



**FOURTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2016-2019)**

**FORTY SECOND REPORT**  
(Presented on <sup>23<sup>rd</sup></sup> 22<sup>nd</sup> May, 2017)

**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM**

2017

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE  
ON  
PUBLIC UNDERTAKINGS  
(2016-2019)**

**FORTY SECOND REPORT**

**On**

**The action taken by Government on the Recommendations contained  
in the Ninety Fourth Report of the Committee on Public  
Undertakings (2014-2016) relating to Kerala State Textile  
Corporation Limited, based on the Report of the  
Comptroller and Auditor General of India for the  
year ended 31 March, 2011 (Commercial)**

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**COMMITTEE ON PUBLIC UNDERTAKINGS (2016-2019)**

**COMPOSITION OF THE COMMITTEE**

*Chairman :*

Shri C. Divakaran.

*Members :*

Shri T. A. Ahammed Kabeer

Shri K. B. Ganesh Kumar

Shri C. Krishnan

Shri S. Rajendran

Shri Thiruvanchoor Radhakrishnan

Shri P. T. A. Rahim

Shri Raju Abraham

Shri Sunny Joseph

Shri C. F. Thomas

Shri P. Unni.

*Legislature Secretariat :*

Shri V. K. Babu Prakash, Secretary

Smt. P. K. Giriya, Additional Secretary

Shri P. B. Suresh Kumar, Deputy Secretary

Smt. Deepa V., Under Secretary.

## INTRODUCTION

I. the Chairman, Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Forty Second Report on the Action Taken by Government on the Recommendations contained in the Ninety Fourth Report, of the Committee on Public Undertakings (2014-2016) relating to the Kerala State Textile Corporations Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2011 (Commercial) under Industries Department.

This Report was considered and approved by the Committee at its meeting held on 2-5-2017.

The Committee place on record its appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala during the examination of the Action Taken Statement included in this Report.

Thiruvananthapuram,  
2nd may, 2017.

C. DIVAKARAN,  
*Chairman,*  
*Committee on Public Undertakings.*

## REPORT

This report deals with the action taken by Government on the recommendations contained in the Ninety Fourth report of the Committee on Public Undertakings (2014-2016) relating to Kerala State Textile Corporation Limited based on the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2011 (Commercial).

The Ninety Fourth Report of the Committee on Public Undertakings (2014-2016) was presented to the House on 27th July, 2015. The Report contained 2 recommendations in Para numbers 4 and 5 relating to Kerala State Textile Corporations Limited and the Government furnished Action Taken Statements to both of them. The Committee (2014-2016) considered the Action Taken Statements furnished by the Government at its meeting held on 30-11-2016 and accepted them without remarks.

**REPLIES FURNISHED BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE  
WHICH HAVE BEEN ACCEPTED BY THE COMMITTEE**

Sl. No.	Para No.	Department Concerned	Conclusions/Recommendations	Action Taken by Government
1	2	3	4	5
1	4	Industries	<p>The Committee finds that the Company sustained a loss of ₹5.23 crore owing to the non acceptance of lowest offer. The Committee commented that the Corporation violated the entire tender procedures by the opening of price bids without evaluating the prescribed technical feasibility. The Committee suspects whether any malafide intention was there from the part of the officials of the Company to open the price bids of all tenderers instead of opening the price bids of only those who were technically qualified. The Committee points out that if specification of machinery was incorporated in the tender form itself, loss of ₹5.23 crore could have been avoided.</p>	<p>While purchasing the machineries for the new projects, the Company considered manufacturers/suppliers capable of supplying new generation machines within a short span than the lowest price. The Company also considered the factors like balancing/ synchronization with other machinery, availability of spares and service, low pollution, electricity consumption and maintenance cost, while purchasing the machines. It is submitted that the notional loss of ₹5.23 crore pointed out by the Committee is the comparative value of high quality new generation machines with lowest quotation. In certain quotations the suppliers/manufacturers included certain details, which should be included in the technical bid, in the price bid.</p>

				So the Company was compelled to open a ) the price bids. The Company had not compromised in the quality of the machines. The machineries thus purchased for Malabar Spinning and Weaving Mill are functioning smoothly. During the Vigilance enquiry it is observed that no compromise was seen made in the quality of the machines.
2	5	Industries	The Committee grieved to know that machineries purchased for the imple- mentation of a scheme for the revival and the formation of spinning and weaving mills was not fruitfully used by the Company and hence the project was not implemented as envisioned. The Committee suggested that as vigilance enquiry in this regard is already in process, the Committee would wait for the findings of the Vigilance enquiry and like to get a detailed report on the following:	
			1. Name and qualification of the Sub committee member who had technical knowledge about the machinery.	Sri P.Nandakumar (Former Chairman of the Kerala State Textile Corporation), Sri M. Ganesh(Managing Director, Kerala



