



OFFICE OF THE MD (WZ)
M.P. PASCHIM KSHETRA VIDYUT VITARAN CO. LTD.,
GPH COMPOUND, POLOGROUND, INDORE

(A wholly owned Govt. of MP Undertaking)
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No. MD/WZ/RGGVY/Pkg-36(Mandsaur)/6841

Indore, Dated – 12th April-2016

To,

M/s GEI Industrial Systems Ltd.,
26-A, Industrial Area, Govindpura,
Bhopal (M.P.)-462023

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Sub:- Termination of the Award No.CMD/WZ/PD/RGGVY/Pkg-36(Mandsaur)/ORD-15/9390, Indore, date: 26.03.2012 (Supply Portion) & 16/9392 (Erection Portion) Dtd 26.03.2012 pertaining to RGGVY Pkg-36(Mandsaur) of Mandsaur District placed on you.

Ref:-

- (i) This Office Award No.CMD/WZ/PD/RGGVY/Pkg-36(Mandsaur)/ORD-15/9390, Indore, date: 26.03.2012 (Supply Portion) and Award No.CMD/WZ/PD/RGGVY/Pkg-36(Mandsaur)/ORD-16/9392, Indore, date:26.03.2012 (Erection Portion).
- (ii) T.O. Letter No.MD/WZ/PD/RGGVY/18339, DT.12.06.2012
- (iii) T.O. Letter No.CMD/WZ/PD/RGGVY/PKG-36-37/24729, Dt.22/08/2012
- (iv) D.O. letter from Hon. MD(WZ) No.MD/WZ/RGGVY/26492, DT.11/09/2012
- (v) MOM 14.09.2012 No.MD/WZ/PD/RGGVY/MEETING/27232, Dt.19.09.2012
- (vi) T.O. Letter No.CMD/WZ/PD/RGGVY/PKG36-37/24826, DT.22.08.12
- (vii) T.O. Letter No.MD/WZ/ RGGVY/10481, DT.10/05/2013
- (viii) T.O. Letter No.MD/WZ/PD/RGGVY/Progress/15731, DT.19/07/2013
- (ix) T.O. Letter No.MD/WZ/PD/RGGVY/Progress/15730, DT.19/07/2013
- (x) T.O. Letter No.MD/WZ/PD/RGGVY/Progress/17015, Dt.07.08.2013
- (xi) T.O. Letter No.MD/WZ/PD/RGGVY/Progress/16970, Dt.07.08.2013
- (xii) MOM of 25.07.2013 NO. CMD/WZ/PD/RGGVY/MOM/18842, Dt.07.09.2013
- (xiii) T.O. Letter No.MD/WZ/06/PUR/RGGVY/Pkg-36/Notice/24992, Dt.18/12/2013
- (xiv) T.O. Letter No.MD/WZ/06/PUR/RGGVY/Pkg-36/Notice/23721, Dt.23/11/2013
- (xv) T.O. Letter No.MD/WZ/RGGVY/Progress/4540, Dt.10/03/2014
- (xvi) T.O. Letter No.MD/WZ/RGGVY/Progress/9978, Dt.09/06/2014
- (xvii) T.O. Letter No.MD/WZ/RGGVY/Progress/9977, Dt.09/06/2014
- (xviii) T.O. Letter No.MD/WZ/RGGVY/Progress/11681, Dt.07/07/2014
- (xix) T.O. Letter No.MD/WZ/NO/RGGVY/7390, Dt.26/04/2014
- (xx) T.O. Letter No.MD/WZ/RGGVY/BoD/12711, DT.23/07/2014
- (xxi) T.O. Letter No. MD/WZ/RGGVY/Progress/13472, Dt.05/08/2014
- (xxii) MoM of DT.11.09.2014 No.CMD/WZ/RGGVY/MoM/16198, Dt.17/09/2014
- (xxiii) T.O. Letter No. MD/WZ/RGGVY/19061, Dt.05/11/2014
- (xxiv) T.O. Letter No. MD/WZ/RGGVY/19062, Dt.05/11/2014
- (xxv) T.O. Letter No.MD/WZ/RGGVY/Progress/4986, DT.20/03/2015
- (xxvi) MoM of Dt.23.04.15, No.MD/WZ/RGGVY/MoM/7592, Dt.02/05/2015
- (xxvii) T.O. Letter No.MD/WZ/NO/RGGVY/9153, Dt.26/05/2015
- (xxviii) T.O. Letter No.MD/WZ/NO/RGGVY/10424, Dt.12/06/2015

