



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

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ABSTRACT

TransGrid 2.0 - Execution of Travancore Lines package I & II - Delay in getting road cutting approvals from NHAI - Releasing payment to the contractor for the materials already supplied - Sanction accorded - Orders issued.

Corporate Office (SBU-T)

B.O. (FTD) No.73/2024 (DIRTSO-AE5/2023/1513)
Thiruvananthapuram

Dated: 15-02-2024

- Read : 1. Letter No. KSEB/TRANSGRID/22-23 dated 09.11.2023 of M/s KEC International Ltd.
2. Letter No. DB27/CE/TG/Travancore Lines package/2023-24/1039 dated 22.11.2023 of the Chief Engineer (TransGrid).
3. Note No. DIRTSO-AE5/2023/1513/I/12349/2023 dated 02.12.2023 of the Director (Transmission, System Operation & Planning) to the Full Time Directors. (Agenda No.14-02/2024).

ORDER

Travancore Lines Package I (TLP I) and Travancore Lines Package II (TLP II) are being executed as part of TransGrid project. TLP I involves laying 9km 110kV UG cable for connecting 110kV Medical College and 110kV TERLS substations and TLP II involves laying 110kV UG cables from 220kV Substation Vizhinjam to 110kV Substations Veli and Muttathara. The project aims to provide a ring main connectivity between the above substations and to improve the reliability of power supply in Thiruvananthapuram city. TLP I and TLP II packages were tendered together and awarded to M/s KEC International Limited as per W.O. and P.O. dated 23.06.2022 by the Chief Engineer (TransGrid) for a total amount of Rs.125.64 Crores.

For the laying of UG cables in various stretches along the route, RoW approvals had to be obtained from agencies like NHAI, KRFB and Thiruvananthapuram Corporation. More than 70% of the total cable route is designed to pass through NH 66 service road for which approval from NHAI is needed. After floating tenders in December 2020, in order to avoid the delay in getting approval for road cutting, the request for road cutting sanction was submitted to NHAI on 06.01.2021 by KSEBL itself and the estimate for remitting lease/ license fee and performance bank guarantee was received from NHAI on 23.03.2021.

As per the tender conditions, it is the responsibility of the contractor to do the necessary follow-up with the concerned offices for obtaining approval/sanction within a

reasonable time and KSEBL shall reimburse the payments to the contractor for road restoration/ other clearances on production of receipts. After receiving the work order, M/s KEC approached NHAI for remitting the road restoration charges, but permission was denied by NHAI and they asked M/s KEC to submit a fresh online application for road cutting, citing that NHAI's application processing formalities has been changed. Though new application was submitted by M/s KEC on 27.01.2023, NHAI gave the sanction for cable laying along the berm of the service road only, on 09.08.2023 with stringent conditions (cable laying is proposed by HDD method with nearly 30 junction boxes). While excavating the entry and exit pits for HDD works in many locations, the presence of many other utility installations are noticed and it became almost impossible to do HDD works without cutting the tarred portion of the road, for which approval from NHAI is required.

The Chief Engineer (TransGrid) as per note read as 2nd above reported that even though the Contractor has supplied 25km of 110 kV UG cables in 2022 along with joining kits and terminations, these materials are remaining unutilized due to the delay in getting approval from NHAI for cable laying. M/s KEC, as per letter read as 1st above pointed out that due to the huge delay of more than a year they have an unbilled stock of about Rs. 31 crore at the site, as they could not execute the works and raise the bill. M/s KEC further reported that the delay in cable laying works are not attributable to them and requested support from KSEBL so that the bills can be raised for supplied items.

The Chief Engineer (Transgrid) reported that for other ongoing TransGrid projects such as Sabari Lines Package, Thrissivaperur Line Strengthening Package, North Green Corridor project etc, provision to address delays not attributable to the Contractor is included in the tender conditions, which states that if such stoppage is ordered by KSEBL and is expected to be more than six months, 75% of the rates mentioned in the Tender agreement for materials will be paid to the Contractor and the Contractor shall use the same material supplied when the resumption of work is ordered by KSEBL. However, as per the contract conditions of TLP I&II packages, 'supplies are not payable until the supplied items are used in the construction'.

Considering that the materials supplied in 2022 could not be used in the works for reasons not attributable to the contractor, the Chief Engineer (TransGrid) recommended to release 75% of the material cost for the balance of the materials supplied that could not be used for the work till date. The total cost of the balance of the materials supplied in 2022 is Rs.19,45,14,354.05 (excl. GST) and 75% of the amount, will come to Rs.14,58,85,766/- (excl. GST).

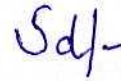
Based on many rounds of discussions and follow ups with NHAI at various levels, NHAI has now permitted to allow constructions with stringent conditions including immediate restoration in case of damages caused to the road surface. In view of the above and considering the fact that an unbilled stock of more than Rs.31 Crore is lying at site due to delay in getting approval from NHAI which is not attributable to the contractor, the Director (Transmission, System Operation & Planning) recommended to release 50% payment for the materials supplied by the contractor and lying unutilized considering the fact that oral sanction for restart the work has been received.

The matter was taken up with the Full Time Directors as per note read as 3rd above.

Having considered the matter, the Full Time Directors accorded sanction to release an amount of Rs.9,72,57,177/- (excl. GST) towards 50% of the cost for the materials supplied during 2022 (restricted to 2022) by the contractor M/s KEC International, which could not be used for the execution of works under Travancore Lines Package I & II due to reasons not attributable to the Contractor.

Orders are issued accordingly.

By Order of the Full Time Directors



LEKHA G
COMPANY SECRETARY

To:

The Chief Engineer (TransGrid)

Copy to:

The Company Secretary/ Chief Engineer (IT,CR&CAPS)/ Financial Advisor/
LA&DEO/ Chief Internal Auditor/ Chief Vigilance Officer

The TA to the Chairman & Managing Director / Director (Generation-Civil) /
Director (Distribution, Safety, SCM & IT) / Director (Transmission, SO &
Planning)/ Director (Generation - Electrical, REES, SOURA, Sports & Welfare)

The PA to the Director (Finance & HRM)

The Sr.CA to the Secretary (Administration)

The RCAO/ RAO

Stock File.

Forwarded / By Order



Assistant Engineer