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

No.EZWS /RE/RGGVY/ 2226

Jabalpur, Date: 09.10.09

To,

**M/s Maytas Infra Pvt. Limited,
6-3-1186/5/A, 3rd Floor,
Amogh Plaza, Begumpet
Hyderabad- 500 016 (AP)**

Fax: 040-23408100

**Sub: Termination of Contracts under clause 42 Contractor's Default" of
General Terms & conditions of the Contracts.**

- Ref: 1. Award of Contract No. EZWS/RGGVY/SNI-4/ORD/4657 dt. 19.10.06
for SNI-04 of Seoni distt.
2. Do letter No. EZWS/RE/RGGVY/615 dtd 23.01.09.
3. T.O. letter no. EZWS/RE/RGGVY/772 & 837 dtd 30.01.09
4. Your letter dated 31.01.09
5. Your letter dated 6.02.09.

Dear Sir,

This has reference to the contract award dated 19.10.06 cited above placed on you 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, 25 & 16 KVA, 11/0.4 KV Distribution substations and Extension of Service Lines including house wiring for BPL house holds in package SNI-04 of Seoni District under RGGVY projects on total Turnkey basis against tender specification No.EZ/RGGVY/905/SNI-04 opened on dt. 30.06.06 having physical parameters and cost of award is as under:

Contract Award No.	Name of Block cover under RGGVY	No of villages Covered (Nos)	11 KV Line (Kms)	LT Line (Kms)	16 KVA DTR (Nos)	25 KVA DTR (Nos)	No of BPL Connections (Nos)	Cost of Award Supply+ Erection (Rs. In Cr.)
EZWS/RGGVY/SNI-4/ORD/4657 Dt. 19.10.06	Dhanora & Ghansor of Seoni Distt.	349	359	170	157	238	13776	16.66

The contract agreement has been executed by you on dated 6.12.06 and furnished the performance guarantee in the form of BG for amounting to Rs. 2.498 Crores for faithful performance of the contract as per the contractual terms & conditions. Further mobilization advance (15% supply contract and 10% erection contract components) has been given to you against BGs of equivalent amount as well 50% cost of major materials released against B.G. The sum of all BGs (excluding Performance Guarantee BG) amount to Rs 2.789 crores.

2. In accordance with contract condition and the PERT chart of work plan submitted by you completion of work was upto May-08 in phase manner. Subsequently in consideration to your request & commitments to completion of works in phase manner the time period of completion has been extended up to March-09.

3. The progress of works were reviewed periodically with reference to monthly / weekly target fixed and agreed by you in line with the contract and accordingly caution letters were served as detailed below to you time to time on non execution of works as per contractual terms & conditions.

Sl No.	Subject	Letter No. & Date
1	DO letter for not execution the work as per target fixed.	DO No. 3177 dated 16.10.07
2	Letter for not executing the work as per target	No. 3301 dated 26.10.07
3	DO letter for not executing the work as per target and non deployment of additional gangs as committed.	DO No. 4131 dated 15.12.07
4	Notice issued due to not achieving the progress as per target committed by you.	No. 216 dated 14.01.08
5	Notice issued due to non executing the work as per your commitments.	No. 1251 dated 01.03.08
6	Notice issued due to sub standard work and poor progress of work.	No. 2401 dated 29.04.08
7	DO letter for completion of project with in contractual period.	DO No. 7021 dated 20.12.08

The progress of works during Nov-08, Dec-08 & Jan-09 up to 15.01.09 inspite of your specific commitment found to be extremely poor.

4. As such following notices were issued to you to improve performance in order to avoid proposed action.

Sl No	Subject	Letter No & Date	Action proposed
1	Notice for not executing the work as per target fixed and initiation action under clause no. 42 of Sec-GCC of T.S.	No. 615 dated 23.01.09	Termination of contract as per clause no. 42 of sec-GCC of T.S.
2	Notice for false report attracting clause no. 42 of Sec-GCC of T.S.	No. 772 dated 30.01.09	-----Do-----
3	Notice for submission of plan for completion of balance work within contractual period.	No. 837 dated 30.01.09	To submit action plan for completion of balance work with in contractual time limit to avoid termination of contract.


Even after expiry of notice period no action has been taken to execute the work as per terms & conditions of the contract which clearly indicates that you have failed to adhere with the contractual obligation and also not in a position to execute the work even as per your committed target which is essence of contract.

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5. The above state of affairs firmly established that you have been utter failure in performing the contract even after extending the contract period as per your request & commitment and have attracted the clause no. 42 "Contractor's Default" of the General Terms & Conditions of the Tender Specification no EZ/RGGVY/905/SNI-04 opened on dt. 30.06.06, accordingly the contract award no. EZWS/RGGVY/SNI-04/ORD/4657 Dt. 19.10.06 issued in your favour is hereby terminated with immediate effect on account of your default.

6. This is also inform that the action as per clause 42.1 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 no 52 the General Terms & Conditions of captioned T.S., liquidity damages @ 5% of non executed portion of contract shall also be payable by you in addition to above & the work done so far has also been ceased. The BGs submitted by you towards various securities of the contract is hereby forfeited.

7. In view of the above, the company has started the proceedings as per clause no 38.3 of Instruction to Bidder of the Tender Specification no. EZ/RGGVY/905/SNI-04 opened on dt. 30.06.06, to encash the Bank Guarantees submitted by you against the performance guarantee, mobilization advance payment (15% supply and 10% erection components) and 50% equivalent cost of major material amounting to Rs. 5,28,73,650.00/- and take action for recovery of the balance amount as per law of land and provisions in the contract.


Chief Engineer (W&P-EZ)
M.P.P.K.V.V.Co.Ltd., Jabalpur

Copy to:

1. The Addl. Secretary, Energy Department, Govt. of MP, Bhopal.
2. The Executive Director (Personal), M.P.P.K.V.V.Co.Ltd., Jabalpur
3. The Executive Director (JR), M.P.P.K.V.V.Co.Ltd., Jabalpur.
4. The General Manager (RGGVY), M/s REC Ltd., Core-4, SCOPE Complex, 7- Lodhi Road, New Delhi 1100 003
5. The Zonal Manager (CZ), M/s REC Ltd., JDA Building, Madan Mahal, Jabalpur
6. The Additional Director (Finance / Accounts-EZ), MPPKVVCL, Jabalpur.
7. The Superintending Engineer (O&M)/CEO, M.P.P.K.V.V.Co.Ltd., Seoni.
8. The Executive Engineer, (O&M), MPPKVVCL, Lakhnadon.
9. The Sr. A.O. MPPKVVCL, Chhindwara.