



KERALA STATE ELECTRICITY BOARD LIMITED

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

Corporate Identity No.U40100KL2011SGCO27424

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ABSTRACT

Supply, Installation, Testing, Networking and Commissioning of Computer Systems and Accessories (warranty for 3 years and continued AMC for the next 3 years) at various offices of K.S.E.B Ltd – Recovery of liability – Sanction accorded – Orders issued.

Corporate Office (Supply Chain Management)

B.O (FTD) No. 530/2020 (No. SCM/XH/AEEIII/ HCL (114/ 2009-10)/2020 – 21 Dated Tvpm 18/08/2020

- Read:- 1) P.O.No.TCM.114/2009-10/4198 dated 30/10/2009 issued to M/s.HCL Infosystems Limited.
- 2) P.O. No.TCM.65/2010-11/2966/ dated 05/08/2010 issued to M/s.HCL Infosystems Limited.
- 3) Minutes of the Purchase Committee meetings held on 06.05.2013,31.07.2013, 30.05.2016.
- 4) Remarks No.WAD/FA1/HCL2/2019-20/293 dated: 10.01.2020 of the Chief Internal Auditor.
- 5) Note No:TA31/TCM.114/2009-10/2025 dated 21.07.2020 of the Chief Engineer (SCM) (Agenda No. 52/7/20)

ORDER

The Purchase Orders read as 1st and 2nd were placed with M/s.HCL Infosystems Limited for the Supply, Installation, Testing and Commissioning of computer systems and accessories (warranty for three years and continued AMC for the next three years) at various offices of KSEBL for a total Purchase value of Rs.2,59,19,072/-, Rs.6,01,114/- and AMC value of Rs.2,55,043/- Rs.58,609/-respectively. The firm had supplied all the items as per the above orders. But the firm failed to rectify the complaints reported by the consignees in the stipulated time as per Purchase Order.

After the expiry of the warranty period, the firm was requested to execute AMC agreement. As per the reports received from field offices it was found that the firm hadn't executed AMC agreement with ARUs. There after the firm requested to execute the AMC Centrally with provision for incorporation of upper cap for penalty calculation on the AMC agreement. Later, the Purchase Committee dated: 06.05.2013 decided

- 1) to execute AMC agreement Centrally by Chief Engineer (SCM) for all the purchase orders with M/s. HCL Infosystems Limited.
- 2) to constitute an External Committee in consultation with IT wing of KSEB Board by including officials from CDAC and NIC to study all the issues related to the purchase orders with M/s. HCL Infosystems Limited and to forward the recommendation to the Purchase Committee.
- 3) to release payments in respect of AMC as per P O conditions from the respective ARUs.

Based on the request of the firm, the Purchase Committee meeting held on 31/07/2013 decided to execute AMC agreement by adding the following conditions in addition to the existing format.

- 1) The maximum AMC penalty amount may be limited to 10% of the AMC contract value.
- 2) The maximum penalty for a particular equipment shall not exceed the AMC value of the equipment.
- 3) The maximum acceptable downtime of each of the items covered under the contract may be enhanced from 4 hours to 48 hours (2 working days including complaint reporting and attending days).

Accordingly the firm had executed the AMC agreement Centrally after including the inclusion/ modification of clauses as above.

As decided by the Purchase Committee meeting held on 06/05/2013, the expert committee was constituted in consultation with the IT wing of KSEBL by including officials from CDAC and NIC to study all issues related to the Purchase Orders with M/s.HCL Infosystems issued by the KSEBL. As per the recommendations of the expert committee report dated 14/3/2016, the Purchase Committee meeting held on 30.05.2016 discussed the matter in detail and decided the following.

- 1) To limit the down time penalty during entire 3 years warranty period to 10% of total purchase value.
- 2) To recover 100% AMC amount if AMC is not done by the firm during the AMC period with respect to the Purchase Orders issued to M/s.HCL Infosystems Ltd.
- 3) To incorporate the following points in future tenders of computer procurement in KSEBL.
 - a) To limit the down time penalty during entire 3 years warranty period to 10% of total purchase value (value of Performance guarantee).
 - b) The maximum AMC penalty amount may be limited to 100% of the AMC contract value.
 - c) Quarterly payment may be introduced instead of yearly payment.
 - d) Clauses for preventive maintenance and penalty for not doing preventive maintenance may be excluded in future tenders.

Accordingly the paying authorities/all ARU heads were requested to report the down time penalty details during the warranty and AMC period. The consolidated liability for the Purchase Order read as 1st and 2nd paper is Rs. 32,21,212.38/-(including 18%GST). The Bank Guarantees kept with KSEBL against the Purchase Orders are as follows.

Sl No	Purchase Order No.	Security Deposit (Rs.)	Performance Bank Guarantee (Rs.)	Total BG Amount (Rs.)
1	TCM.114/2009-10/4198 dated 30/10/2009	12,96,000	25,91,907	38,87,907
2	TCM.65/2010-11/2966/ dated 05/08/2010.	30,100	60,111	90,211

Having examined the matter in detail, the Full Time Directors, in its meeting held on 21.07.2020 resolved to accord sanction to issue notice to M/s.HCL Infosystems Limited to remit the liability amounting to Rs.32,21,212/- (Rupees Thirty Two Lakh Twenty One Thousand Two Hundred And Twelve only). Further resolved that if the firm is not remitting the liability the same shall be recovered by encashing the Bank Guarantees for Rs.12,96,000/- and Rs.25,91,907/- in lieu of Security Deposit and Performance Bank Guarantees furnished against the Purchase Order No.TCM.114/2009-10/4198 dated 30/10/2009 and to release the balance amount and also other Bank Guarantees in lieu of Security Deposit and Performance Bank Guarantee of Rs.30,100/- and Rs.60,111/- against the Purchase Order No. TCM.65/2010-11/2966/ dated 05/08/2010.

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:-

- 1) TA to the Chairman & Managing Director / Director (D, IT & HRM)/Director (T, SO & REES) / Director (GE& SCM) / Director (Generation Civil)
- 2) The Legal Advisor & Disciplinary Enquiry Officer.
- 3) The Deputy Chief Engineer (IT),
- 4) PA to Director(Finance) / Company Secretary//
- 5) The Fair Copy Superintendent, Board Secretariat.

Forwarded / By Order,



Assistant Executive Engineer