load centers.
- (3) Carrying out HVDC works

REDUCTION OF COMMERCIAL LOSSES:

- (4) Replacement of all Electro-mechanical meter by Static meters.

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Having debated thus, Board accorded its approval to the proposed Budget for the Financial Year 2012-13 with an outlay of Rs.1281 Crores.

RESOLVED THAT for the reasons explained, approval be and is hereby accorded to the CAPEX Budget of BESCOM for the Financial Year 2012-13 involving an outlay of Rs.1281 Crores (Rs. One thousand two hundred and eighty one crores only)

Subject No.52/05: Quantity variation with respect to RGGVY works executed by M/s L & T in Davangere District.

Director (Technical), BESCOM invited the kind attention of the Board to the details sought regarding preparation of estimates, sanction of DPR, reasons for huge quantity variation, quantity variation details in respect of RGGVY works taken up in other circles etc. He submitted to the Board that collection and compilation of above Data would require some time.

While taking note of the submission, the Board observed that the proposal has not been scrutinized and verified in detail by the Audit. Financial Adviser, BESCOM who also has got adequate experience and exposure to Audit, was directed to study the proposal in detail, scrutinize and verify and confirm the data and submit his detailed report. The revised proposal alongwith all the details and report of Financial Adviser be placed before the Board for its consideration and decision thereon.

Subject No.52/06: Delegation of Powers of Purchase to Director(Technical) & General Managers of Corporate Office.

Managing Director, BESCOM explained the details. It was submitted that the proposal is to provide independent delegated powers to Director (Technical) and to the Departmental Heads in the rank of General Manager (equivalent to Superintending Engineers) working at Corporate Office.


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Board debated the matter. While agreeing to the proposed delegation to Director (Technical), it was noted that, at the field level, Superintending Engineers have been given powers up to Rs. One Crore for procurement of materials and payment thereon subject to availability of necessary budget provision. However in the corporate office the need and frequency of procurement by Heads of Departments does not justify individual delegation. Hence delegating of proposed powers to all Heads of Departments who are equivalent in rank to that of SEE does not appear necessary. However considering the significance and scope of operations of some of the Heads of Departments in Corporate Office, it was decided to approve delegation to a few of them equivalent to that of field level SEEs.

Having debated thus, the proposal was partially approved and the following resolution was passed:

RESOLVED THAT subject to availability of necessary provision in the budget for the relevant year, Administrative and Financial Powers for procurement of materials upto the financial limits be and is hereby delegated to the Officers at Corporate Office, BESCOM as detailed below:

Name of the Post	FINANCIAL POWERS in Rs.
Director (Technical)	Upto and inclusive of Rs. Three Crores only
GM (A&HR), GM (IT & MIS), GM (DAS & P), GM (Comml. & Meters) & GM(Procurement)	Upto and inclusive of Rs. One Crore only

Subject No.52/07: Affixation of Common Seal of the Company on the Power Purchase Agreements approved by KERC

Authorized Signatory explained the details. Kind attention of the Board was also invited to the resolutions passed by the Board at its 48th Meeting held on 30th June 2011.

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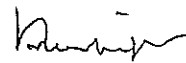
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Board went through the details. In view of certain internal changes to the designations, certain PPAs, as approved by KERC, had been executed by Chief General Manager (T) and General Manager (Power Purchase).

Noting that the said PPAs had been approved by KERC, the proposal was agreed to and the following Resolutions were passed:

RESOLVED THAT for the reasons explained, action taken by the Chief General Manager (Tech) & General Manager (Power Purchase), BESCOM in signing the following KERC approved Power Purchase Agreements be and is hereby RATIFIED:

Sl. No	PPA Executed with	Installed Capacity	PPA Executed on	KERC Approval Date
1.	M/s Enercon Wind Farms (Krishna) Ltd	2.4 MW Wind Mill power project at Kievadatti village, Kappadagudda, Gadag Dist	30.05.2011	18.08.2011
2.	M/s Enercon Wind Farms (Krishna) Ltd	15 MWs wind mill power project at Hirevadatti village, Gadag District	30.05.2011	08.08.2011
3.	M/s Nafisa Noor	0.75 MW wind mill power project at Kanchiganahalli village, Chitradurga dist.	08.06.2011	29.06.2011 Received on 01.07.2011
4.	M/s Nafisa Noor	2.5 MW Wind Mill power project at Chitradurga Village, ChitrdurgaTq.Chitradurga Dist.	08.06.2011	29.06.2011 Received on 01.07.2011
5.	M/s Brindawan Agro Industries Pvt. Ltd.,	1.2 MWs Wind Mill Power Project at Ittegehalli village, HiriyurTq, Chitradurga Dist.	09.06.2011	05.07.2011



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6.	M/s Brindavan Agro Industries Pvt. Ltd.	3.2 MWs Wind Mill Power Project at Lakkihalli village, HiriyurTq, Chitradurga Dist.	09.06.2011	08.07.2011
7.	CLP Wind Farms (India) Pvt. Ltd.	39.6 MW Wind Mill Power Project at Harakanalu, Dasanahalli villages in HarapanahalliTq, Davangere Dist.	28.12.2010	07.02/2011 Observation s attended on 20.08.2011

FURTHER RESOLVED THAT approval be and is hereby accorded affix the Common Seal on the above KERC approved Power Purchase Agreements as provided in the second part of resolutions of the Board passed at the 16th meeting held on 07-01-2006.

