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3/5/14
M.P.POORV KSHETRA VIDYUT VITARAN Co. Ltd.,
BLOCK-7, 3RD FLOOR, SHAKTI BHAWAN, JABALPUR.

No. EZ/CE/RGGVY/ 4591 Jabalpur dated 30.5.12
To,

The C.M.D.,
M/s. ICSA (India) Limited,
Plot No. 12,
Software Unit Layout,
Cyberabad,
Hyderabad-500081

Fax No. 040-23114921
E-mail : info@icsa-india.com

Sub: Termination of Contract under clause 43 "Contractor's Default" of
General Terms & conditions of the T.S of RGGVY contract of Shahdol
district.

- Ref: 1. T.S no. DISCOM/EZ/08/RGGVY/06/Lot-I opened on 29.07.08 for
Shahdol district.
2. T.O. Contract award no. DISCOM/EZ/08/RGGVY/06/Lot-I(Shahdol)/
ORD/ 2408 dtd. 21.04.09 for Shahdol district.
3. T.O. letter no. EZWS/SE/RE/RGGVY/6254 dd. 23.08.11.
4. T.O. letter no. EZWS/SE/RE/RGGVY/6867 dtd.13.09.11.
5. T.O. letter no. EZ/SE/RE/RGGVY/7082 dtd. 20.09.11.
6. T.O. letter no. EZWS/SE/RE/RGGVY/9271 dtd. 15.12.11.
7. Your letter no. ICSA/RGGVY/JBP/HO-Shahdol/045 dtd. 27.12.11.
8. T.O. letter no. EZWS/SE/RE/RGGVY/313 dtd. 11.01.12.
9. T.O. letter no. CE/EZWS/RGGVY/1162 dtd. 07.02.12.
10. T.O. letter no. CE/EZWS/RGGVY/1362 dtd. 14.02.12.
11. Your letter no. ICSA/Projects/MPPKVVC/SHAHDOI/131 dtd. 17.02.12.
12. Your letter no. ICSA/RGGVY-JAB/10.4/2012/1 Dt. 10.04.12
13. T.O. letter no. CE/EZWS/RGGVY/3286 dtd. 19.04.12.

Dear Sir,

Please refer to above cited contract award for Design, Manufacture, Pre-
dispatch Inspection & Testing, Dispatch, Supply, Transportation, Insurance,
Receipt, Storage, Erection, Testing and Commissioning of Materials for
Construction of New 11 KV line, LT line, 16 KVA & 25 KVA, 11/0.4 KV
Distribution substations and Extension of Service Lines including house wiring for
BPL house holds in Shahdol District under RGGVY project on total Turnkey basis
under TS no. DISCOM/EZ/08/RGGVY/06/LOT-I, opened on dated 29.07.08. The
physical parameters and cost of award is as under:-

LOA details	No of villages Covered	11 KV Line (Km)	16 KV DTR (No)	25 KVA DTR (No)	Amount Rs. In Crores		
					No of BPL Connections	Cost of Award Supply + Erection	
DISCOM/EZ/08/RGGVY/ 06/Lot-I(Shahdol)/ ORD/ 2408 dtd 21.04.09	787	440	826	118	696	35485	39.79

M/s ICSA had executed the contract agreement on dated 07.05.09 and
submitted the performance guarantee in the form of BG amounting to Rs.
5,96,89,385/- (in word Rs. Five Crores , Ninty Six Lacs , Eighty Nine Thousands ,
Three Hundred Eighty Five only), alongwith BGs for mobilization advance
payment (15% of supply and 10% of erection components) for total amount of Rs
5,74,01,560/- (in words Rs. Five Crores , Seventy Four Lacs , One Thousand ,
Five hundred Sixty only) and accordingly advances were released to M/s ICSA.

eighteen months from the date signing of contract i.e., 06.11.2010. On review of progress of works, as compared to award provision, it is seen that M/s ICSA had completed only following works within the contractual period ,which is very meager.

LOA details	No of villages	11 KV Line (Km)	LT Line (Km)	16 KVA DTR (No)	25 KVA DTR (No)	No of BPL Connections
DISCOM/EZ/08/RGGVY/06/Lot-I (Shahdol)/ ORD/2408 dtd. 21.04.09	62 (7.88%)	33.88 (7.70%)	131.50 (15.92%)	0 (0%)	46 (6.61%)	2957 (8.33%)

2. It was noticed that M/s ICSA could not initiate timely actions such as procurement of material ,offering material for inspection and erection works. During various review meetings held in this office it was repeatedly advised to accelerate the activities for execution of works.

3. To expedite the progress, a review meeting on 04.05.11 was also taken by Secretary Energy, GoMP at Bhopal which was attended by CEO (Infra), ICSA wherein it was committed to accelerate progress in Shahdol project but M/s. ICSA failed to honour the commitment.

