

**Abstract**

Execution of E&M works of Bhoothathankettu (3*8MW) Small Hydro Electric Project- Time Extension for the period of contract- Sanctioned -Orders issued.

Corporate Office (SBU-G/E)

B.O(FTD)No. 155/2021(513/AE3/2013/CE(PED)) Thiruvananthapuram. Dated:20-02-2021

- Read:-
1. B.O (DB) NO.3384/ 2014 (D(SCM&GE)/G 2/BTNK/2020-21) dated 24.12.2014.
 2. Agreement no.CE (PED)/05/2014-15 dated 18.03.2015with(M/sSSEB-ZHAOYANG Consortium)
 3. B.O. (FTD) No.51 /2019 (D(GE)/G2/ BTNK/2018-19)Tvpm. dated 22-01-2019.
 4. B.O (FTD) No.899/2019 (D(GE)/G2/BTNK/2019-20) Tvpm.dated 03.12.2019.
 - 5.B.O (FTD) No.355 /2020 (D(GE)/G2/BTNK /2020-21)Tvpm. dated 26-05 -2020.
 6. B.O(FTD)No.700/2020(513/AE3/2013/CE(PED) Tvpm. dated19.11.2020 .
 7. B.O(FTD)No.789/2020(513/AE3/2013/CE(PED) Tvpm. dated 30.12.2020
 8. Letter No. SSEB-ZHOYANG/ KSEB/ SHEP-E&M /D.NO.247/ 2020-21/dated 19.01.2021.
 9. B.O(FTD)No.137/2021(No.DGC/AEE-III/BKSHEP/2014Tvpm. dated 16-02-2021.
 10. Note No. 513/AE3/2013/CE(PED)/1618 dated 5-2-2021, 1682 dated 15-02-2021 and Supplementary Note No.1687dated 16-02-2021 of the Chief Engineer (Generation &PED) to the Full Time Directors (Agenda No. 64/2/21).

ORDER

As per the B.O read as 1st above,the contract for the Execution of Electro-Mechanical works of Bhoothathankettu SHEP (3X8MW) was awarded to M/s. SreeSaravana 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 Rs. 81,80,01,000/- (Supply- Rs. 80.59Cr,Service-Rs.1.21Cr) and the Agreement read as 2nd above was executed by the Chief Engineer(Projects- Electrical Designs). The Civil works was also awarded to M/s. SreeSaravana Engineering Bhavani Pvt. Ltd. - M/s. RPP Infra Projects Ltd. and the Agreement was executed by Chief Engineer (Civil Construction - South) on 07-03-2014 with the scheduled date of completion as 14-02-2016.

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. SreeSaravana Engineering Bhavani Pvt. Ltd., - M/s. RPP Infra Projects Ltd., for commencing the works of Power house building and due to various other reasons, the period of completion of E&M contract was initially extended up to 22-09-2017 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 Rs. 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 5th 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 was also decided to disallow the claim of the contractor for additional amount of Rs. 34,97,74,612/- and subsequent claims in this regard.Also,as per B.O read as 9th above, the period of contract for Civil works except third stage concreting and grouting was extended up to 31-03-2021.

Sanction was accorded as per B.O read as 7th above, to issue MDCC to M/s SreeSaravana Engineering BhavaniPvt Ltd, Erode, Tamilnadu for the supply of 3rd foreignconsignment (Runner, Rotor, Stator of all the three Units) subject to the condition that the payment for above consignment will be permitted only after successful testing of material on delivery at site and receiving the attested document from the Indian Embassy at China. A Conditional MDCC was issued on 08.01.2021 to M/s SSEBL for the supply of third consignment. Three months time is needed to ship the equipment from China .As per Order No.9/2016-Trans-Part(2) of Ministry of Power, Government of India "The Imported equipment must be examined by CPRI or appropriate testing laboratory on arrival" which require another one month for testing at CPRI Laboratory or any other approved laboratory, and transporting to site at Bhoothathankettu. Another three months is required for

erection, commissioning, testing of equipment at site. Hence the extension of time for E&M works upto 31.08.2021 is necessary for completion of the Project.

The Power House was handed over to the E&M Contractor on 10.11.2020 for erection works. As per agreement schedule, the completion of E &M works is 9 months from taking over of the Power House. In the PMC meeting held on 11.01.2021, it was decided to recommend to the Board for extension of time for E&M works upto 31.08.2021, subject to commissioning of one unit by 30.06.2021. The Project was registered on 29.05.2018 under Project Import Regulations 1986 and to validate the project registration at Customs office, time extension of the E&M contract of Bhoothathankettu (3*8MW) SHEP is essential. Meanwhile, M/s. SreeSaravana Engineering Bhavani Pvt. Ltd. as per letter read as 8th above also requested for time extension up to 31.08.2021 without imposing liquidated damages.

Mr. Liao Shiming, the Chairman of M/s Hunan Zhaoyang Generating Equipment Co., Ltd, China, as per mail dated 20.01.2021 requested M/s SSEBL for immediate release of pending payments and opening of irrevocable letter of credit before dispatch of third consignment. During the online test witnessing of third consignment also, he urged M/s SSEBL to release all pending payments before dispatch of third and final consignment. However, M/s SSEBL has not taken any effort to pay the pending payment to their consortium partner and to ship the third consignment from China and hence the delay is observed.

The Chief Engineer (Generation & PED) recommended to sanction time extension to the contractor, M/s SreeSaravana Engineering Bhavani (P) Ltd for the E&M work of Bhoothathankettu (3*8MW) SHEP up to 31.08.2021, by fixing above milestone penalties for shipping the third consignment and reaching at site by 07.04.2021 (3 months from the date of issuing MDCC), 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 condition (Covid-19) and clear delay on the part of KSEBL which is to be decided by the Chief Engineer (Generation & PED). The matter was placed before the Full Time Directors as per Note read as 10th above.

Having considered the matter in detail, the Full Time Directors in the meeting held on 17-02-2021 resolved to grant time extension to M/s SreeSaravana Engineering Bhavani (P) Ltd for completing the E & M Works of Bhoothathankettu (3*8MW) SHEP up to 31.08.2021, by fixing milestone penalties for shipping the third consignment and reaching at site by 07.04.2021 (3 months from the date of issuing MDCC), 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 to be decided by the Chief Engineer (Generation & PED).

Further resolved that the penalty already due for milestone deviation shall be imposed after the completion of the project.

Orders are issued accordingly.

By Order of the Full Time Directors,
Sd/-
Lekha G
Company Secretary (In charge)

To

The Chief Engineer (Generation & PED), Moolamattom.

The Deputy Chief Engineer (Projects-Electrical Designs).

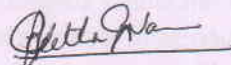
Copy to: The Financial Advisor/ The Chief Internal Auditor/ The Company Secretary.

The Deputy Chief Engineer (IT)/ The RCAO/ The RAO.

The TA to Chairman & MD/ Director (GE&SCM)/ Director (GC)/ Director (Trans., SO & REES)/ Director (D, IT&HRM) / Director (Planning & Safety).

The PA to Director (Finance).

Forwarded / By Order


Asst. Exe. Engineer

DESPATCHED

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22.02.2021