



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vidyuthi Bhavanam, Pattom,

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ABSTRACT

KDPP -Land Lease Agreement executed with M/s BPCL for the storage of fuel at KDPP premises - Retrieval of KSEBL's land at KDPP -issue of notice to M/s BPCL -Sanctioned -Orders issued.

SBU/G-E

BO (FTD)No.890/2022(DGE/G1/KDPP/Land Lease/2022-23)

Thiruvananthapuram,Dated: 10.11.2022

Read: 1. Land Lease Agreement 115/2000-2001 dated 21-10-2000 executed with M/s BPCL.
2. Letter No.CEG/AEE-III/KDPP/2022-23/1032 dated 18-10-2022 of the Chief Engineer (Generation),Moolamattom.
3. Note No.DGE/G1/KDPP/Land Lease/2022-23/149 dated 25-10-2022 of the Director (Generation -Electrical)(Agenda 6/11/22).

ORDER

The second thermal power plant of KSEBL,KDPP with 6 units of 16MW capacity DG sets using LSHS fuel was commissioned in the year 1999. The supply of fuel for KDPP was being arranged from M/s BPCL,Kochi since the the date of its commissioning as per the Fuel Supply Agreement (Agreement No.279/98-99 dated 30.01.1999) executed between KSEBL and BPCL.The validity of the same expired in 2014. Supplementary Agreements were executed in continuance with this and the validity of the same expired in 2018. In conjunction with this FSA , a Land Lease Agreement (LLA) 115/2000-2001 dated 21.10.2000 to an extent of 14769.4m² (364.85 Cents) of land in the premises of KDPP had also been executed with M/s BPCL for the purpose of allied storage/facilities or dealing/distribution of petroleum or any of its product required for KDPP for 15 years with a condition that the Lease Agreement can be extended for a future period of 5 years under mutually agreed rates, if validity of FSA is extended. The said Land Lease Agreement was renewed as per Agreement No. 17/2015-16 dated 01.07.2015. The extended period of validity of this renewed Agreement was up to 30.06.2016 with the condition that the same can be extendable for further period of 2 years at mutually agreed rates, if validity of FSA is also extended. As such, the validity of the Land Lease Agreement executed with M/s BPCL got expired on 2018 and the same was not further renewed.

Subsequently, KSEBL had accorded sanction to accept the offer of M/s BPCL to transfer 390MT (approx.) of LSHS available at Nallalam at a cost of Rs.17,240/- per MT,for a total financial commitment of Rs.67,23,600/-..The Chief Engineer (Generation) as per the letter read as 2nd above reported that M/s BPCL has supplied approximately 340 MT from their storage tank in KDPP premises . Presently, only a negligible quantity (Dip level <2cm) of dead stock of LSHS is available in M/s BPCL's storage Tanks (T1 & T2) at Nallalam which cannot be pumped out by any available means.

The Chief Engineer (Generation) has further informed that on enquiry with M/s BPCL, HPCL,and IOCL it was intimated that LSHS is not available in Kerala and most of the

manufacturers in Kerala, including M/s BPCL, have ceased the production of LSHS. The purchase of LSHS from outside Kerala is also found very expensive. Due to the lack of availability of LSHS and the higher cost of generation of power, the KDPP machines have been kept idle for the last 6 years by maintaining the machineries in running condition, to meet the emergency situations, on demand. Recently, in April 2022, due to the non availability of LSHS, KSEBL purchased 420kL of LDO (Light Diesel Oil) for running of KDPP machines, to overcome the then power crisis. The fuel was directly unloaded to the storage tanks at KDPP. If any purchase of fuel whether LSHS/LDO is done in future, the same could be directly filled in the available storage tank of KDPP by using the existing unloading facility at KDPP tank farm area.

The Chief Engineer has also informed that two number Buffer tanks of capacity 600kL each, two number Day tanks of capacity 300kL each for LSHS/LDO (18000kL) and a 200kL Day Tank for Diesel, are available at KDPP which are sufficient for the storage of fuel. Hence, there is no necessity for keeping the storage tanks of M/s BPCL in KDPP compound which consumes 364.85 Cents of KDPP land which can be effectively utilized for other purposes. Hence as the validity of Land Lease Agreement has already been expired, the KSEBL land-being used by M/s BPCL for the storage of petroleum products required for KDPP- can be reclaimed and the said area of land can be effectively utilized for the installation of solar panels to the tune of 1.50MW in an area of about 14500sq.m.

Considering the above, the Chief Engineer (Generation) has requested sanction to serve a notice to M/s BPCL to retrieve back the above said land after demolishing and removing their Storage tanks and other allied infrastructure from KDPP premises. A draft letter to be issued as notice to the Territory Manager (I&C), Bharath Petroleum Corporation Ltd, Kochi Refinery Marketing Building, Ambalamugal, Kochi was also attached with the letter for further legal vetting.

The matter was placed before the Full Time Directors as per the note read as 3rd above.

Having considered the matter in detail ,The Full Time Directors in its meeting held on 04.11.2022 resolved to accord sanction to the Chief Engineer (Generation) to serve notice to M/s BPCL after legal vetting by LA & DEO to retrieve back the land to the extent of 14769.4 m² (364.85 cents) from M/s BPCL after demolishing and removing their Storage tanks and other allied infrastructure from KDPP premises.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

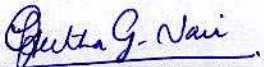
sd/-
LEKHA G
Company Secretary

To:

1. The Chief Engineer (Generation),Moolamattom.
2. The Deputy Chief Engineer,Generation Circle,Kozhikkode.

Copy to: The Financial Advisor/ Chief Internal Auditor/Company Secretary/ Chief Engineer (IT)
The RCAO/ RAO.
The TA to Chairman & MD/ Director (GE)/ Director(GC)/ Director (Trans., SO,
Planning & Safety)/ Director (D,IT & SCM) /Director (REES,Soura,Nilaavu,Sports
& Welfare).
The PA to Director (Finance&HRM).
Stock file

Forwarded / By Order


Assistant Executive Engineer