



# Bangalore Electricity Supply Company Limited

(Wholly owned Government of Karnataka Undertaking)

(CIN- U04010KA2002SGC030438)

**PROCEEDINGS OF THE 74<sup>th</sup> MEETING OF BOARD OF DIRECTORS OF BANGALORE ELECTRICITY SUPPLY COMPANY LIMITED HELD ON THURSDAY, THE 14<sup>TH</sup> OF JANUARY 2016 @ 11.30 AM AT CORPORATE OFFICE, BESCOM, K.R.CIRCLE, BENGALURU – 560 001.**

**MEMBERS PRESENT**

Sl. No.	Sriyuths/Smt	BOARD
1	P.Ravi Kumar	Chairman
2	Pankaj Kumar Pandey	Managing Director
3	Jawaid Akhtar	Director
4	H.Nagesh	Director (Technical)
5	B.L.Guru Prasad	CFO & Director (Finance)
6	K.T.Mahanthappa	Director
7	M.Nagaraj	Director
8	A.N.Jayaraj	Director

**INVITEE**

T.H.Shakeel Ahmed	Chief General Manager (F&C)
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**IN ATTENDANCE**

K.T.Hiriyanna	Company Secretary
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At the outset, the Managing Director welcomed the Chairman, Directors, Company Secretary and other officers to the meeting. Quorum being present, the subjects were taken up for discussion and decision thereon.



*[Handwritten Signature]*  
CHAIRMAN  
BESCOM



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## PART I - ROUTINE SUBJECTS

### SUBJECT NO. BoD 74/01: Leave of Absence

Leave of absence was granted to the following Directors:

1. Sri.Gaurav Gupta – Independent Director
2. Smt.Dipti Aditya Kanade – Govt. Nominated Director
3. Sri.T.H.M.Kumar – Independent Director

Further, the Chairman invited the attention of all the Directors who were present with regard to the provisions laid down under section 167, sub-section 1(b) of Companies Act 2013 wherein it is specified that **"when the Director absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board, the office of Director shall become vacant.** All the Directors who were present noted this aspect and Board directed the Company Secretary to inform the respective absentee Directors by a separate e-mail or a letter with regard to the statutory provisions in force under the Companies Act 2013.

### SUBJECT NO.BoD 74/02: Confirmation of Minutes of the 73<sup>rd</sup> meeting of the Board of Directors of BESCOM held on 30<sup>th</sup> November 2015.

The minutes of 73<sup>rd</sup> Board of Directors meeting was read out by the Company Secretary and informed the Board that no comments are received from any of the Directors. **The minutes were confirmed without any modification by the Board.** Further the Chairman invited the attention of all the Directors with regard to the provisions laid down under new Companies Act i.e., Companies Act 2013, section 118 and secretarial standards specified under section 3 of Company Secretaries Act 1980 and as approved by the Central Govt.

The Board directed the Company Secretary to follow the secretarial standards with respect to Board Meetings of BESCOM specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act 1980 and as approved by the Central Govt. The Company Secretary further apprised the legal provisions to the Board that **"if any default is made in compliance with the provisions of these**



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**sections in respect of any meeting, the company shall be liable to penalty of twenty five thousand rupees and every officer of the Company who is in default shall be liable to penalty of five thousand rupees."**

**SUBJECT NO.BoD 74/03: "Action taken report" on the minutes of the 73<sup>rd</sup> meeting of Board of Directors of BESCOM held on 30<sup>th</sup> November 2015.**

On review of actions taken on the minutes of 73<sup>rd</sup> Board of Directors meeting held on 30.11.2015, Board observed that the actions on the following subjects are not adequate and complete. The heads of the wings of Corporate Office were directed to complete the necessary process as approved by the Board and to submit the **"further actions taken reports"** in the ensuing Board meeting.

Sl. No.	Subject Nos.	Approved Subjects	Corporate Wing	Actions pending
01	73/10	Providing facility of "On-Line Payment" by the Consumers at free of cost	<b>GM(Rev)</b>	Orders are to be issued to down the line offices and wide publicity shall be given to the consumers and awareness created
02	73/11	Approval for mandatory use of On-line mode by HT consumers and extension of graded rebates for prompt payments	<b>GM(Rev)</b>	Orders are to be issued to down the line offices and intimation shall be given to the consumers and awareness created.
03	73/17	Creation of Transformer Testing Centres	<b>CGM(Op) GM(A&amp;HR)</b>	Administrative orders to be issued immediately by framing detailed guidelines, roles and responsibilities of newly created Transformer Testing sub-divisions and jurisdictional CEE/SEE, EE(E)





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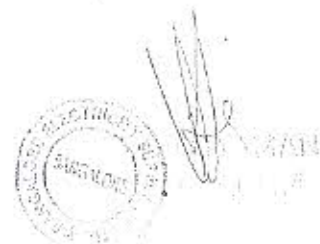
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**SUBJECT NO. BoD 74/04: Proceedings of the Board Sub-Committee meetings of BESCOM – for kind noting.**

Two meetings of Central Purchase Committee (CPC) were held during the period from 25<sup>th</sup> November 2015 and 14<sup>th</sup> January 2016, viz., 88<sup>th</sup> CPC and 89<sup>th</sup> CPC on 25<sup>th</sup> November 2015 and 31<sup>st</sup> December 2015, respectively. The Board noted the proceedings of the said sub-committee meetings.

