

Email/ Registered Post with A/D

Ref: PG/CC/CS/CTDS-AP/Debar/TESLA

Date: 13/05/2026

Tesla Transformers (India) Limited,
23-A, Sector-B, Industrial Area Govindpura
Bhopal - 462023

Kind Attn.: Mr. Jitendra Singh

Email id: jitendra@teslaindia.co

Subject: Debarment i.e. exclusion of Tesla Transformers (India) Limited (TESLA) from participating as Bidder or Sub-contractor in tenders/Contracts and from award of contracts by Power Grid Corporation of India Ltd. (POWERGRID)

Dear Sir,

- 1.0 WHEREAS Power Grid Corporation of India Ltd (hereinafter referred to as "POWERGRID"), is a company incorporated under the Companies Act, 1956 having its registered office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016.
- 2.0 WHEREAS, as per POWERGRID's compendium of vendors, TESLA is approved vendor for Power Transformer up to 25 MVA, 132 KV class. Further, POWERGRID vide letter ref. CC/QA&I/2023/Letter/16 dated 03.02.2023, has granted you the MQP Approval Validity Extension for Power Transformer up to 132 KV class.
- 3.0 WHEREAS, our letter regarding Non indulgence in Unethical Practices as per Annexure- I of the Letter mentioned at Para 2.0 above stipulates that none of the workers/executives in the premises indulge in any un-ethical practice during manufacturing, inspection or dispatch of material for POWERGRID projects.
- 4.0 Further, POWERGRID entered into Contracts with M/s Neccon Power & Infra Ltd. (hereinafter referred to as "NECCON") vide NOA no. CC-CS/165-NER/SS-1870/3/G4/NOA-I/5625 & CC-CS/165-NER/SS-1870/3/G4/NOA-II/5626 both dated 07.01.2016 and Tesla Transformers (India) Limited (TESLA) was a sub-vendor of Power Transformers for NECCON under the said Contract.
- 5.0 As per clause 35 of ITB, Section-II, Vol-B of the aforesaid Contract which provides that:

"It is the Employer's policy that requires the Bidders, suppliers and contractors and their subcontractors under the contracts to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the Employer:

- (a) *defines, for the purpose of this provision, the terms set forth below as follows:*
- (i) *"corrupt Practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;*

केन्द्रीय कार्यालय : "सौदामिनी", प्लॉट नं. 2, सेक्टर-29, गुरुग्राम-122001, (हरियाणा), दूरभाष : 0124-2822012

Corporate Office : "Saudamini", Plot No. 2, Sector-29, Gurugram-122001, (Haryana), Tel.: 0124-2822012

पंजीकृत कार्यालय : बी-9, कुतुब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली - 110 016 दूरभाष : 011-26560112, 26560115, 26560193, सीआईएन : L40101DL1989GOI038121

Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016. Tel.: 011-26560112, 26560115, 26560193, CIN : L40101DL1989GOI038121

Website : www.powergrid.in

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(c) *will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract.....”*

6.0 Further, a comfort letter dated 15.03.2021 has been issued on the request of M/s NECCON to facilitate direct payments onto you for the supplies made by you under the aforesaid Contract.

7.0 WHEREAS, it has come to notice that CBI New Delhi has filed a Chargesheet for a case registered vide FIR No: RC-216-2022-A-0008 dated 05.07.2022 regarding Criminal Conspiracy, bribing of Public Servant and bribing a public servant by commercial organization etc inter-alia involving TESLA and their Director Sh. Jaideep Jain during course of execution of the said Contract as a sub-contractor of NECCON. In the aforementioned chargesheet, it is observed that charges for offences under Section 120-B of the Indian Penal Code, 1860 read with Sections 7, 8, 9, 10 and 12 of the Prevention of Corruption Act, 1988 (as amended in 2018) have been framed against TESLA and its Director Sh. Jaideep Jain.

8.0 WHEREAS, vide our letter dated 11.07.2023, a Show Cause Notice has been issued to you, thereby, giving you an opportunity to explain as to why action should not be taken against TESLA including withdrawal of vendor approval and/or manufacture quality plan (MQP) and exclusion from future contract award process for a specified period.

9.0 WHEREAS, you submitted your reply to the aforementioned Show Cause Notice vide your letter dated letter dated 11.08.2023 wherein you have also requested for certain additional documents viz. a copy of Charge sheet and the Contract for Package ARP-SS-01A signed between POWERGRID and NECCON wherein TESLA was the sub-contractor of NECCON.

