

MUNICIPAL CORPORATION OF GREATER MUMBAI

No. DyChE/M&E/2009/ SWD Projects dated 16.02.2019

Subject: Blacklisting detail of contractor M/s. Pratibha Industries Ltd. from MCGM.

The details of the contractor M/s. Pratibha Industries Ltd. who has been blacklisted from MCGM for a period of 07 years is as follows;

Sr. no	Name of the contractor	Action taken	Period of Black-listing	Name of Directors
1	M/s. Pratibha Industries Ltd.	Blacklisted from 07.03.2019 vide order no. Ch.E./7619/SWD dated 06.03.2019	07 years	1. Ajit B. Kulkarni 2. Sharad P. Deshpande

Sd/-
Dy.Ch.E.(M&E)SWD Projects

MUNICIPAL CORPORATION OF GREATER MUMBAI

No. Ch.E./7619/SWD dtd. 06.03.2019

Office of Chief Engineer (Storm Water Drains)
Municipal Corporation of Greater Mumbai
Engineering Hub Bldg., Gr. Floor,
Dr. E. Moses Rd., Acharya Atre Chowk,
Worli Naka, Worli, Mumbai:- 400 018
Tel:- 02224955059/ Fax:- 02224980097

To,
M/s. Pratibha Industries Ltd.
Unit No. 1/B-56 & 1/B-57,
Phoenix Paragon Plaza,
Phoenix Market City,
LBS Marg, Kurla (W)
Mumbai - 400 070

Sub:- Work of design, planning and construction including supply, delivery, erection, commissioning of mechanical, electrical, instrumentation and automation works and comprehensive operation and maintenance of storm water pumping station (SWPS) at Gazdar Bandh, Mumbai.

-----Blacklisting of your company from MCGM and prohibiting you from participating in any MCGM tenders/ Quotations for seven years.

- Ref:-** (1) SCR No. 1283 of 26.02.2014
(2) Work order No. Ch.E./8697/SWD dt. 04.03.2014
(3) Final Show Cause Notice u/no. Ch.E./7037/SWD dt. 23.2.18 & Hearing in the Chamber of Ch.E.(SWD) dt. 19.04.18
(4) Termination letter u/no. Ch.E./1002/Dir/SWD dt. 09.10.2018

Please find enclosed herewith copy of order issued u/no. Ch.E./7614/SWD dated 06.03.2019 passed by Chief Engineer (Storm Water Drain) thereby blacklisting your company from MCGM and prohibiting you from participating in any MCGM tenders/ Quotations for seven years.

Sd/-

**Chief Engineer
(Storm Water Drain)**

MUNICIPAL CORPORATION OF GREATER MUMBAI

No. Ch.E./7614/SWD dated 06.03.2019

SPEAKING ORDER

Subject: Work of design, planning and construction including supply, delivery, erection, commissioning of mechanical, electrical, instrumentation and automation works and comprehensive operation and maintenance of storm water pumping station (SWPS) at Gazdar Bandh, Mumbai.

--- Blacklisting of M/s. Pratibha Industries Ltd. from MCGM and prohibiting them from participating in any MCGM tenders / quotations for seven years.

- Reference:**
1. SCR No. 1283 of 26.02.2014
 2. Work order no. Ch.E./8697/SWD dated 04.03.2014
 3. Final Show Cause Notice u/no. Ch.E./7037/SWD dated 23.02.2018
 4. Hon. MC's sanction u/no. MGC/F/5851/ dated 13.03.2018 for blacklisting of M/s. Prartibha Industries Ltd.
 5. Hearing in the Chamber of Ch.E.(SWD) on 19.04.2018
 6. Termination letter u/no. Ch.E./1002/SWD dated 09.10.2018

The Work of design, planning and construction including supply, delivery, erection, commissioning of mechanical, electrical, instrumentation and automation works and comprehensive operation and maintenance of storm water pumping station (SWPS) at Gazdar Bandh, Mumbai was allotted to M/s. Pratibha Industries Ltd. as per Standing Committee Resolution no. 1283 dtd. 26.02.2014. Accordingly, the work order was issued to M/s. Pratibha Industries Ltd. u/no. Ch.E./8697/SWD dated 04.03.2014. As per the contract agreement, the completion period of the said work was 18 months for part 'A' i.e. for construction of storm water pumping station at Gazdar Bandh excluding monsoon. The site access was given to M/s. Pratibha Industries Ltd. on 04.07.2014, and M/s. Pratibha Industries Ltd. had commenced the work on 01.10.2014. Thus the completion date as per the contract agreement was 12.11.2016 (i.e. contract period of 18 months). The mobilization advance of Rs. 12,14,35,000.00 was also paid to M/s. Pratibha Industries Ltd. by MCGM as per contract conditions.