Subject No.52/08: Execution of Action Plan Works in BMAZ area.

Kind recall was invited to the Board to the following submissions made in the context of the proposal to the Board at its 48th Meeting held on 30th June 2011:

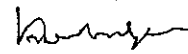
- i) A short term tender was floated for Action Plan Works on Total Turnkey Basis under Rate Contract for a period of two years in two lots as follows:

Name of Circle	South Circle	North Circle
No. of LOTS	LOT-1	LOT-2
Amount Put to Tender (Rs. in Crores)	70.00	70.00


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- ii) Scope of work:
- a) Strengthening of existing 11KV UG cable network by laying new 11KV XLPE UG cable.
 - b) Replacement of existing deteriorated 11KV UG cable by new 11KV XLPE UG cable.
 - c) Providing Compact RMUs.
 - d) Providing OD's
 - e) Providing DP & TP structures with/without GOS etc.
 - f) Erection of Spun pole and structure with/without GOS.
 - g) Providing individual line materials wherever required for completing the cable and over headlines & associated works.
 - h) Extension of HT & LT O.H Lines
 - i) Erection of Transformers
 - j) Providing Arial Bunched Cables.
 - k) Providing additional 250/100/63/25/15kVA, Distribution Transformer Centers (DTC) with associated HT & LT link lines using Rabbit ACSR/coyote Conductor wherever required and for bifurcation of Domestic & Industrial/ Commercial Loads from other Rural Loads.
 - l) Drawing of 11kV feeders, Link Lines using Coyote/Rabbit ACSR Conductors and replacement of existing Rabbit/Squirrel/Weasel/Copper Conductors in existing 11kV lines by Coyote/Rabbit ACSR Conductors.
 - m) Running of LT 3 Phase 5/4 wire line for bifurcating the existing loads on a Distribution Transformer, establishing additional circuits, wherever necessary for effective load management.
 - n) Strengthening of existing 11kV/LT lines like releasing and restringing of Existing Conductor, Providing intermediate supports, providing line spacers, replacement of deteriorated Poles wherever necessary.
 - o) Drawing of 11KV evacuation and link lines using UG Cables of different sizes.
 - p) Providing LT feeder pillar Boxes/Refurbishment of LT feeder pillar boxes of 8/12 ways.
 - q) Refurbishment of Transformer Centers.



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On the NIT following were also submitted:

- (a) Tender for the subject works was published on 28th April 2011.
- (b) Only two Agencies purchased and participated in the bids.
- (c) Both the Agencies were found qualified.
- (d) Price bids were opened on 20th June 2011.

It was further submitted that BESCOM had drawn 22 schedules which specified the kind of Action Plan works to be carried out. Tender has been called for both South and North Circles of BMAZ jurisdiction. The Agencies are required to carry out the scope of work *vis-à-vis* every schedule whenever entrusted. Prices are firm throughout the period of contract except for Transformers, Conductors and Cable which carry a Price Variation Clause.

Board went through the proposal and details. Following points were noted in this context:

- a) Tender has been called on Rate Contract for a period of two years.
- b) Action Plan works are envisaged to attend to works on war footing so that delays and inconvenience to consumers are avoided.
- c) Even though Tender was called for two years, L1 Agency was awarded the work on Rate Contract for one year.
- d) MD BESCOM has already awarded 25% of the Tender Quantity additionally and the same has been completed already.

Having noted as above, it was observed that BESCOM is yet to tender for such works and even if the tender process is started it would take at least three to four months for its finalization. At this juncture when monsoon has just started the need for such works are more relevant and urgent. To address emergent situations during monsoon the proposed Rate Contract Tender would come in handy.

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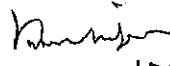
Having debated thus, Board decided as below:

- 1) To authorize MD BESCOM to incur a maximum expenditure of Rs.35 Crores (Rupees Thirty Five Crores only) in the current year on the Action Plan Works against the subject Award by extending the period of Rate Contract upto end of September 2012.
- 2) To parallelly float a fresh Tender for the future by putting in place proper evaluation procedure.

RESOLVED THAT for the reasons explained, MD BESCOM be and is hereby authorized as below:

- 1) **To incur a maximum expenditure of Rs.35 Crores (Rupees Thirty Five Crores only) in the current year on the Action Plan Works against the subject Award by extending the period of Rate Contract awarded to M/s Asian Fab Ltd against Enquiry No. BCP-579/2010-11 for Action Plan Works on Total Turnkey Basis in BMAZ Jurisdiction upto end of September 2012.**
- 2) **To parallelly float a fresh Tender for the future by putting in place proper evaluation procedure.**

Meeting concluded with vote of thanks to the Chair.


19/11/12
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