				State Textile Corporation), Sri P.A. Eesak [former Additional Secretary to Government (Industries Department)] were the members of the sub-committee formed for the purchase of machineries for the revival of mills. Out of these 3 members, Sri M. Ganesh has B.Tech. in Textile Technology and MBA and has 23 years technical experience in Textile Technology. He has got award of Government of Kerala in emerging Corporation leadership in 2010.
			2. Terms and conditions specified in the tender notice, the number of offers received and the details of offers that satisfy the terms and conditions.	The details are enclosed as Annexures I & II.
			3. The details of Vigilance enquiry against the Managing Director during the time and its present position	Vigilance enquiry was completed and report has been received in Government. The recommendations of Vigilance Department are enclosed as Annexure - 3. Vigilance Department has already initiated enquiry on recommendation No.1. Direction was issued

				<p>to the Managing Director, Kerala State Textile Corporation for complying recommendations Nos 2, 3, 4, 5, 7 of the Vigilance enquiry report. The Managing Director, Kerala State Textile Corporation has already submitted compliance report. Based on the recommendation No.6, direction was already issued to the Managing Director, Kerala State Textile Corporation to take urgent steps to terminate Sri Bevin Raju, General Manager (Technical), Kerala State Textile Corporation. Sri Bevin Raju filed WP(C) No.2536/16 against the direction of Government.</p>
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Thiruvananthapuram,  
2nd May, 2017.

C. DIVAKARAN,  
*Chairman,*  
*Committee on Public Undertakings.*

## ANNEXURE I

## GENERAL CONDITIONS OF CONTRACT

- 4.01.00 in the contract (as hereinafter defined) the following words and expressions shall have the meaning hereby assigned to them except where the contract otherwise requires.
- 4.01.01 The Client shall mean Kerala State Textile Corporation Limited or their officers or representatives duly authorized to deal with any matter regarding this work on its behalf.
- 4.01.02 The "Contractor" or "Supplier" shall mean person or persons, firm or company whose tender has been accepted by Kerala State Textile Corporation Limited and includes the contractor's legal representatives, successors and permitted assigns.
- 4.01.03 Bidder/ Bidder shall mean person, firm or corporation who has submitted a tender against invitation to tender and shall include his legal representatives, successors and assignees.
- 4.01.04 "Tender" shall mean the tender submitted by the contractor for acceptance by Kerala State Textile Corporation Limited
- 4.01.05 The "work" shall mean and include all works to be executed in accordance with the contract or part hereof as the case may be and shall include all extras, additional, altered or substituted works required for the purpose of the contract.
- 4.01.06 The "Contract" shall mean the agreement between Trivandrum Spinning Mills Limited and the contractor for the execution of the work including therein all documents such as the invitation to tender, Tender Form, conditions of contract, specification, schedule of quantities, special conditions letter of acceptance, Agreed variation if any, drawings, work orders, and / or any other / correspondences or negotiations, etc.
- 4.01.07 "Specifications" shall mean all directions, various technical specifications, provisions and requirements attached to the contract which pertain to the method and manner of performing the work, and the materials to be furnished under the contract for the work as may be amplified or modified by Consultants, drawings for the performance of the contract in order to provide the unforeseen conditions or in the best interest of the work. It shall also include the latest revised version of the relevant B.I.S. specification and other relevant codes.
- 4.01.08 "Site" shall mean the land allotted by Kerala State Textile Corporation Limited under in or through which the work is to be carried out.
- 4.01.09 "Letter of Acceptance" shall mean an intimation by registered letter, telex or fax to the bidder that the tender has been accepted in accordance with the provisions contained therein.
- 4.01.10 "Engineer" shall mean the Engineer representing Kerala State Textile Corporation Limited and entrusted with the supervision of work.
- 4.01.11 "Contract Price" shall mean the total sum referred to in the schedule of quantities and rates and accepted by Kerala State Textile Corporation Limited included in the contract agreement.
- 4.01.12 BIS means Bureau of Indian Standards.

- 4.02.00 **SITE**
- 4.02.01 The site for the project is the land owned by 22
- 4.02.02 Entry into the project area will be restricted. Passes and permits will have to be obtained from CLIENT for entry of all persons and vehicles into the project area.
- 4.03.00 **SCOPE OF WORK**
- 4.03.01 The work essentially consists of the following: Design, manufacture, inspection, testing, packing, transportation and delivery of Textile machinery and all required spares and accessories at 22
02. Supplier shall provide all commissioning spares for erection and commissioning of the plant at their cost.
03. Supplier shall provide necessary supervision for erection and commissioning of the plant/equipment at site.
04. Supplier shall submit the list of spares for 2 years with rate in a separate cover along with technical bid.
- 4.03.02 The scope of work further includes execution of variation in design or quantity or quality of work, addition, omissions or substitution of any work, under the instruction of the 22. Such instructions shall be compiled forthwith.
- 4.04.00 **ASSIGNMENT AND SUB-CONTRACTING**
- 4.04.01 **ASSIGNMENT**
- The contractor shall not assign the contract or any part thereof or any benefit or interest therein or there under without the written permission of the 22.05.00
- DRAWING**
- 4.05.01 **CONTRACTOR'S DRAWINGS**
- The Contractor shall submit detailed data sheet of equipment with specification, leaflet, catalogue, drawing, etc. duly signed by the manufacturer and contractor and got approved from 22 before fabrication and supply.
- 4.05.02 **OPERATING MANUAL**
- In addition to drawings specified as above, the Contractor shall supply four (4) copies of the operating manual containing drawings with descriptive data of the equipment complete instructions of installation, adjustment, operation and maintenance of the equipment and parts catalogues supplied in the set.