**SUBJECT NO.BoD 74/05: Compliances under Companies Act 2013 and other applicable Acts to BESCOM-A report by Company Secretary.**

As a statutory requirement under section 205 (1) (a) of the Companies Act 2013, the Company Secretary submitted the compliance report for having complied various provisions laid down under Companies Act 2013 and other applicable Acts to BESCOM. Further, the details of compliances made by various section heads of Corporate Office, Zonal, Circle and Divisional heads who were responsible for necessary compliances in their respective areas of work upto 31<sup>st</sup> December 2015 were placed before the Board by the Company Secretary. The Board perused the same and observed that remittance of contribution in respect of new defined contributory pension scheme was not made to NDCPS Trust for the month of December 2015 (which was due to remit before 10<sup>th</sup> of every month). **Board directed the Chief General Manager (F&C) to forward the statement of contribution to the Asst. General Manager (E&S) at least within 8<sup>th</sup> of every month to facilitate remitting within 10<sup>th</sup> without causing delay in remittance and to adhere to the stipulated time frame. Board further directed all the Chief General Managers / General Managers of Corporate Office to take necessary actions wherever delay in compliance is observed, without allowing for any default, liability to fine, penalty, prosecution and such other penal measures on the Directors and Company by enforcing authorities under the respective Acts/ Enactments.**





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## PART-II SUBJECTS

### SUBJECT NO.BoD 74/06: Modification of charge with Corporation Bank-filing of e-form CHG-1 with Registrar of Companies.

The Company Secretary appraised the following:

- (1) A short term loan was availed by BESCOM from Corporation Bank, Corporate Banking Branch, Rallaram Building, Mission Road, Bengaluru to an extent of Rs.250 crores. To that effect an agreement was executed for creation of charge on the assets of the Company on 18<sup>th</sup> July 2014 and accordingly charge was created.
- (2) Further, a demand loan of Rs.100 crores was availed on 30.12.2014 with a validity period upto 30.12.2015 from the same branch. However on the same day Rs.100 crores loan was repaid and a net balance of Rs.250 crores was maintained with the said branch.
- (3) Further, on 31<sup>st</sup> December 2015 Rs.100 crores loan was availed freshly with a validity period upto 31<sup>st</sup> December 2016 at an interest rate of 9.65% (floating). As such Rs.350 crores is the total outstanding loan with the said branch as on the date of Board meeting.
- (4) Consequent to availing of Rs.100 crores demand loan on 31<sup>st</sup> December 2015, as stipulated under section 77(1) of Companies Act 2013, the modification of charge is required to be made and necessary e-form (CHG-1) need to be filed with the Registrar of Companies, Dept. of Corporate Affairs, Govt. of India. **Under the circumstances the Board is requested to approve the modification of charge to an extent of Rs.100 crores demand loan availed on 31.12.2015.**

Board perused the following which were submitted:

- (1) An hypothecation deed of movable assets/debts executed by the CFO & Director (Finance) and the General Manager (F&R), BESCOM on 31<sup>st</sup> December 2015.
- (2) Letter of consent of Bank relating to credit facility to be extended to BESCOM.



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- (3) **Statement showing the long term, short term and bank overdraft balance of BESCOM as on 31.12.2015 (excluding the said Rs.100 crores) Rs.6461.20 crores.**

The subject was discussed. Since as a statutory requirement under section 77(1) of the Companies Act 2013, e-form CHG-1 is required to be filed with Dept. of Corporate Affairs, GOI, the following resolutions were passed:

***"RESOLVED that, for the reasons explained, approval be and is hereby accorded for modification of charge with the Corporation Bank, Corporate Banking Branch, Rallaram Memorial Building, Mission Road, Bengaluru-560027 for having availed a fresh short term demand loan of Rs.100 crores (one hundred crores only) with a validity period upto 31<sup>st</sup> December 2016."***

***"RESOLVED FURTHER that, the Company Secretary, BESCOM be and is hereby authorized to file e-form CHG-1 with the Registrar of Companies, Dept. of Corporate Affairs, Govt. of India as per the provisions stipulated under Companies Act 2013."***

**SUBJECT NO.BoD 74/07: Creation of accounting section under Demand Side Management (DSM) section of Corporate Office,BESCOM-Staff sanction regarding.**

The following were explained by the MD:

- (1) The Demand Side Management (DSM) center was opened in BESCOM keeping in view the following major objectives among others.
  - (a) To take forward BESCOM Efficient Lightening Program and Efficient Irrigation Pumpsets Programme.
  - (b) To carryout energy demand analysis, energy audit, load research activities.
  - (c) To provide assistance to consumers to implement energy efficiency measures.
  - (d) To assist in development of ideal tariff structure by promoting DSM as a part of regulatory process in Karnataka.