M/s. Pratibha Industries Ltd. had submitted PERT chart dated 30.09.2015, indicating the dates of various works to be completed. It was observed that M/s. Pratibha Industries Ltd. was not adhering to the dates of work completion as per first approved PERT chart. Subsequently, M/s. Pratibha Industries Ltd. had submitted various PERT charts at various stages of said project work, assuring completion of the work. However, they failed to carry out the work as per the PERT charts resulting in the delay. Hence time to time letters were issued to M/s. Pratibha Industries Ltd. asking them to catch up with PERT chart schedule by deploying additional necessary manpower, materials, machines etc. For slow progress of the work, Show Cause Notices dated 06.02.2015, 21.03.2016, 26.08.2016 were issued.

As per the contract agreement, M/s. Pratibha Industries Ltd. was required to complete part 'A' work on or before 12.11.2016. However, the overall physical progress of the work till 30.11.2016 was meager i.e. 28.90% only. Thus, M/s. Pratibha Industries Ltd. had miserably failed to complete the work in time. However, in the interest of completion of project and to avoid flooding during the monsoon 2017, and also on the request made by M/s. Pratibha Industries Ltd., the extension was granted to M/s. Pratibha Industries Ltd. upto 31.05.2017, by imposing applicable compensation for delay. The same was informed to M/s. Pratibha Industries Ltd. vide letter dtd. 06.02.2017. However, in the extended period also, M/s. Pratibha Industries Ltd. miserably failed to complete the work by 31.05.2017. Therefore, Show Cause Notices dated 25.07.2017, 04.09.2017, 27.11.2017, 05.12.2017, 13.12.2017 were issued to M/s. Pratibha Industries Ltd. The replies sent by M/s. Pratibha Industries Ltd. were unconvincing and not satisfactory.

M/s. Pratibha Industries Ltd. stated in various meetings about their precarious financial condition and therefore as per General Contract Conditions Clause No. 10, M/s. Pratibha Industries Ltd. introduced and requested for subletting the remaining work to M/s. Khare & Tarkunde Infrastructure Pvt. Ltd. This said request of subletting of contract has been considered by MCGM. In AMC(ES)'s meeting dtd. 23.01.2018, M/s. Pratibha Industries Ltd. was instructed to submit the revised catch up plan and all the necessary documents required for the approval of subletting on or before 25.01.2018. But during this stipulated period, M/s. Pratibha Industries Ltd. failed to submit the necessary documents. It was evident that M/s. Pratibha Industries Ltd. was not serious about subletting the works to M/s. Khare & Tarkunde Infrastructure Pvt. Ltd., and was interested in delaying and killing precious time of 2 months (from 18.12.2017 to 22.02.2018). M/s. Pratibha Industries Ltd. did not avail the benefit of this sanction for Sub-letting and finally left it incomplete.

Till June 2018, M/s. Pratibha Industries Ltd. could complete only 51.82% work of the entire part 'A' works. The progress report by the consultants M/s. MWH India Pvt. Ltd. indicating the progress of the work is enclosed to this order as Annexure A.

On repeated occasions, Additional Municipal Commissioner (Eastern Suburbs) had conducted several review meetings dated 06.10.2017, 30.10.2017, 06.11.2017, 16.11.2017, 23.11.2017, 30.11.2017, 11.12.2017, 08.01.2018, 23.01.2018, 22.02.2018 and 16.04.2018 with the authorized officials of M/s. Pratibha Industries Ltd. and had instructed to speed up the work and maintain the progress as per the approved PERT chart / catch-up plan and complete the project. However, in spite of the various assurances, M/s. Pratibha Industries Ltd. had failed to complete the work. M/s. Pratibha Industries Ltd. also failed to deploy adequate skilled and unskilled manpower, machines, materials etc. as per the contract agreement.