**4.05.03 EXECUTION AS PER DRAWINGS**

The Contractor must not vary or deviate from the drawings in any respect while executing the work or executing any extra work of any kind whatsoever unless authorized by the "CLIENT".

**4.05.04 ROYALTIES AND PATENT RIGHTS**

All royalties or other sums payable in respect of the supply and use in carrying out the work as desired by or referred to in the schedule of quantities of any patented articles, process or inventions shall be deemed to have been included in the contract sum and the Contractor shall indemnify the "CLIENT" from and against all claims, proceedings, damages, costs and expenses which may be brought or made against the "CLIENT" or to which he may be put by reason of the Contractor infringing or being held to have infringed any patent rights in relation to any such articles, process and inventions.

**4.06.00 GENERAL OBLIGATIONS**

The tender shall remain open for acceptance for a period of 90 days from the date of submission of the tender.

**4.06.01 COMMENCEMENT OF WORK**

The Contractor shall commence the work from the date of letter of acceptance/work order.

**4.06.02 COMMUNICATIONS TO BE IN WRITING**

All references, communications, correspondences made by the "CLIENT" the Client's representative or the Contractor concerning the works shall be in writing and no reference, communication, or complaint which is not in writing, shall be recognized.

**4.06.03 SETTING OUT**

During setting out of the machines, necessary assistance/suggestions shall be provided by the Service Engineer of the Supplier.

**4.07.00 ACCIDENT OR INJURY TO WORKMEN**

The "CLIENT" shall not be liable for, in respect, of any damages or compensation payable as per regulations or in consequence of any accident or injury to any workmen or other person in the employment of the Contractor shall indemnify and keep indemnified the "CLIENT" against all such damages and compensation and against all claims, demands, proceedings costs, charges and expenses whatsoever in respect thereof or in relation thereto.

**4.08.00 MATERIAL TESTS AND WORKMANSHIP****4.08.01 QUALITY OF MATERIALS, WORKMANSHIP AND TESTS**

All materials and workmanship shall be of the respective kinds described in the contract and in accordance with the "CLIENT" or their representative's instructions and shall be subject, from time to time, to such tests as the Consultants or his representative may direct at the place or any of such places. The contractor shall provide such assistance instruments, machines, labour and materials, as are normally required for examining, measuring and

testing any work and the quality, weight or quantity of any material used and shall submit samples of materials before incorporation in the works for approval as may be required the Client

**4.08.02 COST OF TESTS**

The cost of making any test as per specifications shall be born by the Contractor, and the Contractor should arrange for all facilities like meters, instruments as required for carry out such tests.

**4.08.03 INSPECTION OF OPERATION**

The "CLIENT" or their representative shall at all times have access to the works and to the site and to all workshops and places where materials, manufactured articles or machines are being obtained for the works and the Contractor shall afford every facility and assistance in obtaining the right to such access.

**4.09.00 TIME OF COMPLETION AND TAKING OVER**

**4.09.01 TIME OF COMPLETION**

Time is deemed to be the essence of this contract and the whole of the work shall be completed within the time stipulated or within such extended time as has been allowed under Clause 4.09.02. The period of completion of the work is Two (2) months counting from the date of issue of Letter of Acceptance/Work Order.

**4.09.02 EXTENSION OF TIME OF COMPLETION**

Should the amount of extra or additional work of any kind or changes in scope of work or other special circumstances of any kind whatsoever which may occur, be such as fairly to justify the Contractor's request for extension of time for the completion of the work the Consultants shall determine the amount of such extension and with the approval of the "CLIENT" shall intimate the Contractor in writing provided that the Consultants is not bound to take into account any extra or additional work or other special circumstances unless the contractor has within 28 days, after such work has been commenced or such circumstances have arisen, submit to the Client full and detailed particulars of any request for the extension of time to which he may consider to be justified.

**4.9.03 PENALTY FOR DELAY**

If the contractor fails to complete the work within the period of completion as specified under clause 2.14 or within any extended time allowed, the contractor shall pay the CLIENT as penalty an amount equivalent to 1% of value of the unfinished work for every week of delay or part thereof subject to a maximum of 10% of contract value for the period during which the work shall remain unfinished as provided in clause 2.15. Such amounts may be deducted by the CLIENT from any money due or that may become due to the contractor.