- (xxix) T.O. Letter No.MD/WZ/PD/RGGVY/11263, DT.26/06/2015
- (xxx) T.O. letter No.MD/WZ/PD/RGGVY/11263, Dt.26/06/2015
- (xxxii) Subcontractors letter No.NI/GEI/MPPKVVCL/F&A-171, DT.06.06.15
- (xxxiii) Subcontractors letter No.NI/GEI/MPPKVVCL/F&A-180, DT.1.08.15
- (xxxiii) Subcontractors letter No.NI/GEI/MPPKVVCL/F&A-189, DT.24.08.15
- (xxxiv) MOM of Dt.07/07/2015 No.12413, DT.13/07/2015
- (xxxv) Your mail on Dt.15th July -2015
- (xxxvi) T.O. Termination Notice No.MD/WZ/PD/RGGVY/Pkg-36 &37/17602, Dt.30.09.2015
- (xxxvii) T.O. Letter No. No.20221, DT.07/11/2015
- (xxxviii) Your Letter No.GEI/MPPKVVCL/02, Dt.12/11/2015
- (xxxix) T.O. Letter No.MD/WZ/PD/RGGVY/20778, DT.20/11/2015
- (xl) Termination Order No.MD/WZ/RGGVY/Pkg-36(Mandsaur)/20987, Dt.24/11/2015
- (xli) Mercy Appeal letter No.NIL Dt.28/11/2015
- (xlii) T.O. Termination Revocation letter No.MD/WZ/RGGVY/Pkg-36(Mandsaur)/22088, Dt.09/12/2015
- (xliii) MoM Dt.28th Dec-2015
- (xliv) T.O. Notice No.MD/WZ/PD/RGGVY/Pkg-36 & 37/1387, DT.22/01/2016
- (xlv) Your Office Letter No.GEI/MPPKVVCL/01, Dt.27/01/2016
- (xlvi) T.O. Termination Notice No.MD/WZ/RGGVY/Pkg-36(Mandsaur)/4116, Dt.01/04/2016

Dear Sir,

1. Please refer the above correspondence carried out regarding faithful execution of the RGGVY work pertaining to Pkg-36(Mandsaur) of Mandsaur District. The award for supply and erection portion of RGGVY 11th Plan phase-II, Pkg-36(Mandsaur) of Mandsaur District, was awarded to you vide award no. quoted under reference. As per Clause no. 27 of award. Read with Vol-I SEC-II GCC Clause No.12 & SCC Clause No.09 and also Vol-I SEC-II INB Clause No.15, you had to complete 100% survey and supply, installation, testing, completion and commissioning of the facility or part thereof to the extent of 10% of the contract price within Eight (08) months from the date of award i.e.26.03.2012, and supply, installation, testing, completion and commissioning of the facility or part thereof to the extent of 50%(cumulative) of the contract price within Sixteen (16) months from the date of award and also supply, installation, testing, completion and commissioning of the facility or part thereof to the extent of 100(Cumulative)% of the contract price within Eight (24) months from the date of award i.e.26.03.2012 accordingly, it was required to complete the facilities of Stage I, II and III as per award Clause no. 27 of award. Read with Vol-I SEC-II GCC Clause No.12 & SCC Clause No.09 and also Vol-I SEC-II INB Clause No. up to 25th March-2014..
2. Since you failed to start the work of survey and procurement of materials for 1st three months you were reminded vide this office letter No. MD/WZ/PD/RGGVY18339, Dt.12/06/2012. Even then the work could not be started till end of June-2012. The Hon. MD(WZ) called your VP Mr. S.C. Parakh on 28th June-2012 to submit your work plan including procurement, he committed in writing to start work by July-2012. You failed to comply commitment made by your VP and work could not start till last week of July-2012. In view your repeated failure Hon. MD (WZ) vide No.MD/WZ/23069, Dt.28/07/2012.had wrote a DO Letter to you for starting the work. On 7th Aug-2012 and 04th Sept-2012 during meetings your representative had given a written procurement plan to Hon. MD (WZ), every time you failed to made your commitment to start procurement of material and work at site aggrieved by, Hon. MD(WZ) had again written a DO Letter NO.26492, DT.11.09.2012 to Mr. C.E. Fernandes CMD giving the status and to present on 17th Sept-2012 in person with all relevant document regarding work project.

