



रूरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड Rural Electrification Corporation Limited

(भारत सरकार का उद्यम) / (A Government of India Enterprise)

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No. REC/DDUGJY(RE)/NQM/XI Plan-Ph-II/02/1302

Date: 28.12.2016

TERMINATION NOTICE

The Chairman
Shanthala Power Limited
No-24, Priyadarshini Colony
Gokul Road, Hubli-580030, Karnataka (India)

Kind Attn: Shri Kadappa Mysore
Sub: Termination of Contract for NQM assignment under DDUGJY-RE XI plan Phase-II
Ref: i) LOA no. REC/DDUGJY(RE)/NQM/LOA/2015/10009 dated 18.08.2015
ii) First notice for termination vide letter no. REC/DDUGJY(RE)/NQM/2015-16/616 dated 03.06.2016
iii) Supplementary notice for termination vide letter no. REC/DDUGJY(RE)/NQM/2016-17/329 dated 01.11.2016

Sir,

M/s Shanthala Pvt. Ltd was awarded National Quality Monitoring works under Tier-III for DDUGJY-RE XI Plan Ph-II projects in five states viz. Chhattisgarh, Karnataka, Kerala, Maharashtra and Tamil Nadu vide Letter of Award (LoA) No. REC/DDUGJY(RE)/NQM/LOA/2015/10009 dated 18.08.2015.

As per LoA, Inspection work was envisaged to be completed within 14 days from issuance of inspection notice and inspection reports were required to be submitted within 7 days after completion of inspection. However, your agency has repetitively delayed in submission of satisfactory inspection reports. In this regard, REC issued various reminders through letters and mails dated 29.12.2015, 04.02.2016, 04.04.2016 & 29.04.2016 for submission of reports. Subsequently, due to non-performance by your agency, first notice for termination was issued on 03.06.2016 with the request to submit the satisfactory NQM inspection reports within 30 days. On your request and assurance given in letter dated 04.06.2016, REC allowed relaxation of time for submission of reports.

REC again issued reminders vide letters dated 26.07.2016, 22.08.2016 and 30.08.2016 for submission of all pending reports but the progress of inspection works continued to be very poor and your agency miserably failed to perform. Thereafter, supplementary Notice for Termination was issued on 01.11.2016 with the request to submit all pending reports within seven days. However, your agency failed to submit all pending reports within the stipulated time. NQM inspection progress of M/s Shanthala Power Ltd, Hubli (upto 24th Nov'16) under NQM XI Plan-Ph-II assignment is given hereunder:

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Zonal Offices : Hyderabad, Kolkata, Mumbai, Panchkula & Lucknow
Project Offices : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu, Patna, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara
Sub Offices : Dehradun, Raipur
Training Centre : Central Institute for Rural Electrification (CIRE), Hyderabad

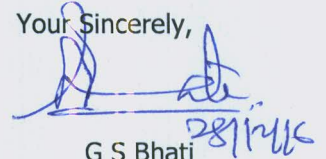
S. N.	Name of Agency	Name of State	NQM Scope		Inspection notice issued		Inspection Reports received		Inspection reports Pending	
			Villages	S/s	Villages	S/s	Villages	S/s	Village	S/s
1	M/s Shanthala	Chhattisgarh	12	1	12	1	5	0	7	1
2		Karnataka	6	0	6	0	6	0	0	0
3		Kerala	7	1	7	1	7	1	0	0
4		Maharashtra	11	0	11	0	5	0	6	0
5		Tamil Nadu	8	0	0	0	0	0	0	0
Total			44	2	36	2	23	1	13	1

It is clearly evident from forgoing that your agency is not serious about completing the assignment and also not making any serious and sincere efforts to expedite the works, so as to cover the backlog works.

In context of forgoing, REC is left with no alternative except to terminate the Contract Agreement signed on 28th September 2015 as per clause no. 6.6.1 (g), pg 6 towards repeated Non-performance by your agency. Further, the Bank Guarantee (Issued by M/s Canara Bank, BG no. 503GPGE152590001 dated 16.09.2015 for Rs 63,600/-) submitted towards Contract Performance Guarantee shall be forfeited. The Contract Agreement, therefore, stands terminated from the date of issue of this order. REC shall award all balance works to some other agency at your risk & cost and debar you from participating in any of future tenders for next 02 years.

Thanking You,

Your Sincerely,



G S Bhati
Executive Director (DDUGJY/QA)

Copy to:

1. Shri K K Mishra, Dy. Secretary (RE), MoP, New Delhi for kind information.
2. All ZM/CPM, REC Zonal/Project Offices for circulating the same to concerned DISCOM/Power Departments under your jurisdiction.