

Minutes of the 320th meeting of KWA held on 18/03/2009 at 2.30 p.m. in the Conference Hall, Kerala Water Authority, Thiruvananthapuram.

Members Present:

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| 1. Sri. K. Jayakumar IAS | Chairman |
| 2. Sri. Illickal Augusty | Member |
| 3. Sri. C. Ravindran | Member |
| 4. Sri. M. S. Gopakumar | Member |
| 5. Sri. C. Suresh Babu | Managing Director |
| 6. Sri. T. P. Mohanlal | Technical Member |
| 7. Sri. V. K. Girijavallabhan, IA & AS | Accounts Member |

Item No. I (1) Confirmation of the Minutes of the 319th Meeting held on 25/02/2009

The Authority confirmed the minutes of the 319th meeting held on 25/02/2009.

Item No. I (2) Review of Action Taken in the previous meetings

The Authority noted the Action Taken Report presented before it.

Item No. I (3) Status of SPAN Tenders

Res. No. 8020

The Authority noted the status of tenders invited for the works involved in the projects taken up under SPAN. The Authority noted that out of 100 packages originally planned, one package has since been excluded and out of balance 99 packages, 52 packages have already been approved till date. This included those approved in the first SPAN empowered committee meeting, those approved by the Board subsequently and by others as per delegated powers. The Managing Director informed that the first SPAN empowered committee had approved 47 packages, out of this 38 works were awarded, work orders were issued in 33 packages and out of these 33, agreements have been executed in 27 packages. Out of 47 packages approved in the first SPAN empowered Committee meeting in 14 cases the tenderers did not accept the reduced offers and few others accepted the reduced offer subject to conditions like deletion of price variation clause, bank guarantee in place of security deposit and retention money, etc. All these cases were presented before the 2nd SPAN Empowered Committee meeting held on

06/03/2009. Subsequently one ~~tenderers~~ ^{tenderer} had accepted the reduced offer and work order has already been issued.

The Authority also noted that for a work in which the first SPAN Empowered Committee had recommended for re-tender, the same has been placed before the second Empowered Committee with a negotiated reduced rate. The Authority ^{was informed that the Empowered Committee did not} observed that no negotiation shall be made to any of the contractors for the works quoted by them under any circumstances or to accept any post tender offers, which are against the spirit of the tender.

The Authority observed that in the estimates prepared for the SPAN works some of the cost elements have been left out.

The Managing Director informed that the high tender excess was mainly due to non inclusion of certain important components in the estimates. Moreover, adequate provisions were not made in the estimates for the taxes and levies to be deducted from the contractors' bill as statutory levies and for the maintenance of the work executed during the guarantee period /maintenance period as contemplated in the NIT. All these had contributed the high cost. The Authority noted that the poor estimation done by the KWA Engineers has invited much criticism from all sides and the credibility of KWA itself has been questioned in different forums. The Authority noted that the SPAN estimates were all drawn up in a hurry to keep up the schedule that had been fixed and therefore, few errors or omissions would have crept into the estimates. Therefore, after detailed discussion the Authority **resolved to recommend to Government to convene the third SPAN Empowered Committee Meeting to reconsider the proposals that had been placed in the second SPAN Empowered Committee meeting.** The Authority further resolved to recommend to the Empowered Committee to approve those tenders wherever the tender excess is reasonable say below 40% and also those which may be slightly high but there are strong and valid reasons for such high percentages. ^{It was resolved to} ~~All other works wherever the quoting is unreasonable, and where there is lack of sufficient competition, it was resolved to be recommended for retendering the packages after revising the estimates.~~ ^{remaining works} ~~The Authority further resolved to change the hitherto conventional method of estimation followed in KWA where important cost elements are left out from the estimate and are later on allowed or explained as part~~ ^{realistic} ^{followed} ^{get}