**4.09.05 TAKING OVER**

After completion of work or any substantial part of the work before the completion of the whole of the work, the Contractor shall notify the Client in writing, who within 15 days of receipt of the said notice shall give such certificate with respect to any substantial part of the works which has been both completed to the satisfaction of the CLIENT or refuse to issue the same stating the reasons thereof in writing. When any such certificate is given in respect

of a part of the work, such part shall be considered as completed for the purpose of taking over and computation of the period of maintenance of such part. The work in whole or part shall not however, be treated as completed for the purpose of other relevant clauses.

#### 4.09.06 MAINTENANCE

For a period of twelve months commencing from the date of commissioning, the Contractor liability shall be to replace the defective parts, rectify/reconstruct the defective work that may develop of his own construction or those of his sub-contractor approved by the "CLIENT" arising solely from faulty materials or workmanship.

If it is necessary for the Contractor to rectify/reconstruct any defective portions of the work under the contract, the provision of this condition shall apply to the portions of work so replaced or renewed until the expiration of three months from the date of such replacement or renewal or until the end of the above mentioned period of twelve months, whichever may be later. If any defects be not remedied within a reasonable time the "CLIENT" may proceed to do the work at Contractor's risk and expense, but without prejudice to any other rights which the "CLIENT" may have against the Contractor in respect of such defects.

The Contractor shall bear the cost of such repair/rectification carried out on his behalf at site. Immediately upon expiry of the defect liability period, the CLIENT shall issue a final certificate indicating that the Contractor has completed his obligation under the contract.

#### 4.10.00 TERMINATION OF CONTRACT

- 4.10.01 If the Contractor has abandoned the contract or has failed to proceed with the work due to negligence or the progress on any particulars item, items being slow or has failed to execute the work in accordance with the terms and conditions of the contract, is persistently or frequently neglecting to carry out his obligation under the contract, then it shall be lawful for the "CLIENT" to terminate the contract forthwith under written notice and to proceed with the balance of the work through any other agency/agencies. During the course of execution of the job, in case the Contractor has done any substandard work, he shall be asked in writing to dismantle and redo the same at his own expenses. If the Contractor fails to comply with the above instructions immediately, then the "CLIENT" shall proceed with the above rectification work, through another agency or agencies. Similarly, if the Contractor goes slowly on any particulars item or items of work, the "CLIENT" shall have the right to execute this item or items through another agency or agencies, including its own department at Contractor's risk and cost.

4.10.02 **BACK CHARGING THE CONTRACTOR**

Extra cost and expenses incurred for completing the balance work or carrying out or rectification of any work as mentioned above through another agency or agencies including its own department, shall be debited to Contractor's account and shall be recovered from any money due or that may become due to the contractor without prejudice to any other remedy that may be available to the "CLIENT" in law. If there is any savings in cost due to re-arrangement or supplementing through other agencies the original contractor will not have any claim on this.

Date :

SIGNATURE OF THE BIDDER

Managing Director  
 Trivandrum Spinning Mills Limited  
 Regd. Office: 'Annappooma', Kochar Road, Sasthamangalam,  
 Thiruvananthapuram - 695010.

5.0 **SPECIAL CONDITIONS**5.1 **GENERAL**

All materials used for the work shall conform to the relevant BIS specification.

5.2 **TESTS FOR MATERIALS**

All routine tests as specified in technical specifications shall be carried out and the expenses for such tests will be borne by the Contractor.

The materials are in accordance with the specification for that material.

5.3 **LEAFLETS, DATA SHEETS, CATALOGUES, DRAWINGS, ETC.**

Contractor shall submit detailed data sheet of equipment with specification, leaflet, catalogue, drawings, etc. duly signed by the manufacturer & contractor and got approved from Trivandrum Spinning Mills Limited before supply.

5.4 **PAYMENT TERMS**

The terms of payment shall be as follows:

- 40% as interest free advance against a bank guarantee of equal amount valid up to commissioning.
- 60% against delivery or against Performa Invoice and 10% after successful commissioning of the machine.

5.5 **BANK GUARANTEE**

The bank guarantees shall be kept valid till the end of the maintenance period in case of the security deposit. In case of any delay in completion or extension of



period of Completion and subsequent extension of maintenance period the contractor shall keep the validity of the Bank guarantee extended to cover all such periods.

5.6 **RATE**

The rate quoted shall be inclusive of all like taxes, duties, Octroi, entry tax or any other similar imposed.