10.0 WHEREAS, POWERGRID vide letter dated 25.01.2024 has shared a copy of chargesheet and the Bidding Documents for Substation Package ARP-SS-01A containing the terms & conditions based on which the Contract has been entered into by POWERGRID and NECCON. Thereafter, TESLA has filed its supplementary reply vide letter dated 22.02.2024.

11.0 WHEREAS, CBI has further filed a supplementary chargesheet dated 21.12.2024 in the case mentioned at Para 7.0 above, wherein charges against TESLA contained in the original Chargesheet remained unchanged.

12.0 WHEREAS, considering your request, a personal hearing was also granted to you on 03.06.2025. Pursuant to the personal hearing, TESLA submitted its supplementary reply dated 12.06.2025.

13.0 WHEREAS, the contentions raised by TESLA in its letter dated 11.08.2023 and 22.02.2024 in response to the Show Cause Notice issued by POWERGRID and further submission dated 12.06.2025 pursuant to personal hearing on 03.06.2025 have been considered and dealt as follows:

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| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|--|---|
| 1. | <p>(Para 2 of Letter 3 dated 12.06.2025)</p> <p>At the outset, it is categorically stated that we have neither during the procurement of the sub-contract nor during its execution and/or completion, resorted to or indulged in any action/omission, which can be construed as a "Corrupt or "Fraud" or "Unethical Practice". There is neither any evidence whatsoever to this effect nor the same is cited in show cause Notice and the Letter dated 25.01.2024 issued by PGCIL to our company. The Show Cause Notice and the Letter are completely silent on the alleged instances of "Corrupt Practice" or "Fraud" or "Unethical Practice", purportedly committed by our company. In the absence of such evidence, no action can be taken against our company.</p> | <p>The Chargesheet contains the details of TESLA being involved in bribing an ex-official of POWERGRID. The same is referred to in both the Show Cause Notice dated 11.07.2023 and subsequent letter dated 25.01.2024 issued to M/s TESLA. Further, a copy of the Chargesheet is also shared with TESLA. The allegations contained in the Chargesheet explicitly point to the unethical practices committed by TESLA.</p> |
| 2. | <p>(Para 4 of Letter 3 dated 12.06.2025)</p> <p>The contents of the Chargesheet are not gospel truth and are subject to trial before the concerned Criminal Court. The Company is merely under trial and not convicted. Till the contents of the Chargesheet are proven through trial and final arguments, those are merely allegations against the Accused persons which are presumed to be innocent under the law.</p> | <p>Regarding submissions of TESLA about allegations levelled against them in the Chargesheet which are yet to be proved in the Court of Law, it is pertinent to mention here that as per the prevalent legal precedents, if the investigation culminates in the filing of chargesheet, the state /employer cannot be expected to wait for the outcome of the prosecution and in the meanwhile, continue to deal with persons whose conduct has come under a serious cloud. Further, it is to be noted that the standard applicable for administrative action is not proof beyond reasonable doubt but whether, based on available material, there exist sufficient grounds to reasonably conclude that the reliability and credibility of the vendor has come into question and continued engagement with such vendor would be prejudicial to POWERGRID's interests. In this regard, reliance is placed on the Hon'ble Delhi High Court's Judgement in <i>M/S Sabharwal Medicos Pvt Ltd Through its Director vs Union Of India And Ors</i>, WPC 7369 of 2011 dated 25.09.2013, holding that "Once the investigation by a State Agency is carried out and it culminates in filing of a charge-sheet, the State cannot be expected to wait for the outcome of the prosecution and in the meanwhile,</p> |

