



No. CGM/Thermal/Cont/2018-4

Dt: 06.02.2018

**CIRCULAR**

Sub: Procedure to be followed for Extension Of Time/ Cancellation of  
LOA/ Termination of Contract - Instructions issued- reg.

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- 1.0 Procedures to be followed for Extension of Time/ Cancellation of LOA/ Termination of Contract are indicated below. The Thermal units are instructed to follow the same to avoid any further complications .
- 2.0 **Extension of Time:** As per the Board resolution No. 403.10 dt 26.06.2010, the Letter/ Communication/ Amendment to Contract, issued to various Contractors for extending the Contract **with a right to levy Liquidated damages may be legally vetted**, so that it is free from any ambiguity and the Contractors do not use it to their advantage, in the event of delay on their part in execution of the Contract.
- 3.0 **Stage-I - Cancellation of LOA/Termination of Contract:**
  - a. Show-cause Notice shall be issued by NLCIL to the firm with an ultimatum, indicating their deficiencies/failures etc., the action proposed by NLCIL including forfeiture of EMD/SD and penal action proposed to be taken, if any ,as per the terms and conditions of the Contract. The draft Show-cause Notice is to be vetted by Legal department and shall be issued after getting the approval of Competent Authority.
  - b. On receipt of the Show-cause Notice, if the firm gives any reply, the same is to be considered and examined on merits to see whether there is any justification in their reply/claim to enable NLCIL to take a decision.
  - c. In case, there is no justification in the reply of the firm, then the letter of Cancellation of LOA/Termination of Contract indicating the reason for



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doing the same is to be submitted for approval of Competent Authority.  
The letter should be self-contained and to deal all the objections raised by the firm.

- d. On approval, the draft Letter for Cancellation of LOA/Termination of Contract is to be vetted by Legal department and then the letter is to be sent to the firm reserving NLCIL's right to suspend/ban/blacklist the firm.

3.1 **Stage-II - Suspension/Banning/Blacklisting:**

- a. A Show-cause Notice shall be issued by NLCIL to the firm with an ultimatum, narrating the chain of events as already stated in Stage-I including the Cancellation of LOA/Termination of Contract and indicating the action proposed to be taken on them (ie. Suspension/ Banning/ Blacklisting). Draft of this Show-cause Notice is to be vetted by Legal Department.
- b. The reply of the firm, if any for the said Show-cause notice is to be carefully examined.
- c. If no justification is found, a Note has to be placed before the Competent Authority for issuing the Order of Suspension/Banning/ Black listing to the firm.
- d. On approval, the draft Suspension/Banning/Blacklisting order is to be forwarded for legal vetting and the same is to be issued to the party concerned.

D. M. 6.2.18  
Chief General Manager/ Thermal

To

GM/TPS-I, GM/ TPS-I Expn, GM/ TPS-II, GM/ TPS-II Expn.

Copy to CGM/NNTPP, CGM/B&BP, CEO/NTPL

Copy to DGM/ Legal

Copy to TS to Director/ Power