5.7 **OTHER CONDITIONS**

1. The work whether fully completed or incomplete all materials, machinery's, plants, tools etc. shall remain on the risk and in the sole charge of the contractor until the complete work has been delivered to the owner and till completion certificate has been issued by Trivandrum Spinning Mills Limited.
2. All the items of the work are to be executed as per relevant I.S. specifications.
3. The Contractor has to agree and strictly abide to all the conditions stipulated in the tender and any offer with deviation or request for deviation are liable to be rejected.
4. On completion of works, the Contractor, shall submit four prints of "As Built" drawing to the Unit-in-charge before submission of final bill

Managing Director-23-  
"Annapoorna", Kocher Road, Sasthamangalam,  
Thiruvananthapuram - 695010

## TECHNICAL SPECIFICATION

### 6.0 SCOPE

- 6.01 This specification covers design, manufacture, inspection, testing, pack transportation and delivery Of Textile machinery at the said Units of Kanak Textile Corporation Limited
- 6.02 Supplier shall provide all commissioning spares for erection and commissioning the equipment at their cost.
- 6.03 Supplier shall provide supervision for erection/commissioning of the plant/equipm: at site. Supplier shall arrange an experienced Service Engineer for erection a commissioning activities.
- 6.04 Supplier shall submit the list of spares for 2 years with rate in a separate cover along with technical bid.

### 6.1 STANDARDS

- 6.1.1 The design, manufacture, identification of material and testing of the equipment covered in this specification shall comply with the latest editions of the appropriate standard.
- 6.1.2 Unless mentioned otherwise, all applicable codes and standards in their latest editions as published by the Bureau of Indian Standards and all such other as may be published by them during the tenure of the contract shall govern in respect of design, workmanship and properties of materials and methods of testing. In cases where suitable Indian Standards are not available, generally accepted codes and practices shall be adopted.
- 6.1.3 In cases where the offer deviates from the specified standards, the tenderer shall indicate clearly in his offer the standards proposed to be adopted b him and the details thereof.

### 6.2 BATTERY LIMIT

#### 6.2.1 Civil

Foundation work for equipment is not included in the scope of work. However all necessary data and required drawings for foundation shall be submitted by the supplier along with the drawing of the equipment.

**6.2.2 Electrical**

All necessary motor starters and control gears as required shall be included within the suppliers panel. All necessary interconnecting cables shall be included in the scope of the supplier.

All electrical equipment shall be meeting the relevant latest codes & standards and rules & regulations of the Kerala State Electrical Inspectorate.

**6.2.3 Piping**

All interconnecting piping and instrumentation between various components of equipment shall be included in the scope of supplier.

**6.3 TECHNICAL REQUIREMENTS**

Suppliers should follow the "Specification and Schedule of Quantities for equipment" which form part of this tender.

**6.4 MATERIAL**

Material not specified shall be as per manufacturer's standard for the specified operating conditions, subject to purchaser's approval.

**6.5 DESIGN AND CONSTRUCTION**

The equipment shall be designed to handle the materials indicated on the attached specification sheets.

**6.6 DRAWINGS**

General arrangement drawings indicating frame size mounting details, foundations, terminal box drawings etc. shall be forwarded to -23- for approval prior to manufacture.

**6.7 PAINTING & SHIPMENT**

6.7.1 Paint shall be applied in accordance with manufacturer's recommendations as supplemented by this specification. The work shall generally as per relevant IS.

6.7.2 All projected parts of the equipment shall be properly protected to avoid damage during transit.

6.7.3 No shipment shall be made unless clear dispatch instructions are obtained from CLIENT's representative.

**6.8 TECHNICAL DATA TO BE SUBMITTED WITH THE BID**

The tenderer shall submit all catalogues, leaflets, detailed technical specifications, data sheets, etc. for the equipment/machines. Drawings showing all the design, operational and maintenance features, major dimensions, details of foundations, control system, Inter connecting piping and instrumentation, etc. shall be submitted along with the offer. Technical data for individual pieces of equipment in addition to details of all equipment within the scope of work shall be submitted along with the tender.

**6.9 INSPECTION AND TESTING**

- The unit will be inspected at Supplier's premises and the Supplier shall carry out any change or modifications as pointed out by the KIAP/KITCO during inspection, at no extra cost. The Supplier shall despatch the equipment only after obtaining clearance from Trivandrum Spinning Mills Limited.
- 6.9.1 The manufacturer shall conduct all tests required to ensure that the equipments supplied conform to the requirements of the applicable codes. All tests and test procedures proposed by the manufacturer shall be submitted to Client for his approval. The Client's representative shall be given full access to the shop in which the equipment is being manufactured or tested. Client shall be notified well in advance the schedule of fabrication and major tests for the purpose of general inspection and witnessing the tests.
- 6.9.2 The test certificates shall be made available to the Client/Client representative. In case of non-availability of test certificates, material shall be tested by the Supplier at his own cost, to establish the conformance of the relative standards.
- 6.9.3 The quality of fabrication work and welding shall be of the highest order. All welded joints shall be well finished and in accordance with the requirements of Indian Standards.
- 6.9.4 Steel fabricated equipments shall be subjected to the following tests:
- 6.9.5 Visual inspection – for general workmanship and welding. For lined equipments, the internal weld finish etc. shall be suitable for lining.
- 6.9.6 Dimensional check – all dimensions and nozzles shall be as per approved drawings.
- 6.9.7 Hydraulic Test for leakage – the equipment shall be filled with water and checked for leakage and all closed systems shall be pressure tested as per standards. Leakage will not be permitted.
- 6.10 **GUARANTEE**  
The under mentioned clause shall govern in case of any contrary provisions given elsewhere in this document.

