



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: +91 4712448720,

Email: dgkseb@kseb.in

ABSTRACT

Execution of Civil works of Pazhassi Sagar SHEP 7.5 MW (3X2.5MW)-25.16MU-Contract with M/s R.S Development and Constructions India (P) Ltd, Erode- Cancellation of Board Order for Termination & Extension of time of completion– Sanctioned - Orders issued.

CORPORATE OFFICE (SBU-G/C)

BO (DB)No.188/2023(DGC/AEEVI/PSR/2014)

Thiruvananthapuram,Dated: 10.04.2023

- Read: 1. Agreement No. CECCN/04/2017-18 dated 26-10-2017.
2. B.O(FTD) No. 350 /2020 (DGC/AEE V/PSR /2014) dated 25.05.2020.
3. B.O(FTD) No. 588 /2021 (DGC/AEE V/PSR /2014) dated 10.08.2021.
4. B.O(DB) No. 348 /2022 (DGC/AEE V/PSR /2014) dated 22.04.2022.
5. Letter No. RSDCPL/KSEB/PSSSHEP/215/2017 dated 27.05.2022 of M/s. R.S. Development & Construction India Private Limited.
6. Letter No. CE CCN/DB/07/PSGR- Works/2017-18 dated 7.01.2023. & 31.01.2023 of the Chief Engineer (Civil - Construction) North.
7. Remarks of Financial Adviser dated 30.01.2023.
8. Note No. DGC/AEEVI/PSR /2014 dated 05.02.2023 of the Director (Generation-Civil) to the Full Time Directors. (Agenda No. 21/02/2023).
9. Note No. DGC/AEEVI/PSR /2014 dated 09.03.2023 of the Chairman & Managing Director.
10. Proceedings of the 70th meeting of the Board of Directors held on 25.03.2023 vide Agenda item No. 08-03/2023.

ORDER

The contract for the execution of Civil works of Pazhassi Sagar SHEP-[7.5 MW (3X2.5MW) - 25.16Mu] was awarded to M/s.R.S Development & Construction India Private Limited 131/1, APT road, Erode, Tamilnadu as per Agreement read as 1st above with agreed PAC of Rs. 46,41,04,655/- The date of completion of the work as per the agreement was on 24.04.2020.

Considering the time lost due to the delay in cutting and removing trees, delay in inspection by scientists from NIRM for rock excavation works due to outbreak of Nipah Virus, stop memo issued by the village officer for rock blasting, the outbreak of Covid 19 pandemic and due to the delay in finalization of E&M contract, KSEBL as per B.O read as 2nd above has granted extension of time of completion of works initially upto 21.03.2021 and later upto 21.09.2022 as per the B.O read as 3rd above.

The progress of work was not satisfactory from the very beginning itself and on

20.10.2021, the contractor unilaterally stopped the work, raising some undue claims and filed Writ Petition 27777/2021 before the Hon'ble High Court on 04.12.2021 praying to direct the agreement authority to terminate the contract without risk and cost. Then the overall progress achieved was only 32.50%. The Hon'ble High Court, in its verdict, directed the agreement authority to hear the contractor and after hearing the contractor, the decision of the KSEBL on various demands were communicated to the contractor with direction to resume the work. But the contractor has not resumed the works. It was also reported that the contractor again filed WP (C) No 3915/2022 on 04.02.2022 before the Hon'ble High court of Kerala praying to direct KSEBL and agreement authority to terminate the contract without risk and cost and not to invoke bank guarantee furnished as performance security.

As the contractor did not resume the work even after repeated request, KSEBL as per B.O read as 4th above has accorded sanction for termination of the contract with R.S. Development and Construction India Pvt.Ltd. for the execution of Civil works of Pazhassi Sagar SHEP at the risk and cost of the contractor and forfeiting the performance guarantee of the contract and to rearrange the balance civil works based on the current DSR 2018.