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|-------|---|---|
| | | <i>continue to deal with persons whose conduct has come under a serious cloud."</i> |
| 3. | <p>(Para 6 of Letter 3 dated 12.06.2025)</p> <p>The Company and its Director have been discharged of the main allegation under Section 7 of the PC Act for "Offence relating to Public Servant being bribed" by the Learned Special Judge, Panchkula, Haryana, vide Order dated 19.04.2025 passed in Case No. PC/O1/2023, which further fortifies that the allegations against the Company and its Director in the Chargesheet are false, meritless and without application of mind.</p> | <p>As per the contents of the Chargesheet, charges against TESLA and its Director have been framed for commission of offences u/s 120B of IPC and Section 7, 8, 9, 10 & 12 of the P.C. Act 1988 (as amended in 2018). Section 7 of PC Act deals with offences relating to public servant being bribed. Since TESLA and its Director are private persons, therefore offence under Section 7 of the PC Act is not attracted in the present case. However, as per same order dated 19.04.2025, the court has dismissed the discharge application moved by M/s TESLA & its director Jaideep Jain and held that "All the ingredients of Section 8 are fully met and hence, there is no question of discharging the applicants-accused from the present case and for that matter, even in respect of offences punishable under Section 9, 10 & 12 of the PC Act as also Section 120-B IPC as the applicants-accused No. 8 & 11 prime facie acted in conspiracy with accused B.S.Jha".</p> |
| 4. | <p>(Para 7, 7.1 and 7.4 of Letter dated 12.06.2025)</p> <p>7. So far as other allegations are concerned, they are also frivolous and vexatious to make the Company a scapegoat. The Company is in the process of filing a petition under Section 482 of Criminal Procedure Code, 1973, read with Section 528 of BNSS, before the Hon'ble High Court of Punjab and Haryana at Chandigarh, for quashing of the entire criminal proceedings against them which are pending before the Ld. Special Judge, CBI, Panchkula, Haryana, on the following grounds:</p> <p><u>No offence under Section 8 of the Prevention of corruption Act, 1988 is made out against the Company or its Director:</u></p> <p>7.1 A plain reading of the chargesheet reveals that neither there is any specific allegation against M/s Tesla Transformers and/or any of its Directors, nor there is any material on record which could even remotely prove the essential ingredients</p> | <p>As per Para 16.31 of the Chargesheet, it has been mentioned that "Investigation revealed that, in the month of March 2022, accused B.S. Jha made demand of illegal gratification from accused Jaideep Jain, Director of M/s Tesla Transformers (India) Ltd., in lieu of bills being cleared by Power Grid. On his demand Shri Jaideep Jain agreed to pay him Rs. 2.5 lakhs.</p> <p>Besides, there were further mention of events in the Chargesheet brought out at Para 16.33 to 16.36 that unfolded till the time the aforementioned demand of Rs. 2.5 Lakhs was fulfilled by TESLA through their various aides.</p> <p>In view of the above, it emerged that the Chargesheet clearly establishes the demand made for illegal gratification by the public servant and acceptance of the same by the bribe-giver and the payment made thereto to the public servant. Thus, the argument of TESLA does not hold any merit.</p> |

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|-------|--|---|
| | <p>required to constitute an offence under Section 8 of the PC Act against them. No offence is made out against M/s Tesla Transformers and/or any of its Directors under Section 8 under PC Act since:</p> <ul style="list-style-type: none"> • Neither the Company nor its Director have given or promised to give any undue advantage to any employee of PGCIL; • Neither was there any intention of the Company or its Director to induce any employee of PGCIL to perform a public duty improperly, nor any act was done in furtherance of the same; • Further, there was no intention of the Company or its Director to reward any employee of PGCIL for the improper performance of any public duty, and no such act was done by the Company or its Directors; <p>Thus, even the basic ingredients of Section 8 of the PC Act are absent against the Company and its Director.</p> <p>7.4 The Hon'ble Supreme Court of India in case of Babji Vs. State of Andhra Pradesh (2018) 17 SCC 732 has held that:</p> <p>" 6. In order to constitute an offence under Section 8 of the Act, three things are essential. In the first place there must have been the solicitation or receipt of the gratification. Secondly, such gratification must have been asked for or paid as a motive or reward for inducing a public servant to do an act or do a favour or render some service as stated under Section 8 of the Act..... In the absence of convincing evidence to show that the appellant had received the money from PW4, to induce a public servant to get the confirmation of the ticket, the conviction of the appellant under section 8 of the PC Act cannot be sustained. In the</p> | <p>Further, the Learned Special Judge, Panchkula, Haryana, vide Order dated 19.04.2025 passed in Case No. PC/O1/2023 has clearly held that "All the ingredients of Section 8 are fully met and hence, there is no question of discharging the applicants-accused from the present case and for that matter, even in respect of offences punishable under Section 9, 10 & 12 of the PC Act as also Section 120-B IPC as the applicants-accused No. 8 & 11 prime facie acted in conspiracy with accused B.S.Jha."</p> |