of/or reasons for tender excess. It was reported to the Authority that the codal provisions allow preparation of estimates based on market prices wherever schedule rate is not available and accordingly, the Authority **resolved that in future, estimates shall be drawn up as per codal provisions including all elements of cost like transportation to site, taxes and duties, statutory reductions to be effected from the contractors bill, cost element towards additional responsibility entrusted to the contractor towards maintenance of the work after commissioning, etc.** It was also resolved that hereafter, **the cost of specials in pipe lines shall not be adopted based on thump rules like 5% or 10% but it should be realistic based on the terrain and pipeline route.** In case of treatment plants, the Authority directed the Managing Director to draw up a model design/estimate for conventional treatment plants which could be modified based on size and site conditions, like pile foundation, or other reinforcements as per site conditions. In no case, tenders shall be presented before sanctioning authorities stating that the estimates had wrong or certain elements of cost had not been included in the estimate to explain the reasons for tender excess. The Authority noted the codal provisions. The Authority directed the Managing Director that the procedure followed in the Authority shall be uniform in all Divisions and strict instructions shall be issued for all for compliance. The Authority noted that the Authority by following poor estimation standards has invited much criticism from all sides and also has contributed to loss of grants or additional amounts of loan from funding agencies. In case of estimates and tenders for electrical items, the Authority directed the Managing Director to obtain expert advice of the Electrical Inspectorate on payment basis if needed.

Item No. I (4)

JBIC Assisted KWSP –Monthly Briefing Reports

The Authority enquired the Chief Engineer JBIC Project who was present in the meeting about the seriousness of the critical issues to be resolved placed before the Authority. The Chief Engineer clarified that there are no major issues which needed the intervention of the Board of Government and all components except which are placed before the present Board Meeting are all moving ahead smoothly. The Authority noted the progress being made and directed him to keep the tempo alive so that the project can be commissioned as per schedule

Item No. II (1) JICA Assisted Kerala Water Supply Project – Water Supply Improvements to Thiruvananthapuram City Region – Package I – Intake works and Water Treatment Plant – Time Extension

Res. No. 8021 The Authority discussed the item in detail and resolved to approve the proposal to extend the time of completion of the Package I works for Thiruvananthapuram scheme up to 31.08.2009, subject to the following terms and conditions.

1. Time extension is granted up to 31.08.2009, subject to sectional completion targets specified below.
 - a. Completion of all works for commissioning the first stream for delivering 50% of the treatment plant capacity which include commissioning tests for raw water and clear water pump sets, vacuum pumps in pulsators, bubble test in filters, manual operation of valves and dosing shall be achieved before 30.04.2009.
 - b. Preparatory works for trial run, and 7 day-trial run when quantity and quality of water will be checked and confirmed against specification. When these items are completed, potable water will be continuously output from the Water Treatment Plant to the Break Pressure Tank. Completion target: 12.05.2009
 - c. Completion of second stream (for balance 50%) in all respects ready for trial run - Target 31.07.2009
 - d. Trial run for 2nd stream 1 to 11.08.2009. Completion target 11.08.2009
As of 11.08.2009, no works relating to Intake and WTP will be remaining.
 - e. Refurbishment of existing chemical house as per additional work entrusted recently. Completion target 31.08.2009
2. LD / Penal Damages clause as per contract shall apply from the dates of sectional completion as given above.
3. There shall not be any additional financial commitment to KWA on account of the contract period extension.
4. M/s. Degremont shall be eligible for price escalation, as provided in the original contract only up to 09.04.2008 which is the original completion period. Escalation for work done beyond 09.04.2008 will be limited to the indices applicable as on 09.04.2008.
5. M/s. Degremont shall keep extended all insurances

and guarantees as per the contract, without any additional cost to the KWA. There shall be no enhancement under the head – P- 2 General items and Preliminaries.

6. A supplemental agreement shall be executed by M/s. Degremont within 15 days of communicating the order extending the contract period.

Item No. II (2)

JICA Assisted Kerala Water Supply Project - Meenad and adjoining villages Package 2 – Transmission Main –Time extension

Res. No. 8022

The Authority noted the item in detail and resolved to extend the time of completion of all works covered in the Package 2 of Meenad scheme upto 30.09.2009. Subject to the following terms and conditions, as recommended by M/s TECC and Technical Committee

1. SPML shall complete all the works under the scope of contract other than flushing, swabbing and commissioning of the lines, work in spread no.3 (ch17280 – 28053) where rock removal is involved and a few other works as per the agreed work programme before 30.06.2009.
2. SPML shall strictly adhere to the updated and detailed Work Programme for completion of the balance works as finalized between SPML and TECC / KWA and attached herewith which set out with weekly targets for completion of the entire scope of works by 30.06.2009 / 30.09.2009 The updated work programme shall form part of the time extension agreement.
3. SPML shall achieve the sectional (reach wise) completion including closing of all gaps as per the updated work programme.
4. There shall be fortnightly review of progress of works at Regional level, jointly by Project Manager (Meenad) and Resident Engineer. The PIU (HO) will conduct reviews on a monthly basis jointly with the TECC. SPML should achieve the monthly progress as per the agreed target. Should there be any backlog in a particular month, covering the backlog plus achieving the target for the following month should be ensured by SPML failing which 10% of the value of the defaulted work will be withheld from the immediate RA bill due for payment. The percentage withheld

will be increased to 20% from April 2009. All withheld amount will be released on achieving the target of completion after 30.06.2009/30.09.2009. Subject to this TECC and PIU agreed not to impose any LD up to 30.06.2009/30.09.2009