3. You were constantly perused to improve performance and reminded for poor progress vide letter Nos. No.MD/WZ/ RGGVY/10481, DT.10/05/2013, No.MD /WZ /PD /RGGVY /Progress/15731, DT.19/07/2013, No.MD/ WZ/ PD/ RGGVY /Progress /15730, DT.19/07/2013, No.MD/WZ/PD/RGGVY/Progress/17015, Dt.07.08.2013, and No.MD /WZ /PD /RGGVY /Progress/16970, Dt.07.08.2013 & in every review meetings but looking to thee measurable work progress notice for termination of contract was issued for the Pkg-36(Mandsaur) vide No.MD/WZ/06/PUR/RGGVY/Pkg-36/Notice/23721, Dt.23/11/2013.Since no response were received against above notice a reminder was served vide No.24992, Dt.18/12/2013 to your firm.
4. The CMD of M/s GEI, Bhopal, Mr. C.E. Fernandes, had made his submission vide No.NIL, DT.21/12/2013 that you have made arrangement for funds to the tune of Rs.2.0 Crs and fund will start flowing within 10 days, and also committed commencement of work on 16 feeders, with request not to take any stringent action like invocation of BGs at this stage which will adversely affect the company operations and also assured that with these arrangement all the project will come on fast track and finally requested not to cancel the contract. you again failed to comply your commitment and could not complete even 10% of your committed works after lapse of 21 months after the date of award.
5. You have been requested several times in the monthly review meetings to adhere to the terms and conditions of the contract, so awarded, to execute the work and also to your commitments made in writing. Despite several reminders and opportunities given to you, to review your work plan and start executing work as per the committed schedule to complete it within agreed time period, but you have failed to do the same. There is persistent failure on your part to complete the work as per the contract or even your own commitments, which is utter disregard and violation of the terms of the contract specially clause 9.1 to 9.6 of SCC and 23 of SCC Vol-I Sec-III-A. You have not only delayed the execution of work but have ultimately failed to execute and complete the same as per schedule. It has caused damage to our company and resulted in enormous loss. It is regretful and painful to place on record that you have not moved any further in the positive direction for the execution and completion of the contracted work as per work schedule till this stage.
6. Even after repeated persuasions and reminders through monthly review meetings and through following letters No.MD /WZ /RGGVY/Progress/4540, Dt.10/03/2014, No.MD /WZ /RGGVY/ Progress/ 9978, Dt.09/06/2014, No.MD /WZ /RGGVY /Progress /9977, Dt.09/06/2014, No.MD /WZ/RGGVY/Progress/11681, Dt.07/07/2014, No.MD /WZ /NO/ RGGVY/7390, Dt.26/04/2014. you failed to complete even 10% of villages in Mandsaur district even after expiry of 2.5 years from the date of award and express inability to complete the project and requested to engage petty contractor vide letter No. GEI/PTBG/RGGVY/22, Dt.22.09.2014 to complete the balance works of Pkg-36(Mandsaur). Your request was considered by the BoD of MPPKVCL, Indore to complete the work in the month of Nov-2014.
7. By not executing and completing the contractual work you have violated the terms and conditions of the contract clause Nos.9 .1to 9.6 of SCC and 23 of SCC Vol-I Sec-III-A, It is regretted that despite having obtained huge amount towards advance, disbursed to you and on assurance and thereafter several reassurances of the speedy completion of the work of RGGVY packages, you have persistently failed to execute the contract, neglected to carry out the contractual obligations , without any valid reason and just cause. It appears that you are unable to provide sufficient material, resources and services of labor to execute and complete this work as per schedule.You have failed to resolve the issue with your petty-contractor as per commitments made in this office and as per your mail on Dt.15/07/2015 and also failed to start the held up work for completion of the remaining work under the RGGVY packages.
8. In spite of repeated reminders and many opportunities given to improve your performance you persistently failed to execute the work according to the contract terms and conditions, without just cause, hence a notice for termination of contract work awarded for RGGVY project of Mandsaur district was served to you vide

no.MD/WZ/PD/RGGVY/Pkg-36 &37/17602, Dt.30.09.2015 and directed to resolve the issue of your petty contractor and ensure sufficient progress within 15 days from the date of the notice.

