



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated Under the Companies Act, 1956 (No.1/1956)

Corporate Identity No.U40100KL2011SGCO27424

Vydyuthi Bhavanam, Pattom, Thiruvananthapuram- 695004, India,

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### **ABSTRACT**

Disposal of selected scrap items through E-auction – Appointment of M/s.MSTC Limited as a service provider for conducting E-auction – Renewal of Selling Agency Agreement – Sanctioned - Orders issued.

#### **Corporate Office (Supply Chain Management)**

B.O.(FTD) No.306/2019(SCM/XM/E-Auction/2018-19) dated, Thiruvananthapuram dated 8/4/2019

- Read:-
- 1) B.O.(FTD) No.910/2018(SCM/XM/E-auction/2017-18) dated 10/04/2018.
  - 2) Letter No.MSTC/TVM/SAA/KSEB/2018-19 dated 27/02/2019 of M/s.MSTC Limited, Thiruvananthapuram.
  - 3) Letter No.SCM/XM/E-auction/2018-19 dated 11/03/2019 of the Chief Engineer (SCM) addressed to M/s.MSTC Limited, Thiruvananthapuram.
  - 4) Letter No.MSTC/TVM/KSEB/2018-19/2180 dated 25/03/2019 of M/s.MSTC Limited, Thiruvananthapuram.
  - 5) Note No.SCM/XM/E-auction/2018-19/9714 dated 29/03/2019 of the Chief Engineer (SCM) (Agenda Item No.3-04/2019).

### **ORDER**

The disposal of a major portion of scrap items in KSEB Ltd is being carried out by E-auction through the web portal of M/s.MSTC Limited, a Government of India Enterprise.

KSEB had appointed M/s.MSTC Limited (A Public Sector Enterprises under the Ministry of Steel, Government of India) as a service provider by paying them service charge of 2.5% plus service tax on realized value and authorized the Chief Engineer (SCM) to sign the Selling Agency Agreement and integrity pact for one year with M/s.MSTC Limited.

Accordingly the Selling Agency Agreement was executed on 31/03/2012 with M/s.MSTC Limited, Bangalore as a service provider for a period of one year from 01/04/2012 to 31/03/2013.

E-auction is conducted for the disposal of selected scrap items with higher sale value such as Scrap Aluminium Conductors (ACSR, AAAC & AAC), Scrap Copper & Copper Power Cables, unserviceable Copper wound Distribution Transformers and Copper winding scrap, unserviceable Aluminium wound Distribution Transformers and Aluminium winding scrap, Scrap Power Transformer and iron scrap.

The service of M/s.MSTC Ltd for conducting E-auction was extended in the subsequent financial years on an yearly basis. The Selling Agency Agreement executed with M/s.MSTC Ltd for the financial year 2018-19 was due for expiry on 31/03/2019.

M/s.MSTC Limited as per letter read as 2<sup>nd</sup> paper above had intimated their willingness to renew the Selling Agency Agreement on the same terms and conditions for a further period of one year. The prevailing service charge payable to M/s.MSTC Limited is 3% plus GST (18%) on realized value of scrap.

M/s.MSTC Limited as per letter read as 4<sup>th</sup> paper above had confirmed their service charge as the prevailing rate and requested to proceed further for the renewal of the Selling Agency Agreement in response to the letter read as 3<sup>rd</sup> paper above.

The Chief Engineer(SCM) as per note read as 5<sup>th</sup> paper above informed that E-auction at KSEB Ltd is a centralized method of scrap disposal in which selected scrap items of all regions were being disposed off through the web portal of M/s.MSTC Limited. The scope of E-auction in KSEB Ltd had already been widened with the addition of more scrap items with higher sale value for disposal through this method. The volume of sale through E-auction and revenue realization had increased significantly during the previous years.

It was also reported that an amount of Rs 41.5 Crore had been realized through E-auction during the financial year 2018-19 as on 28/02/2019 and expected to realize an amount of Rs 8 Crore through the E-auction already proposed for the month of March 2019.

The implementation of e-auction has already been turned out as a faster, transparent and efficient method of conducting auction with wide participation of bidders registered with M/s.MSTC Limited.

Considering the inherent strength and advantage of E-auction for speedy disposal of scrap items and better revenue realization, the Chief Engineer (SCM) has recommended to continue e-auction for a further period of one year from 01/04/2019 by appointing M/s.MSTC Limited as a service provider and to renew the Selling Agency Agreement executed with M/s.MSTC Limited for a further period of one year from 01/04/2019 with the same terms and conditions as per prevailing Selling Agency Agreement with the service charge as 3% plus GST (18%) on realized value of scrap.

The matter was placed before the Full Time Directors of KSEB Limited for a decision.

Having considered the recommendation of the Chief Engineer (SCM) as per the note read above, the Full Time Directors in the meeting held on 04/04/2019 resolved to accord sanction to renew the Selling Agency Agreement with M/s.MSTC Ltd, Thiruvananthapuram with the same terms & conditions as per the prevailing Selling Agency Agreement and to authorize Chief Engineer (SCM) to execute agreement with the firm appointing them as service provider for disposal of approved items of scrap for a further period of one year from 01/04/2019 by paying them service charge of 3% plus GST (18%) on realized value of scrap and dispose off approved items of scrap through E-auction.

Orders are issued accordingly.

**By order of the Full Time Directors**

**Sd/-**

**Lekha.G**

**Company Secretary in charge**

To

The Chief Engineer (SCM)

Copy to:-

- ❖ The Financial Adviser/The Legal Adviser & Disciplinary Enquiry Officer.
- ❖ The Chief Internal Auditor.
- ❖ The Chief Vigilance Officer.
- ❖ The Deputy Chief Engineer (IT)/The RCAO/The RAO.
- ❖ TA to the Chairman & Managing Director/Director (CP,GE,SCM&S)/ Director (Distribution & IT)/Director (Transmission & System Operation)/ Director (Generation – Civil & HRM)
- ❖ PA to Director (Finance)/Secretary (Administration)
- ❖ The Fair Copy Superintendent, Board Secretariat.
- ❖ The Library, KSEB Ltd/Stock file.

**FORWARDED / BY ORDER**

  
**Assistant Executive Engineer**