5. If the works are not completed by end June 2009/September 2009 as per updated Work Program enclosed, then for the balance works remaining as on 1st July 09 / 1st October 2009, liquidated Damages/Penal Damages will be levied as per the provisions in the Contract Agreement. Any amount withheld as per para 4 above will be treated as part of the L.D/Penal damages
6. SPML will make arrangements for DI pipe laying along NH Reaches, based on the NHAI permission received recently upon intimation from the Project Manager, Meenad.
7. SPML shall submit the As-Built drawing for the works so far done for review by Resident Engineer and Project Manager, Meenad before 23.03.2009
8. SPML shall not be eligible for any price escalation on account of this time extension. In respect of other eligible variations the lowest of the indices as per the original work programme or revised work programme or the time of actual work done, shall be adopted
9. SPML shall attach utmost importance to safety aspects and shall ensure such works to the satisfaction of the Engineer and in accordance with the Quality Assurance Plan.
10. There will be no change in the amounts given in Schedule P2. General and Preliminaries.
11. All insurances and guarantees required under the contract shall be maintained by M/s. SPML at no additional cost to the Employer.
12. SPML will be allowed payment for all pipes and specials supplied, but could not be laid for want of work front in the NH and other areas, to the extent of 80% less payment already made against equivalent BG amount valid till September 2009.
13. The top management of SPML shall render all assistance to their project personnel involved in the contract to complete the works as targeted.
14. A supplemental agreement agreeing to these conditions for the extension of time of completion shall be executed within 15 days

Item No. II (3) JICA Assisted Kerala Water Supply Project – Meenad and adjoining Villages – Package IV – Service Reservoirs – Variations

Res. No. 8023 The Authority noted the excess amounts for which sanction is sought now. After considering the item in detail, the Authority resolved to approve the excess amount of **Rs.2,45,85,887.04** as per the breakup given below:-

1. Non BoQ items	-	Rs.54,10,157.65 (+)
2. Excess over BoQ items	-	Rs.1,91,16,947.74 (+)
3. Excess due to substitution of DI double flanged pipes, sluice valves with other sizes	-	Rs. 58,781.65 (+)
Total excess	-	<u>Rs.2,45,85,887.04</u> (9.97%)
(Contract amount	-	Rs.24,65,13,321)

The Authority also noted that this is the only variation approval accorded for this contract package.

Item No. II (4) JICA Assisted Kerala Water Supply Project – Meenad and adjoining Villages - Package III – Time Extension

The Authority noted the item and directed the Managing Director to place the issue again for its consideration along with the legal opinion on its early decision.

Item No. II (5) JICA Assisted Kerala Water Supply Project – Cherthala Scheme -Package 4 –Service Reservoirs – Variation Proposal – Explanation of Consultants

Res. No. 8024 The Authority discussed the agenda item on the variation proposal for the package IV contract of Cherthala Scheme and the explanation tendered by the Consultants on their lapses, in detail and observed that the variation proposed amounts to an increase in the contract value by 36.57 % which is substantial. (40.58% including earlier approval). The Authority observed that the main reason of the huge variation in the bill of quantities (BoQ) is due to the under estimation of steel required for the civil works of the project. Also there were serious design and estimation lapses on the part of the consultant M/s. TECC. The actual soil condition at site was not considered with proper site verification and soil investigation. This had resulted in the change in the type of foundation provided for the various reservoirs required for the project attributing the huge variation in BoQ. The

Authority after taking note of the thorough examination of the variation proposal conducted by the Technical Committee and the inevitable nature of the variation as explained in the agenda note, **resolved to recommend to the Empowered Committee in Government to approve the variations totaling to Rs. 17.047 crores as per the break up shown below.**

Amount in Rs.

