



KERALA STATE ELECTRICITY BOARD Ltd

(Incorporated under the Companies Act, 1956)
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ABSTRACT

Purchase of various ratings of Power Transformers - PO's issued to M/s.TELK Ltd - Request for delivery period extension allowing price variation - Sanction accorded - Orders issued.

CORPORATE OFFICE-(Supply Chain Management)

BO (FTD)No.457/2023(SCM/XT/AEE7/122/2020-21/20 MVA Thiruvananthapuram, Dated: 20.10.2023 /TELK)

- Read: 1. P.O. No. SCM 99/2020-21/8072 dated 12.02.2021 and its Amendment No.1 dated 04.10.2021 for 4Nos. 25MVA,110/33kV Transformer.
2. P.O. No. SCM 93/2020-21/6313 dated 02.02.2021 and its Amendment No.1 dated 04.10.2021 for 7Nos. 20MVA,110/11kV Transformer.
3. P.O. No. SCM 100/2020-21/8132 dated 17.02.2021 and its Amendment No.1 dated 04.10.2021 for 3Nos. 16MVA, 110/33kV Transformer.
4. P.O. No. SCM 08/2021-22/833 dated 07.05.2021 for 30Nos. 12.5MVA, 110/11kV Transformer.
5. P.O. No. SCM 44/2021-22/2792 dated 22.07.2021 for 4Nos. 16MVA, 110/33kV Transformer.
6. Note No. FA/Tender III/108/21 dated 12.11.2021 of the Financial Adviser.
7. Note No. D(T&SO)/T 1/21-22/Material/1495 dated 04.03.2022 of the Director (T&SO).
8. Note No. D(T&SO)/T 1/23-24/Material/Trfr/TELK/305 dated 20.06.2023 of the Director (T&SO).
9. Note No. FA/Tender III/80/2023 dated 14.08.2023 of the Financial Adviser.
10. Note No. SCM/XT/AEE7/122/2020-21/20MVA/TELK(19) dated 16.09.2023 of the Deputy Chief Engineer (SCM) in charge.(Agenda No 18-10/2023)

ORDER

Purchase Orders read as 1st to 5th were placed by the Chief Engineer (SCM) with M/s. TELK for the supply of Power Transformers of various ratings, during the period from February to July 2021. For all the above orders, the firm could not supply the transformers within the delivery schedule as per PO. Hence price variation was denied and penalty was imposed as per PO conditions. The firm requested to consider the situation as a Force Majeure condition due to Covid-19 and to extend the delivery period of all the above purchase orders, without

penalty and allow price variation for the supplies.

The details of the Purchase Orders are as follows.

Purchase Order No.	Transformer rating	Qty (Nos.)	Scheduled delivery as per PO	Last date of Delivery at site
SCM. 99/2020-21/ 8072 dtd.12.02.21	25 MVA, 110/33kV	4	12.08.2021	11.05.2022
SCM. 93/2020-21/ 6313 dtd 02.02.21	20 MVA, 110/11kV	7	02.09.2021	13.09.2022
SCM. 100/2020-21/ 8132 dtd 17.02.2021	16 MVA, 110/33 kV	3	17.07.2021	28.02.2022
SCM.44/2021-22/ 2792 dtd 22.07.2021	16 MVA, 110/33kV	4	22.02.2022	25.09.2023
SCM.08/2021-22/ 833 dtd 07.05.2021	12.5MVA, 110/11 kV	30	07.07.2022	Supply not completed.

As per existing Purchase Order condition, if supply is made after the scheduled delivery period, the price applicable will be the lowest of the following three prices:

1. Basic price as per Purchase Order.
2. Updated basic Price as per IEEMA Price Variation as on the Scheduled date of delivery.
3. Updated basic Price as per IEEMA Price Variation as on the actual date (same as offer date) of delivery.

The Deputy Chief Engineer (SCM) in charge has reported as per note read as 10th above as follows:

- The Purchase Orders are issued on variable price basis. The firm is eligible for price variation if they had completed the supplies as per schedule delivery period. The firm has claimed that due to the upsurge of Covid-19 pandemic and subsequent lockdown imposed by the Government of Kerala, and in all other parts of the country, the firm could not supply the materials as per scheduled delivery period.
- IEEMA Price Variation Clauses are used in settling claims between purchaser and supplier for variation in the basic price of raw materials from the period of tendering till the date of delivery. For delay in delivery, penalty may be

imposed, as in the case of fixed price contract.

- M/s TELK has furnished copies of tender documents/ POs of other power utilities of India in support of their grievances. As per the terms of PO, in case of delayed delivery, KSEBL imposes penalty and denies positive price variation. Other utilities like APTRANSCO, PGCIL, MPPTCL, CSPGCL, WBSETCL, NTPC etc. will deduct penalty only, in case of delayed delivery and admit the Price Variation, as it is treated as part of the cost of transformer.

As per the Office memorandum dated 19.02.2020 of Government of India- Ministry of Finance, it is clarified that Covid-19 should be considered as a case of natural calamity and FMC may be invoked, wherever considered appropriate following due procedure. Also as per the Office memorandum dated 13.05.2020 of Government of India- Ministry of Finance, it is mentioned that date for completion of contractual obligations which had to be completed on or after 20th February 2020 shall stand extended for a period not less than three months and not more than six months without imposition of any cost or penalty on the contractor.

Various ratings of Power transformers supplied by M/s. TELK are in service in various stations of KSEBL for more than 25 years, without any major complaints. Also considering the long standing business relations with M/s.TELK, which is a PSU under Government of Kerala, the Deputy Chief Engineer (SCM) in charge recommended to extend Delivery period up-to actual delivery date, with price variation as per IEEMA as on scheduled delivery period as per PO, scheduled delivery period as per amendment or actual delivery period, whichever is lower, for the Purchase Orders read as 1st to 5th issued to M/s.TELK. It is also to be decided whether the penalty waiver is to be given only for six months of delay, as per the Office memorandum dated 13.05.2020 or for the entire period of delay, as requested by M/s. TELK.

The matter was placed before the Full Time Directors as per note read as 10th above. Having considered the matter in detail, the Full Time Directors through circulation

RESOLVED TO accord sanction to extend the delivery period for the Power transformers supplied against the Purchase Orders read as 1st to 5th for the supply of various ratings of Power Transformers, placed with M/s. TELK, up to the actual delivery date, with price variation calculated as on scheduled delivery period as per PO, scheduled delivery period as per amendment or actual delivery period, whichever is lower, and penalty waiver upto six months from the date of scheduled delivery as per PO, based on force majeure conditions, on account of COVID-19 pandemic.

Resolved also to authorize the Chief Engineer (SCM) to issue necessary amendment in the Purchase Orders already issued.

Orders are issued accordingly.

By Order of the
Full Time Directors

Sd/-
LEKHA G

Company Secretary

To:

The Chief Engineer(SCM)

Copy to: All Chief Engineers/ Financial Advisor/ LA&DEO/ Chief Internal Auditor/ Company Secretary

The TA to the Chairman & Managing Director / Director (Generation-Civil) / Director (Distribution, Safety, SCM & IT) / Director (Transmission, SO & Planning)/ Director (Generation - Electrical, REES, SOURA, Sports & Welfare)


The PA to the Director (Finance & HRM)

The Sr.CA to the Secretary (Administration)

The RAO/ RAO

Stock File.

Forwarded / By Order



Assistant Engineer