



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
Phone: (O) +91 471 2514522
Email: dgekseb@kseb.in

ABSTRACT

Execution of Electro mechanical works of Bhoothathankettu (3*8MW) Small Hydro Electric Project - Contract with M/s SSEB - ZHAOYANG Consortium - Extension of period of E&M contract - Sanctioned - Orders issued.

SBUIG-E

BO (FTD)No.561/2022(513/AE3/2022)

Thiruvananthapuram, Dated: 01.07.2022

- Read: 1. B.O. (DB) No.3384/ 2014 (D(SCM&GE)/G @/BTNK/2020-21) dated 24.12.2014.
2. Agreement No. CE (PED)/05/2014-15 dated 18.03.2015 with (M/s SSEB-ZHAOYANG Consortium).
3. B.O. (FTD) No.51/2019 (D(GE)/G2/ BTNK/2018-19) dated 22.01.2019.
4. B.O. (FTD) No.355 /2020 (D(GE)/G2/BTNK /2020-21) dated 26.05.2020.
5. B.O. (FTD) No.700/2020(513/AE3/2013/CE(PED) dated 19.11.2020 .
6. B.O. (FTD) No.789/2020(513/AE3/2013/CE(PED) dated 30.12.2020
7. B.O. (FTD) No.155/2021(513/AE3/2013/CE(PED) dated 20.02.2021 .
8. B.O. (FTD) No .828 /2021(513/AE3/2013/CE(PED)) dated 08.11.2021.
9. B.O. (FTD) No.293/2022 (513 /AE3/2022) dated 07.04.2022.
10. B.O. (DB) No.458/2022(513/AE3/2022) dated 28.05.2022.
11. Letter No. SSEB-ZHOYANG/ KSEB/ SHEP-E&M /D.NO.042/ 2022-23 dated 29.04.2022.
12. Note No.513/AE3/2022(8)/108 dated 23.06.2022 of the Deputy Chief Engineer (PED) with full powers of Chief Engineer to the Full Time Directors through the Director (Generation - Electrical) (Agenda 76/6/22).

ORDER

The contract for the Execution of Electro - Mechanical works of Bhoothathankettu SHEP (3X8MW) was awarded to M/s. Sree Saravana Engineering Bhavani Pvt. Ltd, Erode, Tamilnadu - Hunan Zhaoyang Generating Equipment Company Ltd, Hunan Province, China. Consortium (M/s SSEB - ZHAOYANG Consortium) for a contract amount of ₹81,80,01,000/- (Supply- ₹80.59 Crore, Service- ₹1.21 Crore) and the Agreement was executed by the Chief Engineer(Projects- Electrical Designs) on 18.03.2015.

As per the Agreement for E&M works, the scheduled period of completion of contract was 18 months which expired on 03.08.2016. Considering the delay in handing over the land to the Civil Contractor, M/s. Sree Saravana Engineering Bhavani Pvt. Ltd - M/s. RPP Infra Projects Ltd., for commencing the works of Power house building and due to various reasons i.e, increase in size of powerhouse, additional rock excavation etc. and heavy flooding during August and September 2017, the period of completion of E&M contract was initially extended up to 22.09.2017 as recommended by PMC held on 29.03.2016 and then up to 31.12.2018. Subsequently, considering heavy flood in the State during August 2018, as per B.O. read as 3rd above, the period of completion was extended, up to 31.03.2020 subject to the conditions that 1% penalty as per provisions of contract shall be levied if the 17 milestones are not achieved and the claim for additional amount of ₹34,97,74,612/- shall be withdrawn by the contractor as the same does not merit consideration as per contract provisions.

Subsequently, as per B.O. read as 4th above sanction was accorded to extend the period of completion of the E&M contract, up to 31.12.2020, with applicable penalty excluding the period of applicability of force majeure (Flood and Covid) and it was also decided to disallow the claim of the contractor for additional amount of ₹34,97,74,612/- and subsequent claims in this regard. The main electro mechanical items were to be supplied by Hunan Zhaoyang Generating Equipment Co. Ltd, China in three consignments, out of which the supply of two consignments has been completed. KSEBL had accorded sanction, as per B.O. read as 5th above, to arrange for test witnessing of third foreign consignment from China by KSEBL officials through video conference which was conducted on 7th, 9th and 10th December 2020 at works of M/s. Hunan Zhaoyang Generating Equipment Co., Ltd at China and the testing was witnessed by KSEBL officials online by using Zoom video conference and completed successfully. A conditional MDCC was issued on 08.01.2021 as per the B.O. read as 6th above to M/s Sree Saravana Engineering Bhavani Pvt Ltd, Erode, Tamilnadu for the supply of third foreign consignment, which was later modified withdrawing payment conditions as they have submitted attested documents.

