



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

Reg. Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram – 695004, Kerala

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### Abstract

Implementation of Thottiyar Hydro Electric Project (40 MW/ 99 MU) – Availing loan from M/s REC- Insurance Coverage-Sanctioned - Orders issued.

### Corporate Office(SBU-G/C)

B.O(FTD)No.755 / 2020/(DGC/AEE-III/THYR/2014) Thiruvananthapuram,Dated 21 .12.2020

Read: 1.. B.O No. (FTD) No.72/2015 (Fin.IVB/LTL/REC/PFC/Gen/Thottiyar/2014-15) dated 12.01.2015.

2. Note No. CECCS/THYP/REC/2018 dated 27.11.2020 & 04.12.2020 of the Chief Engineer (Civil-Construction ) South.

3. Note NoDGC/AEE-III/THYR/2014 dated 15.12.2020 of the Director (Gen-Civil) to the Full Time Directors (Agenda item No.58/12/2020)

### ORDER

KSEBL had entered into an agreement with M/s Rural Electrification Corporation Limited (M/s REC) to finance for the Thottiyar Hydro Electric Project to avail Rs.165.44 Cr as financial assistance as per B.O read as 3<sup>rd</sup> above. The REC Limited had sanctioned the loan amount against the project cost of Rs.217.54 Crore with Rs.52.10 Crore as equity contribution. As per the loan agreement, it is required to insure the assets of the project against all risks during the implementation and thereafter for full value in the joint names of REC Limited and KSEBL.

The Chief Engineer (CC- South) as per the Note read as 2<sup>nd</sup> above, reported that the insurance coverage to the project components by M/s CPL as per the foreclosure agreement was only up to 22.04.2017. Subsequently insurance was made by the KSEBL with M/s New India Insurance Company Ltd. with a premium of Rs.5,00,223/- and sum insured as Rs.35,62,34,391/- covering the plant & machinery for the E&M equipment supplied in the previous contract, to a period up to 15.09.2020.

The Chief Engineer, on preliminary enquiry with various insurance firms, has inferred that the sum insured should be based on the completed part of the project only. Based on the opinion of the Financial Adviser, it was decided to collect offers from the insurance companies with the sum insured for the assets created as on March 31<sup>st</sup> of every year. Accordingly, enquires were made again with the insurance firms such as M/s Oriental Insurance Company, M/s New India Insurance Company, and the Kerala State Insurance Department for insuring the project for a sum of Rs.74,67,97,848/- covering the total value of work done till March 2020 which includes the cost of the plant and machinery for the E&M equipment supplied in the previous contract of (Rs.35,62,34,391/-).

The Chief Engineer has reported that, M/s New India Assurance Co.Ltd, Perumbillichira Building, High Range Junction, Kothamangalam and the Kerala State Insurance Department on co insurance with M/s United India Insurance Company Limited have now quoted their premium on the insurance policy. M/s New India Assurance Co.Ltd, has offered the STANDARD FIRE AND SPECIAL PERILS policy with the sum insured as Rs.74,67,97,848/- at a premium of Rs.5,97,433.00/- plus Rs.1,07,537.94 (GST @18%) totaling to Rs.7,04,971/- .The Kerala State Insurance Department on co insurance with M/s United India India has offered the STANDARD FIRE AND SPECIAL PERILS" policy with sum insured Rs.74,67,97,848/- with a premium of Rs.5,97,440/-excluding GST. The sum insured is to be remitted in respect of M/s United India Insurance Company Ltd, the lead insurer and the GST @ 18% is to be remitted directly by the KSEBL. The total amount quoted by the Kerala State Insurance Ltd, comes to Rs.7,04,979.00/-.

The Chief Engineer has requested that to comply with the stipulation of M/s REC for availing the loan sanctioned for the project, a "STANDARD FIRE AND SPECIAL PERILS" policy for Thottiyar Hydro Electric Project with a premium of Rs.5,97,433.00/- plus Rs.1,07,537.94 (GST @18%) totaling to Rs.7,04,971.00/-with the sum insured as Rs.74,67,97,848.00/- from M/s New India Assurance Co.Ltd, Perumbillichira Building, High Range Junction, Kothamangalam, be sanctioned.

Having considered the matter, as per the note read as 3<sup>rd</sup> above, the Full Time Directors in the meeting held on 16.12.2020, resolved to accord sanction to procure a "STANDARD FIRE AND SPECIAL PERILS" policy for Thottiyar Hydro Electric Project with a premium of

Rs.5,97,433.00/- plus Rs. 1,07,537.94 (GST @18%) totaling to Rs.7,04,971.00/-with sum insured Rs.74,67,97,848.00/- from M/s New India Assurance Co.Ltd, Perumbillichira Building, High Range Junction, Kothamangalam, for complying with the stipulation of M/s REC for availing loan sanctioned for the project.

Orders are issued accordingly.

By order of the Full Time Directors

Sd/-

**LEKHA.G**

**Company Secretary (in charge)**

To:

The Chief Engineer (CC- South) Thiruvananthapuram

Copy to:-

The Chief Internal Auditor/ Financial Adviser

The RCAO/The RAO

The TA to Chairman&MD

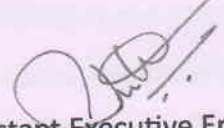
Director (GC)/ Director (D,IT&IT) Director (T,S.O,S&CP) /Director(GE&SCM)

The Project Manager,Thottiyar HEP

The Company Secretary

Library/ FC Supt/Stock File

Forwarded/By Order

  
Assistant-Executive Engineer