



## KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)  
Registered Office: Vidyuthi Bhavanam, Pattom,  
Thiruvananthapuram – 695 004  
CIN: U40100KL2011SGC027424  
Website: www.kseb.in

### ABSTRACT

Execution of Balance Civil and Hydro Mechanical works of Thottiyar Hydro Electric Project (40 MW/ 99 Mu) - Contract with M/s PRIL-SSIPL Consortium - Reduction in value of the Bank Guarantee - Sanctioned - Orders issued.

### **Corporate Office (SBU-GC)**

BO (FTD)No.166/2023(No.DGC/AEEIII/Thottiyar/2014)

Thiruvananthapuram,Dated: 31.03.2023

Read: 1. Agreement No. 01/CECC/2018-19 dated 05.04.2018.  
2. Letter No.PNR/THEP/2022-23/127 dated 01.12.2022 of M/s.P&R Infra Projects Ltd.  
3. Remarks of FA as per Note No.FA/Tender-V/13/2023 dated 14.03.2023.  
4. Note Nos. CE-CCS-TVM-AE4/2022/908 dated 17.01.2023 & 16.03.2023 of the Chief Engineer (Civil- Construction) South.  
5.Note No. DGC/AEE-III/THYR/2014 dated 23.03.2023 of the Director (Gen Civil) to the Full Time Directors (Agenda item No.80/03/2023).

### ORDER

The execution of balance Civil & Hydro mechanical works of the Thottiyar HE Project (40 MW) was awarded to M/s. PRIL-SSIPL Consortium at their quoted amount of Rs. 97.76 Crore on 04.01.2018 and the agreement was executed on 05.04.2018.

As per the agreement, M/s. P&R Infra Projects Ltd (PRIL) and M/s Shri Sharavana Industries Pvt. Ltd (SSIPL) are responsible for the execution of the Civil works under schedule A and the H&M works under Schedule B respectively. The accepted contract amount for the Civil works under Schedule A is Rs.76,46,73,650/- and the H&M works under Schedule B is Rs.21,30,00,007/-. The total amount of Performance Guarantee fixed for the contract, @ 10 % of the contract PAC was Rs.9.7768Crore (*in case of BG, Rs.10.75448 Crore*).

Accordingly, M/s. PRIL had furnished Rs.8.41 Crore as Performance Security, in the form of Bank Guarantee. (*BG amounting to Rs.5.4105 Crore having validity up to 17.07.2023 and BG amounting to Rs.3.00 Crore having validity up to 18.03.2023*) and M/s SSIPL had furnished BG for Rs.2.344Crore. (*Two BGs amounting to Rs.2.094 Crore and Rs.0.25 Crore*).

The Chief Engineer (Civil-Construction) South, as per note read as 4<sup>th</sup> above reported that M/s.PRIL has been requesting repeatedly to revise the Performance Security as there will be reduction in the contract PAC and to release the balance amount to them, citing their financial crunch. It is also reported that the total anticipated cost (approximate) for the Civil works under Schedule A of the agreement comes to Rs.63,29,77,400/- as against the agreed cost of Rs.76,46,73,650/-. Hence there is a reduction of Rs.13,16,96,250/-in the agreed PAC of works under Schedule A. There is no marginal reduction in contract PAC for the H&M works under Schedule B. The performance BG corresponding to the reduced PAC of works under Schedule A comes to Rs.6.96 Crore (Rupees Six Crores and Ninety Six Lakh only), whereby there is an estimated reduction in Performance B G of Rs.1.45 Crore.

The Chief Engineer (Civil-Construction) South has therefore recommended to consider favorably the request of the Contractor for revising the Performance Guarantee based on the anticipated reduction in contract price and to release the accrued financial benefit to the Contractor, subject to the condition of executing a Supplemental Agreement to the effect that the liabilities if any, occurred

during the contract period will be adjusted from the final bill.

The Project Monitoring Committee (PMC) in its meeting held on 23.10.2022 has also considered this request and decided to recommend the proposal to be placed before the Board for favorable decision. As per the note read as 3<sup>rd</sup> above, the Financial Adviser also has furnished remarked that the reduction in Performance Guarantee can be considered positively, if the proposed reduction is definite and suggested that a written confirmation from the Contractor be obtained to permit the Board to recover the balance amount from the contract bills if necessary, as Performance Guarantee, to ensure guarantee amount equivalent to 10% of the final contract value.

The proposal was placed before the Full Time Directors as per note read as 5<sup>th</sup> above.

Having considered the matter in detail, the Full Time Directors in the meeting held on 27.03.2023, resolved to accord sanction to revise the Performance Guarantee on the Contract with M/s. PRIL-SSIPL Consortium for the execution of the balance Civil and Hydro Mechanical Works of Thottiyar HEP, corresponding to the reduction in contract price and to release the accrued financial benefit to the Contractor, after executing a Supplemental Agreement to the effect that if there is any increase in the contract price, the performance guarantee will suitably be refixed and the balance amount be recovered from the running bills / final bills as per the Clause 5.1.8 of the agreement along with other liabilities if any occurred during the contract period.

The Chief Engineer (Civil - Construction) South shall take further necessary action in this regard.

Orders are issued accordingly.

**By Order of the  
Full Time Directors**

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**LEKHA G  
Company Secretary**

To:

The Chief Engineer (Civil-Construction) South.

Copy to: The Chief Engineer (IT, CR & CAPS)/ Chief Internal Auditor/ Company Secretary/  
Financial Advisor/ LA&DEO  
The TA to the Chairman & Managing Director / Director (Generation-Civil)/ Director  
(Generation-Electrical & HRM)/ Director (Distribution, IT & SCM)/ Director (Transmission,  
SO, P & S)/ Director (REES, SOURA, Nilaavu Projects, S & W).  
The PA to the Director (Finance).  
The Sr.CA to the Secretary (Administration).  
The RCAO/RAO  
Stock File.

Forwarded / By Order

*[Signature]*  
Assistant Executive Engineer