



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office : Vydyuthi Bhavanam, Pattom, Thiruvananthapuram -695004

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Abstract

Implementation of Poringalkuthu SHEP (1 x 24 MW) - Execution of Civil works- Contract with M/s GVR – GMW (J V) - Extension of time of completion - Sanctioned- Orders issued.

CORPORATE OFFICE (SBU-G/C)

B.O(FTD) No.595/2021(DGC /AEEIV/PORGL/2014)Thiruvananthapuram, Dated 11.08.2021

- Read :
1. Agreement No. 04/CECC/2011-12 dt. 19.09.2011
 2. B.O (FTD) No.228/2015 (DGC/AEE IV/PORGL/2014) dated 29.01.2015
 3. B.O(DB) No.3115 /2015(DGC/AEEIV/ PORGL /2014) dated 16.12.2015
 4. B.O (DB) No. 263/2018 (DGC/AEE IV/PORGL/2014) dated 27.01.2018
 5. B.O(FTD)No.1462/2018 (DGC/AEE IV/PORGL/2014) dated 07.06.2018
 6. B.O(FTD) No.143/2019 (DGC/AEE IV/PORGL/2014) dated 19.02.2019
 7. B.O(FTD) No.528/2019 (DGC/AEE IV/PORGL/2014) dated 09.07.2019
 8. B.O (DB) No. 493/2020(DGC/AEEIV/PORGL/2014) dated 27.07.2020
 9. Note No.LA&DEO/R/52/2021 dated 11.05.2021 and No.52(1)/2021 dated 25.06.2021 of the Legal Adviser & Disciplinary Enquiry Officer
 10. Note of even No.CECI&CC/PHEP/1/2018 dated 26.03.2021,22.06.2021, 25.06.2021and 05.07.2021 of the Chief Engineer (Civil-I&CC)
 - 11.Note No. DGC/AEEIV/PORGL/2014 dated 28.07.2021 of the Director(Generation- Civil) (Agenda item No- 65/ 08/2021)
 - 12.Note No.FA/Tender I/46/2021 dated 04.08.2021 of the Financial Adviser

ORDER

The Civil works of Poringalkuthu Small Hydro Electric Project(24MW/45.02 Mu) was awarded to M/s GVR-GMW (JV), Chennai at their quoted amount of ₹ 91,60,92,040/- (Rupees Ninety one Crore Sixty Lakh Ninety two Thousand and Forty only) including all taxes and duties and the agreement for the work was executed on 19.09.2011,with the time of completion of the work as on 17.09.2014 (3 years).The work after obtaining final forest clearance from MoE&F on 17.03.2014, could be commenced in full swing only in April 2014 and is in progress. The civil works has attained a progress of 95.73 %.

KSEBL had examined the issue of initial delay in handing over of forest land, flood, financial constraints of the contractor due to National Company Law Tribunal (NCLT) procedures, lockdown due to COVID-19 pandemic etc and as per B.Os read as 2nd, 4th, 5th, 6th and 8th above, the time of completion of the civil works of the scheme was extended on five occasions, initially up to 31.03.2017 and then to 31.05.2018,31.12.2018,31.12.2019 and up to 31.03.2021.The Modification to the price variation clause provided in the Contract for the

cost of labour, cement, steel and POL was also sanctioned by relaxing the end date fixed for index calculation, for the extended period of contract up to 31.03.2021, as per B.Os read as 3rd , 4th ,7th and 8th above .

The Chief Engineer(Civil Investigation and Construction Central) as per notes read as 10th above has reported that all earnest efforts were made to ensure smooth progress of the works and several notices were issued to the contractor for accelerating the progress of work. Several review meetings were also conducted at various levels to complete the work as scheduled by 31.03.2021.Eventhough all efforts were made the contractor was not able to complete the work within the extended time of completion due to various reasons. Now the contractor, due to the 2nd wave of COVID-19 pandemic etc, as per their letter No: GVR-GMW JV/2021/06 dated 11.06.2021 has requested to grant further 180 working days for completing the balance civil works and commissioning the project.

In this regard the Chief Engineer has pointed out that as on date the physical progress of the work is more than 95%. The existing contractor has all the establishments to continue with the balance 5% work. It is advantageous for KSEBL to complete the work through the present contractor by granting extension of time of completion of work. If KSEBL goes for tendering the balance work, the new contractor will have to mobilize all the infrastructure facilities for this balance 5% work. If the work is terminated it will take another 6 to 8 months for completing formalities for the re-arrangement of the work.M/s. GMW one of the JV partner has submitted representations to KSEBL seeking time extension and permission to execute the work through them as the lead partner was under financial distress.The Legal opinion of the Legal Adviser & Disciplinary Enquiry Officer,KSEBL is obtained on the matter as per note read as 9th above.

In view of the above the Chief Engineer has recommended to consider the request of the contractor for the extension of time of completion for six months for completing the civil works entrusted by KSEBL with price variation for the period of extension, in order to ensure cash flow to the contractor, for proceeding with the work. As the earlier targets fixed were not achieved the payment towards escalation could not be paid from November 2020 onwards. The Chief Engineer, hence requested sanction to release the withheld escalation amount, directly to suppliers for the purchase of steel and cement to ensure availability of material at site.

The matter was placed before the Full Time Directors as per note read as 11th above. The Financial Adviser,KSEBL has furnished his remarks on the matter as per note read as 12th above.

The Full Time Directors of KSEBL in the meeting held on 04.08.2021 have discussed the matter in detail and Resolved to accord sanction to extend the period of completion of the contract with M/s. GVR-GMW (JV), Chennai for the execution of civil works of Poringalkuthu SHEP (24 MW) to further six months from the date of sanctioning of the Board Order, condoning the delays already occurred from 31.03.2021 to the date of sanction considering the 2nd wave of Covid-19 pandemic situation prevailing in the country. The micro schedule and the milestone dates for the completion of balance civil works within the extended period shall be finalized by the Chief Engineer (Civil Investigation and Construction Central) and got approved by the contractor and the work shall be strictly monitored.

Further resolved to grant price variation for a further six months by freezing the price index as on March 2017 and without any ceiling to ensure reasonable cash flow to the contractor for the completion of the work,subject to the condition that for further extension, price variation will not be entertained.

Settlement of the withheld escalation amount for the civil works shall be decided by the agreement authority.

To charge penalty/ liquidated damages as per agreement conditions for further slippage of time.

Orders are issued accordingly.

BY ORDER OF THE FULL TIME DIRECTORS

Sd/-

LEKHA. G

COMPANY SECRETARY IN CHARGE

To:

The Chief Engineer(Civil Investigation and Construction Central) ,Vydyuthi Bhavanam.

Copy to:-

The Chief Internal Auditor/ Financial Adviser

The Chief Engineer (IT)

The RCAO/The RAO

The TA to Chairman&MD/Director (GC)/ Director (D,IT&HRM)

Director (T&SO) /Director (GE&SCM)/Director (Plg & S)

The PA to Director (Finance) / Company Secretary

The Legal Liaison Officer, KSE Board Ltd, Kochi

Library/ FC Supt/Stock File

Forwarded/By Order



Assistant Executive Engineer