1.	Additional cost due to foundation re-design	: 8.44 crores
2.	Extra over BoQ for reinforcement steel and concrete	: 8.94crores
3.	Variation in compound wall	: 0.16 crores
4.	Extra item for Pile Head Chipping	: 0.067 crores
5.	Extra item for construction of retaining wall (fixed rate basis)	: 0.52 crores
	Total	: 18.127 crores
	Miscellaneous savings due to clubbing Aroor I & II	: (-) 1.08 crores
	Net Excess	: 17.047 crores

The Authority also noted the up-to-date variation for the package as below.

1.	The Contract amount	: Rs. 46.61 crores
2.	Variations already approved	: Rs. 1.87 crores
3.	Present proposal	: Rs. 17.047 crores (36.57%)
4.	Overall variation	: Rs. 18.917 crores (40.58%)

As regards the explanation of the Consultants regarding lapses on their part, the Authority after considering the views and recommendations of the Technical Committee, directed the Managing Director to verify whether there is any appropriate clauses in the agreement executed with M/s. TECC for imposing penalties for these types of lapses which is legally tenable. The legal advice in proceeding against the consultant as per these clauses shall be obtained and shall be reported in the notes submitted for the Empowered Committee meeting in Government.

Item No. II (6)

JICA Assisted Kerala Water Supply Project – Kozhikode & adjoining villages Package III – Contract with M/s. KRKCPL - Time Extension upto 31.03.2010 for reduced scope of work and re-packaging of the balance works

Res. No. 8025

The Authority noted the recommendation of M/s. TECC and Technical Committee to grant time extension for the modified scope of work of M/s. KRKCPL up to 31/03/2010. As explained, Kerala Water Authority cannot award this work to a third party at the risk and cost of the contractor as there are valid grounds for the contractor to move against Kerala Water Authority legally and even otherwise in the interest of the whole project, such an eventuality cannot be thought of as the investment being made in other components, the contractual maintenance periods, obligation to other contractors etc., are all to be reckoned. The repacking proposal is an option to avoid the contractor from the work to the extent possible in the interest of the project. The Authority had got two options.

1. Extension of time of completion up to 31/3/2011
or
2. Get the part of the balance work surrendered by the contractor and rearrange the same without invoking risk and cost clause and to give extension of time up to 31/3/2010 to complete the portion of work the contractor had agreed to execute.

From the performance records of the contractor, it is doubtful whether the work will be executed even if extension is granted up to 31/3/2011 as agreed by him. In such an event all the expenditure already incurred for all other packages will become infructuous. Hence after detailed discussion the Authority resolved to recommend to the Empowered Committee in Government to accept the recommendation of TECC and Technical Committee to get the part of the balance work surrendered by the contractor and rearrange the same without invoking risk and cost clause and to give extension of time up to 31/3/2010 to complete the portion of work the contractor had agreed to execute. The Authority further resolved that progress of the portion of work the contractor had agreed to complete by 31/3/2010, for which time extension is recommended, shall be monitored on a monthly basis and if proportionate progress is not achieved suitable penal action has to be initiated as per the contract agreement and in case no such clauses are available in the present agreement, suitable clauses shall be incorporated in the supplementary agreement.

Item No. II (7)

JICA Assisted Kerala Water Supply Project – Kozhikode City Region - Package III – Distribution system – Variation Proposals

Res. No. 8026

The Authority perused the agenda item in detail and the recommendations of the Technical Committee. On the basis of the recommendation, the Authority resolved to approve an excess of Rs. 4,10,75,709/- for the Kozhikode Contract Package III as per the following break up.

GI pipes & fittings	:	Rs.1,60,79,943.00
uPVC specials for Valves	:	Rs.56,16,406.00
MS Casing pipes	:	Rs.56,21,703.00
DI Specials (excess over BoQ & non BoQ)	:	Rs. 88,80,157.00
DI pipes	:	Rs. 48,77,500.00
Total		Rs.4,10,75,709.00

The Authority also noted the up-to-date excess approved for the package as follows.

1.	Contract sum		148,33,88,414.00
2.	Enhancement in Provisional Sum already approved		15,80,00,000.00
3.	Total excess amount earlier approved	Including provisional sum	22,38,87,397.00
		Excluding provisional sum	6,58,87,397.00
4.	Excess approval proposed now		4,10,75,709.00
5.	Total Excess (2+3)	Including provisional sum	26,49,63,106.00
		Excluding provisional sum	10,69,63,106.00
6.	Overall Excess (%)	Including provisional sum	18.00%
		Excluding provisional sum	7.00%

Item No. II (8)

JICA Assisted Kerala Water Supply Project – Kozhikode & adjoining villages, Package IV – Variation Proposals for Reservoirs

Res. No. 8027

The Authority perused the agenda item in detail and the recommendations of the Technical Committee. On the basis of the recommendation, the Authority **resolved to approve an excess of Rs. 4,80,24,067/- for the completion of Contract Package IV works of Kozhikode.** The Authority also noted the up to date excess on this contract as given below. Only an enhancement in provisional sum had been previously approved.