9. In response to the above termination notice, Mr. C.E. Fernandes Chirman & Managing Director requested vide letter No.NIL, DT.09/10/2015 that they will come back on 18th Oct-15 with preparedness to commence work of Mandsaur project and to resolve the issue with petty contractor. On 19.10.2015. Mr. C.E. Fernandes submitted a letter to this office that arrangement of funds for executing the balance work of Mandsaur has been made by us through IDBI bank and will ensure supply of critical items on urgent basis to complete the balance work. It is also mentioned that you have made arrangement for 100 nos. labors immediately after Dushera and it will raise to 300 by 05th Nov-2015. On 31.10.2015 after due verification the CEO(RGGVY) & SE(O&M), Mandsaur had intimated to you that no material or Man power is yet available at site and even you have not yet selected site for your site office and store vide letter No.4002, Dt.31/10/2015 which further confirms your persistent failure.
10. In spite of giving full opportunities you have again failed to procure required material till 07th Nov-2015 and no work was started therefore vide letter No.20221, Dt.07/11/2015 finally 10 days were again given to you to take immediate urgent action for procurement of materials and deployment of man power. It was clearly mentioned in the letter that if the present situation persist action for termination of contract will be initiated. In response to this you vide letter No.GEI/MPPKVVC/02, Dt.12/11/2015 again repeated the same request that arrangement for labors and purchase of major material is under process, but the CEO(RGGVY) & SE(O&M), Mandsaur has confirmed that no material and labours are available at site and therefore no question of start of work vide letter No.4257, DT.18/11/2015.
11. Termination notices of awards issued to you against RGGVY packages-36 & 37 was issued to you vide this office letter No. MD/WZ/PD/RGGVY/Pkg-36 &37/17602, Dt.30.09.2015 as per clause No.42.1, 42.2 and 42.3 of GCC VOL-I SEC-III-A of tender document with invocation of Bank Guarantees. Your submission vide your letter No. NIL, DT.09/10/2015 and No.GEI/MPPKVVC/02, Dt.12/11/2015 are away from the truth and further even after the termination notice you have not deployed material & labour at the site. Termination for the award under Pkg-36(Mandsaur) was issued vide this office letter No.MD/WZ/RGGVY/Pkg-36(Mandsaur)/20987, DT.24/11/2015 with condition to en-cash Performance Bank Guarantees of the said award.
12. In response to Termination of the award Pkg-36(mandsaur) you have submitted mercy appeal for revocation of the termination order vide letter No.NIL, DT.28/11/2015. Your mercy appeal was considered by the competent authority and revocation of termination order was issued vide this office letter No.MD/WZ/RGGVY/Pkg-36(Mandsaur)/22088, DT.09/12/2015 with condition to procure following materials and complete following detailed works as per you own commitment given in the mercy appeal,

Sr No.	Description	Dec-2015	Jan-2016
01	11 KV Line with matching material (PCC Pole, Conductor, Insulator, Fabricated steel item, Stay Set etc.)	100 Kms.	100 Kms.
02	25 KVA DTR with matching material	75 Nos.	150 Nos.
03	LT Line material with matching items (LT AB Cable, Cable accessories, Pole, distribution box etc.)	50 Kms.	100 Kms.

04	BPL Kit with meter	1500 Nos.	3000 Nos.
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And to complete following work,

Sr. No.	Description	Balance Qty	Dec-2015	Jan-2016
01	11 KV Line	544 Kms.	25 Kms.	70 Kms.
02	PCC Poles	-	400 Nos.	1300 Nos.
03	LT Line	250 Kms.	0 Kms	20 Kms.
04	DTR	936 Nos.	10 Nos.	50 Nos.
05	BPL with meter	17543 Nos.	0 Nos.	1500 Nos.

