



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)

Registered Office: Vydyuthi Bhavanam, Pattom,

Thiruvananthapuram – 695 004

CIN: U40100KL2011SGC027424

Website: www.kseb.in

Phone: (O) +91 471 2514522

Email: dgekseb@kseb.in

ABSTRACT

Execution of E&M works of Vellathooval (2*1.8MW) Small Hydro Electric Project - Performance Testing on both the machines by IIT, Roorke to claim the final grant of MNRE - Sanctioned - Orders issued.

Corporate Office (SBU-G/E)

BO (FTD)No.573/2022(67/AE4/2022)

Thiruvananthapuram, Dated: 04.07.2022

- Read: 1. B.O. (FB) No.314/2013 (M(T & GO)/G3/Vellathooval /2012-13) dated 12.02.2013.
2. W.O.No. 04/2012-13 dated 25.02.2013 and the Agmt. No.CE (PED)/10/2012-13 dated 07.03.2013.
3. Letter No. DB-27/VSHEP/2022-23/127 dated 06.05.2022 of the Deputy Chief Engineer, Generation Circle- Meencut.
4. Note No. 67/AE4/2022 (2) of the Director (Gen.-Ele.) (Agenda item No.63/6/22).

ORDER

The contract for the Execution of Electro-Mechanical works of Vellathooval SHEP (2*1.8MW) was awarded to M/s Flovel Energy Private Limited (FEPL), Faridabad, Haryana, for a contract amount of ₹11.66 Crore as per B.O. read as 1st above and work order & agreement read as 2nd above was executed by the Chief Engineer (Projects-Electrical Designs).

The Vellathooval SHEP was commissioned on 08.09.2016 and the project was taken over by KSEBL on 03.11.2016, subject to the satisfaction of relevant clauses in the agreement. Subsequently it was handed over to the Generation wing on 19.01.2017. The defect liability period is 3 years from the date of taking over the project by KSEBL. During the defects liability period, the unit #1 and Unit #2 were forced to stop and put into forced shutdown due to water mixing in TLOP oil tank. The rectification work of Unit #2 machine was completed on 28.03.2018 and that of Unit #1 was completed on 08.05.2018 by M/s FEPL. During the rectification of Unit #1 the work was delayed several times because of oil leakage due to failure of runner blade hydraulic rotary union. M/s FEPL was informed many times of possible penalties /loss that will be imposed upon them, if the defects were not rectified in reasonable time. Though M/s FEPL was informed many times to pay the generation loss as per agreement due to forced shutdown of machines, they have not paid the generation loss. Hence vide Letter No.67/AE4/2021/CE(PED)/526 dated 05.08.2021, M/s FEPL was intimated to remit the amount ₹80,53,707/- to compensate the generation loss during October 2017 to May 2018 due to forced shutdown of the station failing which the amount will be encashed from the ensured Performance Bank Guarantee. M/s FEPL filed a writ petition against KSEBL on 11.08.2021 not to revoke the Performance BG and restraining KSEBL from taking coercive steps towards realization of penalty. However M/s FEPL, has extended Performance BG of ₹48,39,067/- till 02.11.2022 and Performance BG of ₹58,30,000/-, valid till 03.12.2022.

The project was severely damaged due to the devastating floods on 15.08.2018 and the Vellathooval Powerhouse was totally submerged in flood water and the equipment at the site were damaged. KSEBL had requested M/s FEPL's offer for restoration work. As the rates quoted by M/s FEPL was higher, KSEBL executed rehabilitation works part by part by arranging local contractors. Subsequently, M/s FEPL was instructed to conduct performance

testing of machines which is mandatory as per agreement, and informed that, if they were not ready to carry out the tests, the performance testing will be conducted at the cost of M/s FEPL. They have replied that there is no obligation on FEPL for conducting any performance testing and also informed that KSEBL may get the performance testing done at KSEBL's cost. FEPL has also informed that they cannot give quality assurances since the plant has been interfered by third party contractors. Also FEPL will not be responsible for the outcome of the test, since M/s.FEPL did not have any involvement or supervision pursuant to the damage done by the flood.

As per the tender conditions and the pre-bid query reply to M/s FEPL, the performance test of both the machines is under Contractor's scope. Moreover, the Chief Engineer (Civil Investigation & Construction Central) has requested to provide the performance test report of the project at the earliest to avail the CFA provided by MNRE.

In the above circumstances, the Deputy Chief Engineer, Generation Circle, Meencut has forwarded the estimate as per letter read as 3rd above, for conducting performance testing by IIT Roorke at Vellathooval SHEP, amounting to ₹14,16,000/- (Rupees Fourteen Lakh Sixteen Thousand Only) including GST which has been recommended for sanction.

The matter was placed before the Full Time Directors as per the note read as 4th paper above. Having considered the matter in detail, the Full Time Directors meeting held on 27.06.2022 resolved to accord sanction for conducting performance test at Vellathooval SHEP on both the machines by IIT Roorkee for an estimated amount of ₹14,16,000/- (Rupees Fourteen Lakh Sixteen Thousand only) so as to claim the final grant of MNRE assistance and to deduct the cost from the payments to be made to M/s.FEPL.

Orders are issued accordingly.

**By Order of the
Full Time Directors**

Sd/-

**LEKHA G
Company Secretary**

To:

The Deputy Chief Engineer (PED) with full powers of Chief Engineer.
The Deputy Chief Engineer, Generation Circle, Meencut.

Copy to: The Financial Adviser/Chief Internal Auditor/Company Secretary
The TA to CMD/D(GE)/ D(T,SO,P& Safety)/ D(D&SCM)/D(GC)/D(RSS&W)
The PA to D(F,IT &HRM)
The CA to Secretary (Administration) Stock File

Forwarded / By Order



Assistant Executive Engineer