KSEBL had accorded sanction as per B.O. read as 7th above for time extension of the project up to 31.08.2021 by fixing milestone penalties for shipping the third consignment and reaching at site by 07.04.2021, commissioning of one unit by 30.06.2021 and completing the project by 31.08.2021 and also with other applicable penalty excluding the period applicability of force majeure (Covid-19) condition and clear delay on the part of KSEBL which is to be decided by the CE(Gen & PED). As per B.O. read as 8th above, KSEBL has accorded sanction to grant time extension to M/s. Sree Saravana Engineering Bhavani (P) Ltd for completing the E & M Works of Bhoothathankettu (3x8MW) SHEP up to 31.05.2022, by fixing milestone penalties if delivery of 1st unit by 15.01.2022, commissioning of 1st unit by 31.03.2022, commissioning of 2nd unit by 30.04.2022 and completing the project by 31.05.2022, are not completed and also with other applicable penalty as per the previous B.Os excluding the period applicability of force majeure condition (Covid-19) and clear delay on the part of KSEBL which is to be decided by the Chief Engineer (Gen & PED) under report to FTD.

Milestones for the commissioning of the project

Sl No	Milestones	Target
	Submission of revised design memo/ drawings/ test reports for Unit Control	
1	Board & SCADA System, Switchyard lightning protection system, Power house lighting system, Switchyard lighting system, High velocity water spray system.	30.06.2022
2	Supply of indigenous items for which dispatch clearance already issued	31.07.2022
3	Completion of shaft assembly of Unit#1	31.07.2022
4	Erection of Switch yard equipment	31.08.2022
5	Supply of balance indigenous items	31.08.2022
6	Completion of erection of all equipment in Unit#1	31.10.2022
7	Completion of 3rd stage concreting in Unit#1	10.11.2022
8	Mechanical spinning & Synchronising, testing and commissioning of Unit#1	30.11.2022
9	Completion of shaft assembly of Unit#2	31.10.2022
10	Completion of erection of all equipments in unit#2	31.12.2022
11	Completion of 3rd stage concreting in unit#2	10.01.2023
12	Mechanical spinning & Synchronising, testing and commissioning of Unit#2	31.01.2023
13	Completion of shaft assembly of Unit#3	31.12.2022
14	Completion of erection of all equipment in unit#3	28.02.2023
15	Completion of 3rd stage concreting in unit#3	10.03.2023
16	Mechanical spinning & Synchronising, testing and commissioning of Unit#3	31.03.2023

The Deputy Chief Engineer (PED) with full powers of Chief Engineer has also informed that this Project was registered on 29.05.2018 under Project Import Regulations 1986 and serial number allotted to this Project is P.C 1/2018 by Customs office, Cochin. To validate the project registration at Customs office and for opening LC, time extension of the E&M contract of Bhoothathankettu (3*8MW) SHEP is essential.

The matter was placed before the Full Time Directors as per Note read as 13th above.

Having considered the matter in detail, the Full Time Directors meeting held on 27.06.2022 resolved to grant time extension to M/s Sree Saravana Engineering Bhavani Private Ltd - M/s Hunan Zhaoyang Generating Equipment Ltd (M/s SSEB-ZHAOYANG consortium) for completing the E & M Works of Bhoothathankettu (3*8MW) SHEP up to 31.03.2023, by fixing the milestone as proposed on condition that liquidated damages, if any shall be decided on completion of the project.

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
The Deputy Chief Engineer (IT)/RCOA/RAO
The TA to {Chairman & MD/ Director (GE)/ Director(GC)/ Director (Trans., SO, Planning & Safety)/ Director (D&SCM) /Director (REES, Soura, Nilavu, Sports & Welfare)}
The PA to Director (Finance, IT & HRM)
The CA to Secretary (Administration)
Stock File.

Forwarded / By Order

Devi G. Nair
Assistant Executive Engineer