Upto date Excess including present proposals:-

1.	Contract sum		56,03,41,744.00
2.	Enhancement in Provisional Sum already approved		4,00,000.00
3.	Excess approval proposed now		4,80,24,067.00
4.	Total excess amount earlier approved	Including provisional sum	4,84,24,067.00
		Excluding provisional sum	4,80,24,067.00
6.	Overall Excess (%)	Including provisional sum	8.64%
		Excluding provisional sum	8.57%

Item No. II (9)

JICA Assisted Kerala Water Supply Project – Pattuvam – Package I – Intake works and treatment plant – Enhancement of Provisional Sum

Res. No. 8028

After considering the item in detail the Authority **resolved to enhance the provisional sum of Package I Pattuvam from Rs. 4.43 crores to Rs.7.66 crores, the enhancement being to meet the actual cost involved for the power line extension to the Intake works and WTP, based on the estimate received from KSEB.**

Item No. II (10)

JICA Assisted Kerala Water Supply Project – Pattuvam & adjoining villages Package III – Contract with M/s. KRKCPL - Time Extension upto 31.03.2010 for reduced scope of work and re-packaging of the balance works

Res. No. 8029

The Authority noted the item in detail. The Managing Director and the Chief Engineer (JBIC), who was called in, explained in detail the works executed by the contractor M/s. KRKCPL for this project including the disputes on the classification of soil. The Authority discussed the different

options available to the Authority for settling the issue of hard rock. It was informed to the Authority that all the options had been discussed in detail at different levels and the present proposal is the only option which could be seen as contractually acceptable as (1) the tender conditions are specific as to the classification of rocks and (2) no payments can be legally made without proper classification and measurement. The substitute testing method adopted by NIRM a Government of India undertaking for classification of the rocks into hard or otherwise is the only legally available option as otherwise the decision of the Authority would be questioned by other agencies. Acceptance of a separate negotiated rate for the whole excavation based on some random percentage basis though may look more economical would invite serious criticism and also might prove to be more costlier than the payment against classification and measurement. It is informed that M/s. NIRM is being negotiated with for the quantification of different classes of soil along the reach of execution with the intension that whatever quantity is classified as hard rock can be paid at the agreed rate of the original contract agreement. For this the actual quantity of rock excavated shall be measured and properly recovered. A point was raised as to the excavated rocks though satisfies the strength and tensile strength of the hard rock classification as per the agreement condition, but cannot be stacked as in case of normal hard rocks. The Authority opined that a suitable acceptable method shall be adopted by the Engineer to record the hard rocks for making payment. So also the repacking of the balance work has to be considered. Already the completion of time had expired and all other components of the projects are expected to be completed by 31/12/2009. Completion of the particular package is inevitable to deliver a benefit of the project of the public. Hence after detailed discussion the Authority **resolved to recommend to the Empowered Committee in Government to accept the following.**

- 1. to get the part of the balance work surrendered by the contractor and rearrange the same without invoking risk and cost clause and to give extension of time up to 31/3/2010 to complete the portion of work the contractor had agreed to execute. The Authority further resolved that progress of the portion of work the contractor had agreed to completed by 31/3/2010, for which time extension is recommended, shall be monitored on a monthly basis and if proportionate**

progress is not achieved suitable penal clause as envisaged in the contact agreement shall be invoked and in case no such clauses in the existing agreement, suitable clauses shall be incorporated into the supplementary agreement.

2. To entrust the work of classification of soil to M/s. NIRM a Government of India Organization under the Ministry of Mines and that the recommendation made by them will be binding for both the parties. For the works already executed and to be executed the excavation made in rock shall be measured, recorded and paid for as per the agreed rate in the original contract agreement. The contractor shall not be permitted to employ another agency, as demanded, for quantifying the rock against the findings and reports of M/s. NIRM, wherever the firm disagrees, was declined.

Item No. II (11) JICA Assisted Kerala Water Supply Project – Pattuvam - Package III – Distribution system – Variation Proposals

Res. No. 8030

The Authority noted the excess amounts for which sanction is sought now and also the overall excess involved in the Package III works of Meenad ^{Pattuvam} as on date. After considering the item in detail the Authority resolved to approve the excess amount of Rs. 1,71,87,269.00 as per the break up given below.