4. Further during contractors meet organized by Energy Deptt., GoMP on 29.07.11, M/s. ICSA committed to complete Shahdol RGGVY project by Dec'11 and accordingly work plan was also submitted by M/s. ICSA. On 06.09.11 during review meeting at Jabalpur, GM of M/s. ICSA intimated that their field unit were not receiving funds from Head office of M/s. ICSA due to which meager progress was reflected. It was also mentioned that labour payment of Petty contractors was pending since last three months. This issue was raised with CMD and CEO Infra of M/s. ICSA India Ltd., vide T.O letter no. 6254 dtd. 23.08.11, 6867 dtd. 13.09.11, & 7082 dtd. 20.09.11 but M/s. ICSA did not respond satisfactorily and bottlenecks were not removed.

5. Looking to the very poor progress of the project, first notice for termination of contract was issued vide no. CE/EZWS/RGGVY/9271 dtd. 15.12.11, in response to which M/s ICSA vide letter no. 045 dt. 27.12.2011 admitted that their progress is not satisfactory and submitted a revised plan for completing the total project by Apr'12.

6. This office vide letter no. 313 dt. 11.01.12, 1162 dt. 7.02.12, conveyed to M/s ICSA regarding non-resumption of construction activities. M/s ICSA vide letter no. 131 dt. 17.02.12 reiterated their earlier commitment of completing the project by Apr'12. As always, they failed to honour their commitment and apart from serving a meager 15 BPL connections, no other work was taken up, till the mid of Feb'12.

7. In continuation to termination notice dtd.15/12/11, a seven days notice to start the construction activities till 21st Feb'12 was issued vide letter no. EZWS/SE/RE/RGGVY/1362 Dt. 14.02.12, failing which action shall be taken as per terms and conditions of contract.

8. During the discussion held in this office on 10.04.12 and as per the undertaking given by them vide letter no. ICSA/RGVY-JAB/10.4/2012/1 Dt. 10.04.12, it was committed by M/s ICSA that by any means their targeted work for the month of Apr'12 viz. completion of 1 UE village, 15 villages under intensive electrification and 2000 BPL connections will be fulfilled, failing which any action as per terms of contract can be taken up.

9. Looking to continuous poor progress since last six months and stand still

commitment in Apr'12 the contract award for Shahdol project shall be terminated as per clause no. 43 (Contractor's Default) of Section GCC of TS & Award clause no. 31 and action shall be initiated for forfeiting of performance & advance bank guarantees as per terms & conditions of contract.


10. It is regretted to state that even after repeated commitments, the progress for the month of Apr'12 and May'12 (till 23.5.12) is again Nil.

11. From the foregoing paras, it is evident that you have failed in complying with the contractual terms and conditions on account of non execution of works as per contract, attract action against non performance and default in contract. Kindly note that the contract-in-question is of vital public importance & the non-performance thereof is affecting public interest.

12. Accordingly, as per clause number 43 "Contractor's Default" of Sec-GCC of TS no. DISCOM/EZ/08/RGGVY/06/LOT-I, the contract award no. DISCOM/EZ/08/RGGVY/06/Lot-I(Shahdol)/ORD/2408 dtd. 21.04.09 for Shahdol district issued in your favour is hereby terminated with immediate effect on account of your default.

13. This is also informed that the action as per clause 43 of the General Terms & Conditions of captioned T.S. is being taken to get work completed by another agency at your risk and cost. Any extra cost shall be to your account and shall be payable by you, which may please be noted. Further, as per clause number 15.2 of Sec-GCC of captioned T.S., liquidity damages at 5% of non executed portion of contract shall also be payable by you. In addition to above, the BGs submitted by you towards various securities of the contract are here by forfeited.

14. In view of the above, as per clause number 39.3, of section INB-TS number DISCOM/EZ/08/RGGVY/06/LOT-I(Shahdol), the company has also started the proceedings to encash the Bank Guarantees submitted by you against the performance guarantee and against mobilization advance payment (15% supply and 10% erection components) amounting to a total of Rs. 11,70,90,945/- and action for recovery of the balance amount as per law of land and provisions in the contract shall be taken.


Chief Engineer (ADB-RGGVY)
M.P.P.K.V.V.Co.Ltd., Jabalpur

Copy to:

1. The Chief Engineer (WS/JR/SR/RR/RAPDRP/FS), M.P.P.K.V.V.Co.Ltd., Jabalpur/ Sagar/ Rewa.
2. The Addl. Secretary, (EZ/WZ/CZ/Transco/Genco) MPPKVCL, Jabalpur.
3. The General Manager (RGGVY), M/s REC Ltd., Core-4, SCOPE Complex, 7-Lodhi Road, New Delhi 110 003.
4. The CPM, REC, Rural Electrification Corporation Ltd, Project Office (MP & Chhatisgarh), E-3/15, Aera Colony, Bhopal- 460 016.
5. The CFO-EZ MPPKVCL, Jabalpur.
6. The Superintending Engineer (O&M)/CEO, M.P.P.K.V.V.Co.Ltd., Shahdol.
7. The Executive Engineer, (O&M), MPPKVCL, Shahdol.
8. The PS to CMD (EZ/WZ/CZ), Jabalpur/Indore/Bhopal.
9. The R.A.O., MPPKVCL, Sidhi.