**6.11 MANUFACTURER'S GUARANTEES**

The manufacturer's guarantee for design, workmanship and performance for all bought out items shall be made available to the owner and shall be valid at least for the entire defects liability period.

**6.12 PERFORMANCE GUARANTEE**

The supplier shall give guarantee for a period of one year from the date of successful commissioning for the total system against defective materials, workmanship and performance.

## 6.13 MECHANICAL GUARANTEES

The Contractor shall guarantee for a period of one year from the date of commissioning of any particular part of the equipment. In the event of failure of any particular part of the equipment more than three times during the guarantee period, it shall be replaced by the contractor. In case it is found that the above mentioned failure is due to some other connected part of the equipment, that part shall also be rectified or replaced by the contractor to avoid such failures in future. The guarantee for such replaced parts shall be extended by one year from the date of last replacement.

During trial runs as described above, the supplier shall satisfy the Unit-in-Charge in all respects regarding the satisfactory quality of materials, equipments and workmanship used in the plant. The guarantee period will start from the commissioning date.

## 6.14 TRAINING

During the erection and commissioning period the Supplier shall train the owner's operational staff without extra cost.

## DECLARATION

I/We have carefully read the above said instructions and shall comply with the same.

Signature of the Supplier/Manufacturer.

Place:

Date:

Managing Director  
Kerala State Textile Corporation Limited  
"Annapoorna",  
Kochur Road, Sasthamangalam,  
Thiruvananthapuram - 695010.

## ANNEXURE II

Table 11

**AUTO CONER for Malabar Spg. Mills**  
**Supplier: Savio India Limited, Pollachi**

Sl.No.	Particulars	Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
1.	Specification	60 spdis. With Uster Quantum-II	60 spdis. With Uster Quantum-II	64 spdis. With Uster Quantum-II	64 spdis. With Uster Quantum-II	72 spdis. With Uster Quantum-II	72 spdis. With Uster Quantum-II
2.	Basic Price per spdl.	EUR 2583.33 INR 1,46,216.48	EUR 2566.87 INR 1,45,273.52	EUR 2576.13 INR 1,45,922.16	EUR 2532.50 INR 1,45,037.5	EUR 2569.44 INR 1,45,430.36	EUR 2555.56 INR 1,44,644.70
3.	P & F	CIF Tuticorin	CIF Tuticorin	CIF Tuticorin	CIF Tuticorin	CIF Tuticorin	CIF Tuticorin
4.	Erection Charge INR	1886.67	Included	1562.50	Included	1388.89	Included
5.	Total	INR 1,47,883.15	INR 1,45,273.52	INR 1,47,484.66	INR 1,45,037.50	INR 1,46,819.19	INR 1,44,644.70

**AUTO CONER for Malabar Spg. Mills**  
**Supplier: Veejay Engineering Works Limited**

Sl.No.	Particulars	Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
1.	Specification	With Premier IQon Clearer	With Premier IQon Clearer	With Loepfe Zenit Clearer	With Loepfe Zenit Clearer	With Uster Qtm 2 Clearer	With Uster Qtm 2 Clearer
2.	Total Value per spindie including ED, Cess, CST and Insurance, With FFD (INR)	1,40,088.17	1,26,079.35	1,55,025.92	1,39,623.33	1,70,579.17	1,53,521.25
3.	Total Value per spindie including EU, Cess, CST and Insurance, With FFD (INR)	1,47,568.87	1,32,811.98	1,61,938.47	1,45,744.62	1,86,129.55	1,67,968.80
4.	Transportation (INR)	1333.33	1333.33	1333.33	1333.33	1333.33	1333.33

Table 12

## DOUBLER WINDER for Pinarayi &amp; Komalapuram

Sl. No.	Particulars	Pease Industrial Engineers Ltd., Coimbatore - 641 002					
		PPW A V1 Pinarayi		PPW A V1 Kerala Spinners		Versa -A-V1	
		Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
1.	Specification	2 X 72	-	2 X 63	-	2 X 120	-
2.	Total Price per Spdl., Including all taxes & duties, delivery at site Including erection INR	78,448.45	74,526.98	78,369.70	74,451.22	67,386.18	64,016.57

