



# BIHAR STATE POWER TRANSMISSION COMPANY LTD., PATNA

(A subsidiary company of Bihar State Power (Holding) Company Ltd., Patna)

CIN – U74110BR2012SGC018889

[SAVE ENERGY FOR BENEFIT OF SELF AND NATION]

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Telephone No. 0612 – 2504655,  
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Letter No...../Trans/Misc/P-1/156/2019

Patna, Dated...../

From,

Ratan Kumar,  
Chief Engineer (Project-1)

To,

M/s A.K. Das Associates Ltd.  
In JV with M/s REW Contracts Pvt. Ltd.

1. M/s A.K. Das Associates Ltd.  
H/1, Satya Nagar,  
Bhubaneswar-751007  
Email:  
[amiyakanta@akdasassociates.com](mailto:amiyakanta@akdasassociates.com)
2. M/s REW Contracts Pvt. Ltd.  
594, Sector - 1, Vaishali,  
Ghaziabad  
Email: [rewcontracts@gmail.com](mailto:rewcontracts@gmail.com)

**Sub.:- Termination of Contract for Contractor's Default (Contract Tender Provision under GCC Sub Clause 32.2 r/w Clause 38.2.1.**

- Ref.:-**
1. NOA No. 27(Supply) & 28(Service) both dated 21.01.2019
  2. PO No. 33 & WO No. 34 both dated 21.06.2019.
  3. This office letter no. 141 dated 16.01.2020.
  4. Your letter no. REW/PTN/BSPTCL/CE(P-1)/NIT-46/19-20/284 dated 20.01.2020
  5. This office letter No.-1324 dated:-03.11.2021.
  6. Your letter no. REWCPL/RKS/BSPTCL/CE(P-1)/NIT-46/18-19/992 dated 09.11.2021
  7. This office order no. 119 dated 17.12.2021
  8. Your letter no. REWCPL/RKS/BSPTCL/CE(P-1)/NIT-46/20-21/1144 dated 24.12.2021
  9. Your letter no. REWCPL/RKS/BSPTCL/CE(P-1)/NIT-46/20-21/1157 dated 31.12.2021
  10. Your letter no. REWCPL/RKS/BSPTCL/CE(P-1)/NIT-46/20-21/1222 dated 15.01.2022
  11. Your letter no. REWCPL/RKS/BSPTCL/CE(P-1)/NIT-46/20-21/1224 dated 04.03.2022
  12. This office letter no. 347 dated 14.03.2022

The Employer, Bihar State Power Transmission Company Ltd., Patna, hereinafter referred to as "BSPTCL", without prejudice to any other rights/remedies available in law, and subject to any verdict in the pending Judicial Proceedings between the parties, do hereby resolve to exercise the right to Terminate the Contract between the Employer and the Joint Venture (JV) of M/s A.K. Das and M/s REW awarded for capacity augmentation work of different GSS under the NIT No. 46/PR/BSPTCL/2018 on the grounds of Contractors Default and to exercise rights to complete the left over balance work under the Contract at the risk and cost of the Original Contractor in line with the GSS Sub Clause 38.2.6 under the facts and circumstances as set forth hereinafter below:

1. M/s A.K. Das Associates Ltd. in JV with M/s REW Contracts Pvt. Ltd. have been awarded the work for capacity augmentation of different GSS - 1. Replacement of 3x100 MVA by 3x200 MVA Power Transformer at GSS Gopalganj, 2. Replacement of 3x100 MVA by 3x200 MVA Power Transformer at GSS Hajipur, 3. Replacement of 2x160 MVA by 2x200 MVA Power Transformer at GSS

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Darbhanga under State Plan against NIT No. 46/PR/BSPTCL/2018 by BSPTCL vide NOA No. 27 (S) & 28 (E) both dated 21.01.2019. The scheduled date of completion (SDOC) for the entire work was 12 (twelve) months from date of NOA i.e. up to 20.01.2020.

