

Letter No.-2/C.M.T.-96/2011 1300

Government of Bihar
Transport Department

SPEED-POST

From,

State Transport Commissioner,
Bihar, Patna.

To

Mr. Narender Aggrarwal,
Business Head,
For : D. D. Industries Limited,
D. D. House, F-1/9, Okhla Industrial Area,
Phase-1, New Delhi-110020

Patna Date 28.3.2012

Subject :- **To set-up 'Embossing Stations' and 'Affixing Stations' within D.T.O. premises or Deemed DTO premises for implementation of H.S.R.P.**

Sir,

In compliance of the order passed by Hon'ble Supreme Court in WP(C)510/2005 dated 08-12-2011, a letter of intent bearing no.-5335 dated 13-12-2011 was issued conveying decision to award the licence of operation to you by virtue of your being the lowest bidder. You agreed to setup embossing stations & affixing stations within D.T.O. premise or deemed D.T.O. premises. You have furnished an amount of Rs. 50,00,000 (Fifty lakhs only) by way of to demand drafts of Rs. 25,00,000/- (Twenty five lacs) each as performance guarantee.

2. An agreement was signed by you on behalf of D.D. Industries on 15th Feb. 2012 for supply and affixation of HSRP on Motor Vehicles. As per terms and conditions of the contract, this work has to be introduced in all newly registered vehicles from 31st March, 2012. As per annexure II & IIA of the agreement, you have to set up at least six embossing stations by 31st March 2012 and set up all affixing stations latest by 30-03-2012. But till date, neither any action has been taken nor any action plan regarding setting up of Embossing Stations & Affixing Stations has been intimated by you.

3. As per clause 2.12.2 of agreement "A delay by the vendor in the performance of its contractual obligation shall tender the vendor liable to any or all of the following actions :


- I. Forfeiture of its performance security deposit.
- II. Imposition of liquidated damages and or
- III. Termination of the contract for default."

4. In view of the above, I am directed to say that you are required to submit show cause within 7 days of the issue of this notice as to why, in the light of clause 2.12.2 of the contract, your contract should not be terminated and performance guarantee of Rs. 50 lac be forfeited. It may be noted that, under clause 2.14 of the agreement also, the department has right to terminate the contract if the vendor commits breach of any or all the terms and the conditions of the contract.

In case your reply is not received by the department within the stipulated time, it will be presumed that you have nothing to say in this matter and the department will proceed further as per clause 2.12.2 of the contract.

Please treat it as most urgent.

Yours sincerely,


State Transport Commissioner,
Bihar, Patna.