



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated Under the Companies Act, 1956)

Corporate Identity No.U40100KL2011SGCO27424

Registered Office:Vydyuthi Bhavanam, Pattom, Thiruvananthapuram-  
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### Abstract

Supply of 11kV, 400Amp. AB Switches under rate contract basis for one year from Registered Vendors – Bank Guarantee - Sanctioned – Orders issued.

### Corporate Office (Supply Chain Management)

B.O.(FTD)No.722/2020 (SCM/XH-AEE3/eP.44/2019-20/AB Switch) Dated, Trivandrum 30/11/2020

Read:-

- 1) Bid No.KSEB/SCM/eP.44/2019-20 dated 25/02/2020.
- 2) LOA No.SCM(RC).25/2020-21 dated 19/10/2020 issued to M/s.UEI.
- 3) Letter No.Sales/KSEB/1037/2020-21 dated 28/10/2020 of M/s.UEI.
- 4) Remarks No.FA/Tender/SS/43/2020 dated 13/11/2020 of the Financial Adviser
- 5) Note No. SCM/XH-AEE3/eP.44/2019-20/AB Switch/4446 dated 17/11/2020 of the Deputy Chief Engineer (SCM) in charge (Agenda Item No.80/11/20).

### ORDER

LOA read as 2 above has been issued to M/s. United Electrical Industries Limited for the supply of 3662 sets of 11kV 400A AB Switches (Composite Polymer) on rate contract for one year with purchase value of Rs.6,11,77,372/- (@ Rs.16706 per Set).

As per the conditions of LOA, the Rate Contract agreement shall be executed by the Vendor within 15 days from the date of placement of LOA with the Chief Engineer (SCM) after furnishing Security Deposit for an amount equivalent to 2.5% of the value of the contract (i.e., Rs.15,29,500/-). On execution of rate contract agreement the Purchase Order will be issued by the Chief Engineer's of Distribution Regions. The supplier has to execute separate Purchase Order agreement with the Purchasing Officer (Regional Chief Engineers) along with 2.5% of the total contract value as Security Deposit within 15 days from the date of placing of detailed Purchase Order.

The firm M/s.United Electrical Industries Limited as per letter read as 3<sup>rd</sup> above has informed that they had already furnished a Bank Guarantee No.7005417BG0000018 dated 16/11/2017 worth Rs.50,00,000/- against their three Purchase Orders issued by KSEBL against Tender No.eP.10/2017-18 dated 05/05/2017. In addition to the above the same was extended against for Purchase Order No.SCM.130/2018-19/6068 dated 12/11/2018 and for a repeat order SCM.121/2019-20/7109 dated 28/12/2019.

The Guarantee Period of AB Switches supplied against the Purchase Order No.SCM.118/DDUGJY/2017-18/4718 dated 07/11/2017 has been over by 05/07/2020 and the Guarantee against Purchase Order No.SCM.119/IPDS/2017-18/4719 dated 07/11/2017

will be completed by 24/12/2020. They have requested to consider the existing B.G. No.7005417BG0000018 dated 16/11/2017 worth Rs.50,00,000/-for the Letter of Award No. SCM(RC)25/2020-21 dated 19.10.2020, so that they can use the fund needed for BG to purchase of raw materials.

As per the G.O(Rt) No.174/2017/PD dated Thiruvananthapuram 10/05/2017, Corporate Guarantee will suffice for Performance Bank Guarantee and Security Deposit for the State PSUs with positive network. For PSUs with negative net worth as per audited balance sheet, 5% of the order value, limited to a maximum of Rs.50 Lakhs per order, will be the norm.

As per the Proceedings of the Purchase Committee vide SCM/TA.41/PC/16-17/4607 dated 09/11/2016 it was decided to insist State PSUs (KEL, TELK, TRACO, SILK, UEI and KELTRON) with negative net worth to furnish Bank Guarantee towards Security Deposit and Performance Bank Guarantee limited to a ceiling of Rs.50 Lakhs in each contract.

During 2017-18 three Purchase Orders have been placed with M/s.United Electrical Industries Limited vide P.O.Nos.116,118 & 119/2017-18 dated 04/11/2017 & 07/11/2017 for the supply of 14,050 Nos. of 11kV, 400A AB Switch for normal DDUGJY and IPDS for an amount of Rs.14,37,94,249/-, Rs.2,74,92,885/- and Rs.3,50,56,365/- respectively.

Considering the true spirit of the Government Order G.O(Rt)No.174/ 2017/PD dated 10/05/2017, KSEBL as per B.O(CMD)No.3024/ 2017(SCM/XR/AEE1/SCM.116) dated 04/12/2017 has accorded sanction to M/s.United Electrical Industries Limited to execute the agreement with a single Bank Guarantee of Rs.50,00,000/- (Rupees Fifty Lakhs only) in lieu of Security Deposit instead of three separate Bank Guarantees for three Purchase Orders placed against the tender.

During 2018-19 & 2019-20, 2 more Purchase Orders P.O.No.SCM.130/2018-19 dated 12/11/2018 (Purchase Value Rs.22,97,87,750/-) and additional P.O.No. SCM.121/ 2019-20/7109 dated 28/12/2019 (Purchase value Rs.5,74,38,760/-) were issued to the firm, M/s.United Electrical Industries Limited. As per B.O.(FTD)No.1984/2018 dated 10/12/2018, the Bank Guarantee No.7005417BG0000018 dated 16/11/2017 for Rs.50 Lakh has been considered as Security Deposit against the two Purchase Orders.

The Financial Adviser as per note read as 4<sup>th</sup> above has remarked that the request of the firm may be considered as a special case considering M/s.UEI being a Government of Kerala undertaking Company. It is also informed to ensure the validity of the Bank Guarantee covers the guarantee period specified in the latest Purchase Orders.

The matter was placed before the Full Time Directors as per Note read as 5<sup>th</sup> above for decision.

Having considered the matter in detail, the Full Time Directors in the meeting held on 20/11/2020, resolved to accord sanction to consider the existing Bank Guarantee (B.G.No.7005417BG0000018 dated 16/11/2017 for an amount of Rs.50 Lakhs valid upto 31/12/2023) already furnished by M/s.United Electrical Industries Limited against the last five Purchase Orders for 2.5% Security Deposit amount for the new contract vide Letter of

Award No. SCM(RC)25/2020-21 dated 19/10/2020 for the execution of rate contract agreement subject to condition that they shall extend the Bank Guarantee validity upto December 2024 covering the entire warranty period of the item to be supplied against the rate contract Purchase Orders with respect to the Letter of Award dated 19/10/2020. Also give an amendment on Bank Guarantee submitted by the firm accordingly covering the contractual period.

Orders are issued accordingly.

**BY ORDER OF THE FULL TIME DIRECTORS**

Sd/-  
(Lekha.G)

**Company Secretary in charge**


To

The Deputy Chief Engineer (SCM) in charge

Copy to:-

- ◆ The Legal Advisor & Disciplinary Enquiry Officer.
- ◆ The Deputy Chief Engineer (IT), KSEB Limited.
- ◆ TA to Chairman & Managing Director/ Director (Distribution, IT & HRM)/  
Director (G-E & SCM)/ Director (Transmission & System Operation)/ Director  
( Generation-Civil)/Director (Planning, Safety & REES)
- ◆ PA to Director (Finance)/Senior C.A. to Secretary(Administration)
- ◆ The Fair Copy Superintendent, Board Secretariat
- ◆ The Library, KSEB Limited/Stock file.

Forwarded/ By Order

  
Assistant Executive Engineer