2. The progress of work was inordinately delayed since beginning of the contract and no significant physical activities had been taken up initially by M/s A.K. Das in JV with M/s REW Contracts. The JV of M/s A.K. Das and M/s REW were requested several times to speed up the works and submit the delivery schedule of the transformer but no fruitful response was received. Accordingly a show cause notice for slow progress of work was issued vide this office letter No.-141 dated:- 16.01.2020.

In response to the above show cause notice, M/s A.K. Das in JV with M/s REW Contracts assured that procurement of all items is in streamline and to cover the backlog as soon as possible vide their letter no.-284 dated:-20.01.2020. A very few works had been carried out by the firm on ground during that period.

3. M/s A.K. Das in JV with M/s REW Contracts failed to meet their commitment made vide their letter dated 20.01.2020 regarding supply of various materials as well as in physical progress of work at site. The JV of M/s A.K. Das & M/s REW was well aware from the beginning of the contract that the aforesaid work involves shutdown of existing transformers, the same was also communicated by BSPTCL time and again. The JV of M/s A.K. Das & M/s REW have agreed all the terms & conditions of the contract to execute the work.

Further, as per clause of JV agreement "the parties to the joint venture shall jointly and severally be bound unto the employer for successful performance of the contract and shall be fully responsible for the design, manufacture, supply and successful performance of the equipment in accordance with the contract.

4. The firm did not show any attentiveness for execution of work during lockdown period even after all supports were provided by BSPTCL due to Covid-19 pandemic, where as other agencies, working in BSPTCL, were executing the work at various locations of Bihar after obtaining necessary administrative approvals.
5. Again, after normalization of situation after 1<sup>st</sup> wave of Covid-19, the progress of work by M/s A.K. Das in JV with M/s REW was not found satisfactory and almost all the works at all sites were lagging behind the committed execution schedule submitted by M/s REW itself, which has been communicated through various letters as well as during project review meetings.
6. After continuous follow up & persuasion, only 03 nos. of 200 MVA Auto Transformer (One no. at each site) could be commissioned by M/s A.K. Das in JV with M/s REW Contracts by April 2021.

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The JV firm was requested several times for completion of balance works & supply of balance 05 Nos. 200 MVA Transformers but no fruitful outcomes was achieved.

7. M/s A.K. Das in JV with M/s REW Contracts had submitted plan for supply of balance 05 Nos. of 200 MVA Transformer up to 30.09.2021 vide their e-mail dated:-07.04.2021. Accordingly, based on the request of the JV firm and as per provisions of the contract, provisional time extension up to 30.09.2021 was granted for completion of the work.
8. In response to the various letters & follow ups by BSPTCL for supply of balance 05 Nos. 200 MVA Transformer & completion of balance works, JV of M/s A.K. Das & M/s REW have asked for price escalation citing Covid-19 Pandemic, initially ranging from 45% to 50%, thereafter 45% to 55% and lastly 70 % to 75 % as per IEEMA on immediate basis.
9. The request of the JV of M/s A.K. Das & M/s REW was examined in light of the provisions of the contract and it was communicated to the firm vide this office letter no. 637 dated 04.06.2021 that, "No price variation shall be allowed on any account for the scope of work specified in the tender specifications" as per terms & conditions of the contract with a request to submit delivery schedule of balance 05 nos. transformer with day wise execution plan so that shut down can be allowed accordingly for early completion of the work.
10. After that, various follow up/reminder letters were also issued to the firm for supply of balance 05 Nos. 200 MVA Transformer but JV of M/s A.K. Das & M/s REW have again asked for price variation vide their letter no. REWCPL/RKS/BSPTCL/CE(P-I)/NIT-46/20-21/845 dated 20.09.2021 mentioning that "BSPTCL has to give the price amendment for supply of 05 nos. 200 MVA Auto Transformer for early completion of the work" which is not in line with the terms & condition of the contract.
11. Considering the requirement of 200MVA transformer, the higher authorities at the level of MD/CEO of M/s A.K. Das and M/s REW Contracts were requested to attend the meeting at Vidyut Bhawan, Patna on dated 25.10.2021 & 06.12.2021 to come up with a workable solution in the above matter. But the higher management of M/s REW did not turn up.
12. Considering poor response and negligence of M/s A.K. Das in JV with M/s REW to complete the work as per contract, show cause notice for debarment of contract was issued vide this office letter no.-1324 dated:-03.11.2021. In response to the show cause notice, M/s A.K. Das in JV with M/s REW Contracts have again requested to provide price escalation.
13. Keeping continuous poor progress and delay in supply of balance 05 nos. 200 MVA Transformer & completion of balance works, M/s A.K. Das Associates Ltd. in JV with M/s REW Contracts Pvt. Ltd. were debarred vide this office order no.

