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No. C-37011/02/2012-V(DOC)
Government of India
Ministry of Commerce & Industry
Department of Commerce
(Supply Division)

Nirman Bhawan, New Delhi
Dated, the 30th April, 2014

Directorate of Supplies & Disposals (DGS&D)
Vs
M/s Shakti Fair Industries, 127/6, Ramnagar,
Nagpur

A proposal for banning of business dealings with the firm M/s Shakti Fair Industries, 127/6, Ramnagar, Nagpur, was received from Registration Branch, DGS&D, New Delhi, for supplying uninspected sub-standard quality of Desert Coolers to the consignee i.e. Commandant, 38 Battalion, ITBP Force, Raipur, Chhattisgarh against the S.O. No. 45024/SPL/Prov/36thBN/2010-7316 dated 23/04/2010 on DGS&D R/C no.....3969 dated 17/12/2009 placed by Frontier, ITBP (MHA), New Delhi.

2. Misconduct on the part of the firm is as follows:

a) M/s Shakti Fair Industries Nagpur supplied 275 No. of Evaporative Air Coolers to Commandant, 38, Battalion, ITBP Force, Raipur, Chhattisgarh against the S.O. No. 45024/SPL/Prov/36thBN/2010-7316 dated 23.04.2010 on DGS&D R/C No. 3969 dated 17.12.2009 placed by I.G. Frontier, ITBP(MHA), New Delhi. The stores (275 No. coolers) were inspected and released by ADQA, Nagpur under DQA, Mumbai vide their Inspection Note No. NAG/MEC/00026/0005/1P, 2P & 3P dated 24.05.10, 04.06.10 and 07.06.10 respectively. The stores were received by the consignee between 19.05.2010 to 25.06.2010. The consignee rejected the stores vide their letter No. ITBP/38th/QM/Defence/10 dated 07.06.2010 for the following reasons as given below:-

S. No.	Specn. Of Stores as per DGS&D R/C	Deviation observed in the Specn. of stores supplied by the firm.
1.	Fan Motor RPM-1400	RPM-1300
2.	Pump Set ISI Mark	Local
3.	Fan size 525mm	500mm
4.	Exhaust Fan Motor 400 Watt	123 Watt
5.	Cooler inner side water resistant painting	Without painting
6.	Indicator Switch	Normal Switch
7.	Cooler Water Tank 1.2mm	0.8mm
8.	For Drainage a Brass Plug	No Plug

b) Joint inspection was carried out by DQA, Mumbai at consignee's end in presence of the consignee and the firm's representative on 26.08.2010 on the basis of the request of DIG(Prov.), ITBP, New Delhi vide their letter No. 45024/Spl.ftr/Prov/36thBn/2010-1169-75. The joint inspection report revealed the following:

i) Out of 275 coolers, 121 coolers did not bear any stamp of inspection. It implies that firm have dispatched uninspected stores in total violation of DGS&D manual.

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- ii) The remaining coolers had stamping which were not matching with facsimile provided on Inspection Note. It implies that they had manipulated the stamps by stamping the stores with duplicate stamps.
- iii) ISI water Pump not provided.
- iv) Sump Tank thickness found as 0.9mm instead of 1.2mm.
- v) General workmanship appears to be inferior.
- vi) Quality of Water Pipe appears to be inferior including Filter Pipe.
- vii) Drainage Brass Plug not provided as mentioned in R/C.

The firm's Comments on the joint inspection were also called by DQA, Mumbai, and the comments furnished by the firm did not challenge the findings of Joint Inspection Report (JIR).

3. It is concluded that the firm had dispatched uninspected stores which were inferior in quality as compared to R/C specifications and the complaint is justified. The firm had tried intentionally and purposely to cheat Government by Supplying sub standard stores.

4. A show cause notice, dated 19/10/2012 was issued to the firm M/s Shakti Fair Industries, 127/6, Ramnagar, Nagpur with a direction to reply to show cause notice within 21 days of the issue of notice letter, failing which action will taken on the basis of available evidence without any further reference to the firm. The firm did not reply to the show cause notice issued to it.

5. On the basis of the facts & substances of the case as described in preceding paras, there is no doubt that the firm had indulged in act of supplying uninspected and sub-standard stores and this is an offence involving moral turpitude in relation to the business dealings which attract administrative action as per DGS&D Manual Clause no. 5.18.2(iii) and 5.18.3(ii).

6. Keeping these facts in view, I hereby order that all Departments/Ministries/offices of the Government of India be forbidden from commercial business dealings, in the non statutory sphere with the firm M/s Shakti Fair Industries, 127/6, Ramnagar, Nagpur to be operative for a period of three years commencing from the date of this order.

7. It may be noted that this order applies mutatis-mutandis to all allied firms, if any of M/s Shakti Fair Industries, 127/6, Ramnagar, Nagpur.

8. Since this is an ex-parte order, the firm may represent for review of this order by submitting all relevant details.

Arvind Mehta
30/5/2014
(Arvind Mehta)

Joint Secretary to the Government of India
& Chief Vigilance Officer

To
M/s Shakti Fair Industries,
127/6, Ramnagar, Nagpur
(Through Registration Branch, DGS&D, New Delhi)

Copy to:
Registration Branch, DGS&D, New Delhi
[Regn. Branch is also requested to post this banning order on DGS&D's website.]

OK Passed
21/05/2014

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