



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom,

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ABSTRACT

Poringalkuthu SHEP (1x24MW) - Contract with M/s. Allonward-SSIPL Consortium - Request for release of part payment of Rs. 1,00,00,000/- from withheld amounts of supply & Erection portion - Sanctioned - Orders Issued.

SBU-GE

BO (FTD)No.670/2022(No.AEE1/PGL24/2015/CE (PED)) Thiruvananthapuram,Dated: 01.08.2022

- Read: 1. Agreement No. CEPED/03/2014-15/dated 10/10/2014 with M/s Allonward-SSIPL Consortium.
2. Supply Order No. 014/2014-15 dated 04.10.2014 of the Chief Engineer (PED).
3. Work Order No. 01-13/2014-15 dated 04.10.2014 of the Chief Engineer (PED).
4. B.O. (FTD) No.367/2021/(AEE1/PGL24/2015/CE (PED) dated 14.05.2021.
5. Note No.AEE1/PGL24/2015/CE (PED) (25)/118 dated 16.07.2022 submitted to the Full Time Directors [Agenda item No.88//07/22].

ORDER

The Deputy Chief Engineer with Full Powers of Chief Engineer (PED) reported that the machine in Poringalkuthu SHEP is in service after 04.06.2022. A few supplies like spares, tools and plant and transformer oil tank etc. are pending. Out of this, supply of excitation spares (foreign supply) is very critical since failure of any parts in excitation panel may cause loss of generation. Some of the items which are found not working properly during commissioning tests like vibration monitor display units, shaft current CT, HMI of Excitation panel etc. are to be replaced by the contractor. The taking over of the project is yet to be done. Now the E&M contractor requested to release a part payment of Rs.1,00,00,000 for making 100% advance payment to M/s. Hunan-Allonward for the supply of Excitation spares.

As per clause 1(b) of the Supply order read as 2nd above 15% of the FOR value of materials shall be paid after taking over of unit. As per clause I (ii) of the work order read as 3rd above, 20% of the erection charges shall be paid after taking over of the unit. 15% value of the materials already supplied till date and which are working satisfactorily (Not faulty) comes to Rs.4,80,29,842/- and 20% of the erection bills passed till date comes to Rs.30,59,520/-. Total of the above two comes to Rs.5,10,89,362/-. Out of the above, an amount of Rs. 1,50,00,000/- is already released as per the B.O. read as 4th above. The balance amount that can be released comes to Rs.3,60,89,362/-. This amount will become due only on taking over of the unit.

The partial discharge analyzer already supplied is found not working during commissioning and the same is taken back by the contractor for replacement or repair. The value of amount paid towards 80% of FOR Value of partial discharge analyzer to the contractor comes to Rs.44 Lakhs. After deducting this amount, the balance amount comes to Rs.3,16,89,362/-. The Deputy Chief Engineer (PED) with Full Powers of Chief Engineer has recommended that as this amount can be claimed by the contractor after

taking over of the unit and since spares for excitation system are needed urgently at site, the request from M/S. SSIPL, the E&M contractor, to release a part payment of Rs. 1,00,00,000/- can be considered.

The commissioning of the project was delayed not due to the fault of the E&M contractor. The E&M contractor has commissioned the unit in a short period of time after water was made available in the water conducting system and the machines are in service now. The project completion period was extended for a long period and commissioning of the project was delayed due to no fault of the E&M contractor. Considering the report from the Deputy Chief Engineer (PED) with Full Powers of Chief Engineer, it was recommended to release Rs.1,00,00,000/- (Rupees one Crore only) which is 31.55 % of Rs.3,16,89,362/-.

The matter was placed before Full Time Directors as per the note read as 5th above.

Having considered the matter in detail, the Full Time Directors in the meeting held on 22.07.2022 has resolved to accord sanction for releasing Rs.1,00,00,000/- (Rupees One Crore only) to the E&M contractor of Poringalkuthu SHEP (1X24 MW) from the amount, which will become due to the contractor on taking over of the plant so that the procurement of mandatory spares of excitation system can be arranged, considering that the project commissioning was delayed not due to the fault of the E&M contractor.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

sd/-

**LEKHA G
Company Secretary**

To:

The Deputy Chief Engineer(PED) with Full Powers of Chief Engineer

Copy to: The Financial Advisor/ Chief Internal Auditor/ Company Secretary/ Chief Engineer (IT)
The Chief Engineer (HRM)
The TA to CMD/D(GE)/ D(GC)/D(T&SO,P&S)/D(D&SCM)/ D(REES,S,S&W)
The PA to the D (F,IT & HRM))
The RCAO/ RAO
The CA to Secretary (Administration)
Stock File

Forwarded / By Order

[Signature]

Assistant Executive Engineer