As regards the progress of the present project under reference, completion of 51.82% of project work was of no beneficial use to MCGM as pumping station could not be put into operation due to the delay. As per the contract agreement, this pumping station was to be put into operation by November 2016, but, M/s. Pratibha Industries Ltd. failed to do so. Thereafter on extension of time, the pumping station was to be put into operation by May 2017, but once again even after giving sufficient time M/s. Pratibha Industries Ltd. failed. Due to repeated failures of completing part 'A' works and putting pumping station into operation, flooding in the catchment areas in Western Suburbs (Bandra, Khar and nearby areas), occurred in the monsoon of 2017 and 2018 whereby the lives of citizens residing in the catchment area was at risk. But for the failure of M/s. Pratibha Industries Ltd, Operation of the pumping station on time would result into avoiding the flooding & permitting the City transport services to be rendered efficiently & properly. Various agencies such as NGO, Media thus blamed MCGM for providing poor services, by utter negligenc & delay of this project by M/s. Pratibha Industries Ltd.

It is therefore clear from the above facts that M/s. Pratibha Industries Ltd. had persistently delayed & failed to complete the work. In view thereof, for the reasons aforesaid, a Final Show Cause Notice (enclosed herewith as annexure B) was issued to M/s. Pratibha Industries Ltd. on 23.02.2018, calling upon M/s. Pratibha Industries Ltd. to Show Cause why their contract should not be terminated and their firm should not be de-registered from MCGM or blacklisted. M/s. Pratibha Industries Ltd. submitted their reply on 19.04.2018 to this Final Show Cause Notice after delay of 02 months (enclosed herewith as annexure C) during the hearing which was held in the chamber of Ch.E.(SWD) on 19.04.2018.

In the said reply M/s. Pratibha Industries Ltd. assured that the Screen to be installed for collecting / removal of garbage shall be received by end of May 2018 or first week of June 2018. ('**we expect the screen will be received latest by end of May 2018 or first week of June 2018**'). However, the said assurance in reply was not executed by M/s. Pratibha Industries Ltd. in this matter. It is to be stated here that the reply sent by M/s. Pratibha Industries Ltd. is not point-wise, specific to the show cause notice and does not answer every contentions raised by MCGM therein. A counter reply

was given by MCGM to M/s. Pratibha Industries Ltd. (enclosed herewith as annexure D).

In the hearing held in the Chamber of Ch.E.(SWD) on 19.04.2018, the issues related to the Final Show Cause Notice were discussed when M/s. Pratibha Industries Ltd. stated that "they have received the funds which they intend to put to use for Gazdar SWPS work. They will be starting the work at Gazdar SWPS in full force soon." They assured to submit the detailed work plan by 21.04.2018. M/s. Pratibha Industries Ltd. submitted their detailed revised work plan on 26.04.2018, however, they failed miserably to stick to this work plan also. All the assurances given by M/s. Pratibha Industries Ltd. such as the screen supply by month of May 2018, installation at site in two week's time thereafter, also to put the pumping station into operation in monsoon 2018 are false statements. M/s. Pratibha Industries Ltd. have not stood to their commitments. Due to the repeated failures of commitment for completing the project, eventually M/s. Pratibha Industries Ltd.'s contract with MCGM for Gazdar Bandh SWPS work was terminated on 09.10.2018.

ORDER

I do hereby therefore direct that performance Bank Guarantee of Rs. 12,14,35,000/- of M/s. Pratibha Industries Ltd. be forfeited & M/s. Pratibha Industries Ltd. be informed accordingly.

As per the Undertaking in 'Vol. I, Sec. IE Form of E-Tender and Appendix to E-Tender' (enclosed herewith as annexure E) M/s. Pratibha Industries Ltd. has failed to comply with the essence and conditions of contract to complete the project even after granting additional time. Thus, M/s. Pratibha Industries Ltd. stands blacklisted by MCGM from the date of service of this order for a period of 7 years from participating in any tender process of MCGM during the blacklisting period. M/s. Pratibha Industries Ltd. shall not be entitled to be issued any tender document/s or quotation/s for any MCGM works.

Sd/-

**Chief Engineer
(Storm Water Drains)**