13. In the monthly review meeting on 28th Dec-2015 held at MPPKVVCL, Indore Mr. Malani Vice President M/s GEI, Bhopal has confirmed that consortium of your banks had their meeting on 21st Dec-2015 and decided to open LCs after 30th Dec-2015 and Office & site store will be opened after 1st Jan-2016 for both Pkg-36(Mandsaur) and Pkg-37(Neemuch). Further he informed that due to delay in opening of LCs completion of work got delayed, all legging work of Dec-2015 according to the commitment will be completed before Feb-2016.
14. As per the First Fortnight progress for the January-2016 CEO(RGGVY) & SE(O&M), Mandsaur submitted that there is NIL progress of any type of work at field and no material is reached to the site store up to 22nd Jan-2016. In response to your consistent failure in completion of work as committed by you notice for non performance against commitments for the month of Dec-2015 and Jan-2016 were issued vide T.O. Letter No.MD/WZ/PD/RGGVY/Pkg-36 & 37/1387, Dt.22/01/2016. In response to the notice Mr. C.E. Fernandes vide letter No.GEI/MPPKVVCL/01, Dt.27/01/2016, has informed that fund arrangement for the materials have been made and will start reaching at site by 6th Feb-2016 and delivery of committed quantity of material will be done by 16th Feb-2016 and all other matching materials will reach at site store by the end of Feb-2016.
15. The CEO(RGGVY) & SE(O&M), Mandsaur has reported vide letter No. NIL, Dt.29/02/2016 that till 29th Feb-2016 not even a single material is received at site store of M/s GEI and also there is no labor working at any site.
16. From the above it is evident that in spite of repeated direction, caution, request and opportunities given by MPPKVVCL, Indore you persistently failed – (i) to procure required materials, deploy sufficient labours, eventually persistently failed to execute the contract in accordance with the terms & conditions of the contract, (ii) you persistently neglected to carry out the obligations under the contract, (iii) remained unable to procure sufficient materials and labours to execute the required works in time and thus remained unable to achieve stage-II of the time schedule of the awarded contract even after completion of continuous period more than 24 months from effective dates of contract, whereas you were suppose to execute 100% work by March'14 and also failed to start work at site against final opportunity given to you against your mercy appeal.

17. Hence, since the termination notice was issued to you vide this office letter No.MD/WZ/RGGVY/Pkg-36(Mandsaur)/4116, Dt.01/04/2016 as per clause No42.1, 42.2 and 42.3 of GCC VOL-I SEC-III-A of tender document with invocation of Bank Guarantees and to execute the balance work on risk & cost of the contractor, even after the termination notice you have not given any reply to explain your conduct and reason for defaults & non-performance and also not procured any material & deployed any labour at the site, hence the award No.CMD/WZ/PD/RGGVY/Pkg-36(Mandsaur)/ORD-15/9390, Indore, date: 26.03.2012 (Supply Portion) and Award No.CMD/WZ/PD/RGGVY/Pkg-36(Mandsaur)/ORD-16/9392, Indore, date:26.03.2012 (Erection Portion).pertaining to RGGVY Pkg-36(Mandsaur) of Mandsaur District for execution of subject award is hereby terminated with condition to en-cash PBG and further execute the balance work on your risk & cost as per the terms & conditions of the award, which may please be noted.

ED & PROJECT DIRECTOR (RGGVY)
O/o MD (WZ), MPPKVVCL, Indore

Copy to:-

1. The Managing Director, MP Power Management Co. Ltd., Shakti Bhavan, Rampur, Jabalpur.
2. The OSD (Energy) Govt. of MP, Vallabh Bhawan, Bhopal.
3. The ED (Corporate Office) MPPKVVCL Indore.
4. The ED(RGGVY), REC Ltd., Core-4, Scope Complex, 7-Lodhi Road, New Delhi-110003
5. The Project Director (RGGVY) MP Poorva Kshetra Vitran Co. Ltd., Jabalpur.
6. The Project Director (RGGVY) MP Madhya Kshetra Vitran Co. Ltd., Bhopal.
7. The ED (UR) MPPKVVCL Ujjain.
8. The CFO MPPKVVCL, Indore.
9. The Chief Project Manager, REC Ltd., Bittan Market Hall No.03, Metro Walk Bittan Market Bhopal.
10. The S.E. (O&M) MPPKVVCL, Mandsaur.


ED & PROJECT DIRECTOR (RGGVY)
O/o MD (WZ), MPPKVVCL, Indore