## DOUBLER WINDER for Pinarayi &amp; Kerala Spinners

Sl. No.	Particulars	Veejay Lakshmi Engineering Works Ltd., Coimbatore 641022			
		Random Assembly Winder		Precision Winder	
		Quoted	Negotiated	Quoted	Negotiated
1.	Specification	Veejay Lakshmi High Speed Random Assembly Winder with 60 drums	Veejay Lakshmi High Speed Random Assembly Winder with 60 drums	Veejay Lakshmi Propeller Winder	Veejay Lakshmi Propeller Winder
2.	Total Price per Spdl., Including all taxes & duties, delivery at site Excluding erection INR	33643.35	30,279.02	70,355.63 (Offered at the time of Tender opening)	63,319.98

Table 13

## T.F.O. for Komalapuram &amp; Pinaray

Sl. No.	Particulars	Name of Supplier									
		JC Tex-Mach Marketing Pvt. Ltd., Surat 395 002		Veejay Lakshmi Engineering Works Ltd. Coimbatore 641022				A.P.E. Enterprises Pvt. Ltd. Mumbai-400053		Aakash Textile Engineers UDHNA 394210.	
		Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
1	Specification	240 Spdis. Single Duck	240 Spdis. Single Duck	VJ-150M with 204 spdis.	VJ-150M with 204 spdis.	VJ-120M with 240 Spdis.	VJ-120M with 240 Spdis.	VTS-09-0-S-HE, 192 spdis.	VTS-09-0-S-HE, 192 spdis.	240 Spdis TFO Twister	240 Spdis TFO Twister
2	Basic Price/Spdl: INR	7100.00	6748.00	9975.54	8479.21	9521.00	8092.65	USD 210.00 INR 10,027.60	USD 210.00 INR 9,933.00	7851.00	7801.00
3	P & F INR	Nil	Nil	-	-	-	-	CHF at any Indian port	-	Inclusive	Inclusive
4	Excise Duty	Nil	Nil	997.56	847.92	952.10	809.26	-	-	Inclusive	Inclusive
5	Cess: INR	Nil	Nil	29.91	25.44	26.58	24.28	-	-	Inclusive	Inclusive
6	CST INR	142.00	134.90	220.05	187.05	210.03	178.53	-	-	Inclusive	Inclusive
7	Total	7242.00	6879.90	11,223.06	8539.62	10,711.69	9,104.94	USD 210.00 INR 10,027.60	USD 210.00 INR 9,933.00	7851.00	7801.00
8	Insurance INR	35.50	33.73	112.23	95.40	107.12	91.06	-	-	Inclusive	Inclusive
9	Transportation INR	Actual Extra	Actual Extra	98.04	98.04	98.04	98.04	-	-	Inclusive	Inclusive
10	Erection Charges INR	Included	Included	Included	Included	Included	Included	-	-	Inclusive	Inclusive



Table 14

**SECTIONAL WAPER FOR Komalanuram & Pinarayi**

Sl. No.	Particulars	Name Of Suppliers/Manufacturers					
		A.T.E. Enterprises Pvt. Ltd Mumbai-400053		Essam Marketing Services/Reharg Industries, Ahmedabad-382415		Prashanth Gematex Pvt. Ltd. Ahmedbad -382 445	
		Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
1.	Specification	Ergotec 2200/1000 GW-SP 600 Incl. accessories	-	Servomatic-VM 108, Truck Type Cone Creel Model VM 203wit Waxing Device	Pitch 320X320 Ends 640	Model ESP- 518 working width 2200 mm Creel GBR, Pitch 240X240 no.of ends 672	Pitch 320X320 Ends 660
2.	Basic Price	EURO 2,25,350 (INR 1,27,54,810 approx.)	EURO 2,20,000 (INR 1,24,52,000 approx.)	INR 70,65,000	-	INR 59,32,000	-
3.	* P & F INR	-	-	35,000	-	1,18,640	-
4.	Excise Duty INR	-	-	2,92,520 (@4.12%)	-	2,57,254	-
5.	Cess INR	-	-	-	-	-	-
6.	CST INR	-	-	1,47,850 (@ 2%)	-	1,30,026	-
7.	Insurance	-	-	INR 10000	-	59,913	-

Sl. No.	Particulars	Name Of Suppliers/Manufacturers					
		A.T.E. Enterprises Pvt. Ltd Mumbai-400053		Essem Marketing Services/Rabatex Industriks, Ahmedabad- 382415.		Prashanth Gamatex Pvt. Ltd. Ahmedbad -382 445	
		Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
8.	Transportation INR			1,50,000 (Incl.Unloading Charge)		1,33,470	
9.	Erection Charges INR	Included	Included	1,50,000(Incl. Erection Material)		1,18,640	Provide I & B
10.	Service Tax INR					12,220	
10.	Total	Euro 3,25,350 CIF Cochin	EURO 2,20,000 CIF at any Indian Port	INR 78,50,370	INR 65,64,100 (FOR Mills)	INR 67,52,163	INR 65,00,000 (FOR Mills)
11.	Payment Terms	100% LC	90% LC, 10% after successful Commissioning				
12.	Delivery	4-5 Months	Within 4 Months				