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119 dated 17.12.2021 from participating in future tenders in BSPTCL from the date of issuance of this order till satisfactory completion of all works against NIT No. 46/PR/BSPTCL/2018.

Further in the debarment notice it was mentioned that, the said letter is to be treated as Termination notice in case there is no assurance for supply of balance 05 no of 200MVA transformer by the firm within a week from date of issue of the letter.

14. In response to the above debarment order, M/s REW Contracts Pvt. Ltd. (not by the JV of M/s A.K. Das Associates & M/s REW Contracts Private Ltd.) vide letter dated 24.12.2021 have terminated the contract from their side and requested to refund the Bank Guarantees, Withhold amount, Erection bill amount, Extra claim etc.

Further, M/s REW Contracts Private Limited in their letter have nominated Arbitrator unilaterally for the above mentioned matter.

15. In view of above Termination of the contract, BSPTCL acted upon it by invoking BG amounting to Rs. 6,95,66,173.45 on 31.12.2021 submitted by M/s A.K. Das Associates in JV with M/s REW Contracts against NIT No. 46/PR/BSPTCL/2018 and also decided that no further payment will be made to the firm against the said NIT.
16. JV of M/s A.K. Das & M/s REW have not shown any inclination for supply & commissioning of balance transformers. This clearly indicates that JV of M/s A.K. Das & M/s REW is completely non-serious regarding completion of the above project. The JV firms have not taken any timely efforts for completion of all the work as per scope of the tender in spite of having sufficient opportunities.

Non supply of balance 05 nos. 200 MVA Transformer & completion of balance works may put BSPTCL in trouble in providing full load from these sub-stations (where these transformers are to be installed) during the next summer season for which JV of M/s A.K. Das & M/s REW are solely responsible. This may lead to load restrictions in various districts viz. Vaishali, Chhapra, Gopalganj, Siwan, Darbhanga, Madhubani during summer season.

17. The Contractor made no progress even after the debarment order dated 17.12.2021 creating serious prejudice to the Employer, a public body committed to serve the public interest. The consistent stand of the Contractor admitting the work execution to be commercially non profitable/non viable in oblivion of the No Price Variation/Firm Price/Clauses leaves no room for the Employer but to terminate the Contract in public interest with the object of completing the balance supply of the left over 05 nos. of 200 MVA transformers by the Contractor creating a clear and distinct case of Contractor's Default.

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In the facts and circumstances as narrated above, the Employer, Bihar State Power Transmission Company hereby terminates the Contract with the Joint Venture (JV) of M/s A.K. Das and M/s REW on just and valid grounds including persistent failure and neglect to carryout obligation under the Contract.

Following the Termination of the Contract under GCC Sub-Clause- 38.2.2, the JV is directed to forthwith participate in the joint measurement of the completed portion of work within 15 days from issuance of this letter failing which the Employer would proceed with Ex-Parte Measurement to be followed by steps to complete the left over portion of work at the risk and cost of the Original Contractor, namely the Joint Venture.

Yours faithfully,

Sd/-  
(Ratan Kumar)  
Chief Engineer (Project-1)  
No..14...07...2022

Memo  
dt.....870...../

Copy forwarded to DBA (IT), BSPTCL to upload this order on BSPTCL website.

Ratan Kumar  
14/07/22  
(Ratan Kumar)  
Chief Engineer (Project-I)  
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