1	GI pipes & Fittings:-	-	Rs. 12364775.00
2	uPVC specials for valves & gap closing	-	Rs. 1657438.00
3	MS Casing pipe	-	Rs. 1987209.00
4	DI Specials		
	1. BoQ items	-	Rs. 395579.00
	2. Non BoQ items	-	Rs. 782268.00
	Grand Total	-	Rs. 17187269.00

The Authority also noted the up-to-date excess for the contract package as given below.

1.	Contract sum		62,18,22,293.00
2	Enhancement in Provisional Sum already approved		59,00,000.00
3.	Total excess amount earlier approved	Including provisional sum	67,80,00,606.00
		Excluding provisional sum	67,21,00,606.00

4.	Excess approval proposed now		1,71,87,269.00
5.	Total Excess (3+4)	Including provisional sum	69,51,87,875.00
		Excluding provisional sum	68,92,87,875.00
6.	Overall Excess (%)	Including provisional sum	11.80%
		Excluding provisional sum	10.85%

Item No. II (12) Information Technology initiatives of Kerala Water Authority – Implementation of Enterprise Resource Planning in Kerala Water Authority –Proposal for cost benefit analysis of different proposals

Deferred.

Item No. II (13) JICA Assisted Kerala Water Supply Project – Appointment of Legal Consultant on Contract basis – Renewal of contract period of Sri.C.S.Padmanabhan Nair

Res. No. 8031 The Authority resolved to renew the contract with **Sri. C. S. Padmanabhan Nair, Legal Consultant, JBIC Project for a period of one year from 04.03.2009 in view of circumstances explained in the agenda note. The terms and conditions of the previous appointment shall be adopted for the contract.**

Item No. III(1) Permission to present a paper in the 34th International Conference of the WEDC at Addis Abba, Ethiopia on 18-22.05.2009 to Sri. V K Girijavallabhan, IA & AS, Accounts Member

Res. No. 8032 The Authority considered the proposal in detail and as the visit of the officer is to present paper on behalf of the Government of Kerala/Kerala Water Authority and not in the interest of the individual, it is **resolved to sponsor the trip of Sri. V K Girijavallabhan, Accounts Member, Kerala Water Authority to Addis Ababa to present a paper on the Water Tariff Rationalization done in Kerala Water Authority with an overall ceiling of expenditure amounting Rs.2 lakhs. The Authority further resolved to ratify the action taken by the Managing Director in having written to Government in advance.**

Item No. III (2) Estt - Extension of Leave Without Allowance for five years to Sri.P.A.Byju Rahim, Assistant Executive Engineer (on Leave) Office of the P.H.Division, Kottayam

Deferred.

Item No. IV (1) Financing of KWA for one-time settlement of power charges to KSEB

Res. No. 8033

The Authority noted the item in detail. The relates to availing of term loan amounting to Rs. 250 crores from commercial banks to settle the arrears of power charges payable to KSEB on the basis of one time settlement. M/s. Kerala State Co-operative Bank had agreed to lend the Rs. 250 crores as term loan at an interest of 12.25% (or reduced) as the case may be under the terms and conditions explained in the agenda notes. The Managing Director informed that the State Bank of Travancore, Kowdiar branch had agreed to give a term loan amounting to Rs. 100 crores at 12% (i.e. 0.75% below the bank's P.L.R) with reset option after every two years. After detailed discussions the Authority **resolved to:**

1. Request Govt. to give sanction to avail a term loan of Rs. 100 crores from the State Bank of Travancore, Kowdiar branch and Rs. 150 crores from Kerala State Co-operative Bank for the one-time-settlement of arrears of power charges by KWA to KSEB.
2. Request SBT and KSCB to reduce the interest rate of loan to the minimum possible and to waive the condition of Govt. Guarantee for the loan.
3. Request LSGD to give an undertaking for routing their committed payment of Rs. 250 crores to KWA as per OTS approved by Govt. for settling the dues of the local bodies as per letter No. 69325/FM-2/08 LSGD dated 17/02/2009.
4. Request KSEB to issue a letter indicating that on payment of Rs. 250 crores, the arrears of electricity charges due from KWA to KSEB will be settled fully and KWA will have no liability with KSEB in this regard.


SECRETARY


MANAGING DIRECTOR


CHAIRMAN