Table 15

## WEAVING FOR Komalapuram &amp; Poompuh

Sl. No.	Particulars	Name of Suppliers							
		M/s Nirma Weaving (India) Private Limited., Coimbatore 641 006.		M/s Voltas Ltd. Coimbatore		M/s Pampal India Pvt. Ltd. Coimbatore		M/s Temac Marketing India Pvt. Ltd., Coimbatore	
		Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated	Quoted	Negotiated
1.	Specification	Suitex L5600	Suitex L5600	Rifa RFJA20	Rifa RFJA20	OMNiplex80 0-2-P 190	OMNiplex80 0-2-P 190	JAT710	JAT710
2.	Basic Price per loom	Euro38,088.00	Euro38,695.00	USD 34,450.00	USD 34,450.00	36,870.00	39,470.00	Yen 172,000,000	
3.	P & F INR	CIF at Tuticorin Port	CIF at Tuticorin Port	CIF at India Sea Port	CIF at India Sea Port	CIF at India Sea Port	CIF at India Sea Port	CIF at India Sea Port	CIF at India Sea Port
4.	Excise Duty	Under EPCG	Under EPCG	Under EPCG	Under EPCG	Under EPCG	Under EPCG	Under EPCG	Under EPCG
5.	Cess INR								
6.	CST INR								
7.	Erection Charges INR	Included	Included			Included	Included		
8.	Payment Terms	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit	100% value by irrevocable letter of credit

## ANNEXURE 3

## GOVERNMENT OF KERALA

No.3493/B1/15/Vig.

Vigilance (B) Department  
Thiruvananthapuram  
Dated: 07.05.2015.

From

The Addl. Chief Secretary to Govt.

To

The Secretary  
Industries Department

Sir,

Sub: Vigilance Department- VE.5/13/SIU-I-Irregularities in the Kerala  
State Textiles Corporation-VE Report -RegRef: Letter No. R16(VE.5/13/SIU-I)25047/2013 dated 16.03.2015 from the  
Director, Vigilance & Anti-Corruption Bureau.

The Director, Vigilance & Anti-Corruption Bureau had conducted a Vigilance Enquiry as VE.5/13/SIU-I regarding irregularities in the purchase of machinery and other valuables in Kerala State Textile Corporation Ltd.

The Director, Vigilance & Anti-Corruption Bureau has recommended the following:

1. Initiate an enquiry against Shri.M.Ganesh (SO2) former Managing Director, KSTC Ltd. to find out the disproportionate assets.
2. An inconsistency is noticed in the rate of the conveyance charge of the excavated earth given to M/s Uralungal Labour Contract Co-operative Society Ltd. Badgata in connection with the civil work of Hi-tech weaving mills, Pinarayi. A total amount of Rs.36,38,479/- is seems to excess payment in this regard considering the PWD rates prevailed during that period. Hence, before clearing the bills or if the entire amount is paid the scope for reducing this much amount or recouping the amount shall be seriously considered by the KSTC Ltd..
3. Obtain an amount of Rs.73,830/- from Shri.K.Chandrasenan (SO4), former Special Officer, Komalapuram Spinning Mills, Alappuzha as the interest of the excess amount paid to the firm due to the omission of SO4.
4. Re-allocate the Special Officer in Komalapuram Spinning and Weaving Mills, General Managers in Uduana Spinning and Weaving Mills and Pinarayi Hi-tech Weaving Mills to any of the working Units of KSTC or at the Headquarters and terminate or freeze these posts till the reopening of these units.



5. Fresh appointments in the General Manager posts of any working unit mills under KSTC will not be allowed till the opening of these idle units.
6. Evaluate the functions performed by the RIAB and its necessity in the wake of evasive report given by it regarding the genuineness of certificates produced by the candidates appointed in the post of General Manager.
7. The Consultant Engineer found out defects in the construction in Komalapuram Spinning Mills, Komalapuram, Alappuzha and reduction in the value of work to the tune of Rs.14,50,000/-. But that defects were not rectified by the Construction company. Hence, before effecting the final payment either defects should be got rectified by the construction company or the amount may be reduced from the payment.

This department has examined the report in detail and accepted the recommendations of Director, Vigilance & Anti-Corruption Bureau. Hence I am to request you to take further action in this matter as recommended by Director, Vigilance & Anti-Corruption Bureau.

A copy of the report along with enclosures are forwarded herewith for taking such action as envisaged in G.O(P)46/97/Vig dated 31/7/97 and further instruction issued in Circular No.11855/E3/08/Vig dated 7/1/2010.

This action may be informed to Director, Vigilance & Anti-Corruption Bureau under intimation to this department.

Yours faithfully  
 JOE.C.KATHILANKAL  
 Under Secretary  
 For Addl. Chief Secretary to Govt.

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