



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vydyuthi Bhavanam, Pattom,

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ABSTRACT

Setting up retail outlet in the vacant land at KDPP by M/s BPCL -Final proposal and Draft Agreement -Decision to drop the proposal - Sanctioned -Orders issued.

SBU/G-E

BO (FTD)No.856/2022(DGE/G1/BPCL/Petrol outlet/2022-23)

Thiruvananthapuram,Dated: 22.10.2022

- Read: 1. Letter No.CEG/AEE -3/KDPP/2021-22/237 dated 11.05.2021 of the Chief Engineer (Generation),Moolamattom.
2. B.O (FTD) No.761/2021 (DGE/G1/KDPP/Gnl./2021-22) dated 16.10.2021.
3. B.O (FTD) No.437/2022 (DIR GE-AEE1/2022/341) dated 23.05.2022.
4. Letter No. CEG/AEE 3/KDPP/BPCL Outlet/2022-23/706 dated 01.08.2022 of the Chief Engineer (Generation), Moolamattom.
5. Letter No. CEG/AEE 3/KDPP/BPCL Outlet/2022-23/ dated 10-10-2022 of the Chief Engineer (Generation), Moolamattom.
6. Note No.DGE/G1/BPCL/Petrol outlet/2022-23/146 dated 13-10-2022 of the Director (Gen.Electrical) to the Full Time Directors (Agenda 38/10/22)

ORDER

The Chief Engineer (Generation) as per the letter read as 1st above had submitted a proposal for setting up a retail outlet by BPCL at KDPP premises of KSEBL along with the feasibility report, Cost Benefit Analysis and associated documents. KSEBL as per B.O read as 2nd above, resolved to approve the above proposal and to authorise the Chief Engineer (Generation) for taking further necessary action in this regard. It was also decided to entrust M/s BPCL to set up retail outlet (petrol pump) in the KDPP land at Nallalam and to include the provision for E-vehicle charger in the contract.

Subsequently, sanction was accorded as per B.O read as 3rd above to approve the final Proposal and draft Agreements to be executed for the dispensing Pump & Selling License and Land Lease after incorporating necessary modifications suggested by the Legal Adviser, Financial Adviser & Chief Internal Auditor & Company Secretary. Sanction was also accorded to authorize the Chief Engineer (Generation) to take further necessary action in this regard.

Based on the above B.O, the Chief Engineer (Generation) as per letter read as 4th above has reported on the observations/comments made by M/s BPCL on the approved drafts of Land Lease deed and Dispenser pump & Selling License agreement along with the parawise agreeable and disagreeable points offered by the Deputy Chief Engineer, Generation Circle, Kozhikode.

Subsequently, the Chief Engineer (Generation) as per letter read as 5th above has reported on the market study conducted by the Deputy Chief Engineer, Generation Circle, Kozhikode in the present Post - Covid scenario incorporating the data regarding the average

sale of Motor Spirit (MS) & Diesel (HSD) and the operational expenses from the nearby retail outlet dealers within a stretch of 2 km of the proposed outlet of KDPP. Based on the above study, the Chief Engineer has informed the per day sale of the nearby dealers declined to about 3.5– 4.0kL of MS and 2.5 – 3.5kL of HSD which were about 10 kL & 7 kL respectively in the previous years. Also during the Covid Pandemic period, about 5 Nos of Retail Outlets within a radius of 5km towards Kozhikode Town were closed and even after the closing the said outlets in both sides of NH 966, the sale in the remaining outlets is not getting increased. As Central and State Governments are promoting usage of e-vehicles due to Global Warming issues (Green house effect), after certain years there will be chances for reduction in number of fuel based vehicles to a large extent. The sale of HSD is drastically reduced recently due to the emergence of e-vehicles.

The Chief Engineer (Generation) has further informed that In the final proposal of retail outlet by M/s BPCL, the expenses towards the operational cost was arrived in anticipation of utilizing the service of available officers/staff of KDPP, in addition to their regular works. But being a competitive business which involves continuous cash flow, dedicative/responsible persons from the part of KSEBL will have to be assigned exclusively for the smooth and safe operation of the proposed outlet and that team cannot be spared for any other works. Hence the expense towards operational cost/Man power has to be reviewed accordingly. The proposed land at KDPP, Nallalam facing to National Highway with enough frontage for entry of vehicles is an ideal location to establish more number of e-vehicle charging units in view of the leading trend in the usage of e-vehicles.

Based on the market study conducted, the Deputy Chief Engineer, Generation Circle, Kozhikode and the team reached out that at an average sale of 130KL MS and 110KL HSD may only be considered for arriving the Cost Benefit from the proposal which is not financially beneficial to KSEBL and the Chief Engineer (Generation) has recommended not to proceed with the implementation of the proposed BPCL retail outlet at KSEBL land of KDPP.

The matter was placed before the Full Time Directors as per note read as 6th above.

Having considered the matter in detail, the Full Time Directors meeting held on 20.10.2022 resolved that the proposal for the implementation of retail outlet of M/s BPCL in the vacant land of KSEBL at Nallalam sanctioned as per the Board Order dated 16.10.2021 shall not be proceeded with. Further resolved to cancel the previous Board Orders in this regard.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-
LEKHA G

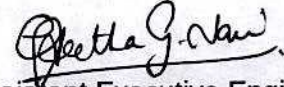
Company Secretary

To:

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

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