Subsequently, the contractor has approached KSEBL as per letter read as 5th above and expressed their willingness to resume the work and furnished a schedule for completing the balance work by 30/04/2024. The Chief Engineer (Civil Construction) North has reported that if the contractor completes the work within two years it is beneficial to KSEBL rather than re arranging the balance work which itself take another six months for completing the tender process. It was also reported that the contractor resumed the work on 12.06.2022 after a gap of nearly 8 months and has withdrawn the Writ petition WP (C) No 3915/2022 before Hon'ble High court of Kerala vide judgement dated 30.06.2022.

The Chief Engineer (C-C) North as per letter read as 6th above has reported that contractor has shown substantial progress after re-starting the work and the progress of work as per micro-schedule submitted by the contractor is found satisfactory and the contractor as per letter dated 30.09.2022 has requested for extension of time of completion. Considering the cost and time overrun involved on rearranging the work through separate contract, the Chief Engineer recommended that it is better to complete the work through this contract. The 6th PMC held on 04.01.2023 had recommended to extend the time of completion of the Civil works up to 30.04.2024 and to take decision on imposition of penalty as per agreement conditions based on the performance of the contractor towards the successful completion of the works. The PMC also recommended to cancel B.O (DB) No. 348/2022 (DGC/AEE VI /PSR/2014) TVPM dated 22/04/2022 for termination of the contract.

The remarks of the Financial Adviser as per letter read as 7th above and counter remarks of Chief Engineer were also obtained. Chief Engineer requested to cancel the B.O for termination and to extend the time of completion of the present agreement with M/s. RSDCPL up to 30-04-2024 and to take decision on imposition of penalty as per agreement conditions based on the performance of the contractor towards the successful

The matter was placed as per note read as 8th above, before the Full Time Directors meeting held on 17.02.2023 and it was decided to place the matter before the Board of Directors of KSEBL.

Accordingly, the matter was placed before the Board of Directors as per note read as 9th above.

Having considered the matter in detail the Board of Directors in its 70th meeting held on 25.03.2023, after discussion,

Resolved to accord sanction to cancel the B.O(DB) No 348 /2022 (DGC/AEE VI/PSR /2014) dated 22.04.2022 for termination of the contract with M/s.R.S. Development and Construction India Pvt. Ltd. for the execution of Civil works of Pazhassi Sagar SHEP at the risk and cost of the contractor & forfeiting the performance guarantee of the contract and to rearrange the balance Civil works based on the current DSR 2018.

Resolved further to accord sanction to extend the time of completion of the present agreement with M/s. RSDCPL up to 30.04.2024 and the decision regarding imposition of penalty as per the agreement conditions would be decided based on the performance of the contractor towards the successful completion of the works.

Further resolved to authorize the Director (Generation- Electrical & HRM) and Director (Generation- Civil) for close supervision of the execution of micro schedule of activities charted out for the contract.

Resolved also to accord sanction to execute a supplementary agreement stipulating that no more time extension shall be granted beyond the agreed period. Upon time overrun due to the contractor's failure, the contract shall be terminated at the risk and cost. Director (Generation-Civil) shall submit the day to day execution plan and monitor properly and take appropriate action on the day itself, if the decided milestone is lagging behind then take corrective measures within the agreed extended execution period.

Orders are issued accordingly.

**By Order of the
Director Board**

Sd/-

**LEKHA G
Company Secretary**

To:

The Chief Engineer (Civil – Construction) North

Copy to: The Chief Engineer (IT,CR & CAPS)/ Company Secretary/ Financial Advisor/
LA&DEO.

The TA to the Chairman & Managing Director / Director (Generation-

Civil)/Director (Distribution, IT, SCM, REES & Soura)/ Director (Transmission, SO, P, S & Gen-Ele).

The PA to the Director (Finance & HRM).

The RCAO/RAO.

The Sr.CA to the Secretary (Administration).

Stock File.

Forwarded / By Order



Assistant Executive Engineer