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|-------|---|--|
| | result, the appeal is allowed and the appellant is acquitted." | |
| 5. | <p>(Para 7.5, 7.6, 7.7 & 7.8 of Letter dated 12.06.2025)</p> <p>7.5 Moreover, the Charge Sheet alleges that the Comfort Letter dated 15.03.2021 was issued by B. S. Jha and on the strength of the Comfort Letter various payments were released to M/s Tesla by PGCIL on same day on which invoice was generated. Relevant portion of the Charge Sheet has been reproduced hereinbelow for the kind reference.</p> <p>"Investigation revealed that, on the strength of comfort letter various payments were made to M/s Tesla by PGCIL and till 05.07.2022, total payments amounting to Rs 5, 12,93,088/ were made. M/s Tesla raised a bill dated 16.03.2022 i.e. E. Note No. 449991 and payment of Rs 87,91,081/- was released on same day and again bill dated 13.5.2022 i.e. E Note No. 475811 for Rs 98,52,892/- was released on same day by PGCIL."</p> <p>7.6 However, the aforesaid allegations in the Charge Sheet are categorically denied. Firstly, the Comfort Letter in question was not issued by Mr. B. S. Jha. The Comfort Letter was issued by Mr. Ajit Kumar, Sr. General Manager, (Comp. Scheme), Pasighat, for and on behalf of Power Grid Corporation of India Ltd. Further, the Comfort Letter does not state that it has been issued on the instructions of Mr. B.S. Jha. Whereas, it has been considered, modified and vetted scrupulously at various levels in PGCIL, before its issuance in favour of the Company. Therefore, there is neither any inducement by the Company for performance of any public duty improperly, nor there is any reward given by the Company for any improper performance of a public duty.</p> <p>7.7 Additionally, the allegations regarding the release of payment on the date of the issuance of the invoices are patently false. No evidence, whatsoever, has been brought</p> | <p>The Chargesheet alleges that M/s TESLA raised a bill dated 16.03.2022 i.e. E. Note No 44991 and payment of Rs 87,91,081/- was released on same day and again bill dated 13.05.2022 i.e. E Note No. 475811 for Rs 98,52,892/- was released on same day by PGCIL.</p> <p>On perusal of the e-notes and bank transaction statement for payment referred by CBI, it appears that Note no 44991 was approved on 12.03.2022 and the payment was made on 16.03.2022 whereas Note no. 475811 was approved on 13.05.2022 and the payment was made on 14.05.2022. As such, allegations in the CBI chargesheet linking the invoice raising by TESLA and POWERGRID making the payment on same day could not be corroborated from the e-notesheets and the transaction statements.</p> <p>However, the aforesaid does not rule out the other allegations contained in the chargesheet vide which it is alleged that in the month of March 2022, accused B.S. Jha made demand of illegal gratification from accused Jaideep Jain, Director of M/s Tesla Transformers (India) Ltd., in lieu of bills being cleared by Power Grid. On his demand Shri Jaideep Jain agreed to pay him Rs. 2.5 lakhs.</p> <p>Further, as mentioned above, the Learned Special Judge, Panchkula, Haryana, vide Order dated 19.04.2025 passed in Case No. PC/O1/2023 has also held that all the ingredients of Section 8 are fully met.</p> <p style="text-align: right;"><i>mgRmadan</i></p> |

| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------|---|--|--------------|----------------------------|-----------------|----------------------------|-----------------|----------------------|----|-----------------|------------|------------|---------|-------------|-------|----|-----------------|------------|------------|---------|--|-------|----|-----------------|------------|------------|----------|-------------|-------|----|-----------------|------------|------------|----------|--|-------|----|-----------------|------------|------------|----------|-----------|-------|----|-----------------|------------|------------|----------|-----------|-------|------------|----------|----------|------------|----------|----------|------------|----------|----------|------------|----------|--|--|----|-----------------|------------|------------|----------|-----------|-------|----|-----------------|------------|------------|----------|--|-------|----|-----------------|------------|------------|----------|--|-------|-----|-----------------|------------|------------|----------|--|-------|-----|-----------------|------------|------------|---------|--|-------|-----|-----------------|------------|------------|---------|-----------|-------|-----|------------------|------------|------------|----------|----------|-------|--|
| | <p>in the Chargesheet which proves that the payment has been released on the same date as that of the Invoice, which is evident from the following chart:</p> <table border="1" data-bbox="271 504 790 1108"> <thead> <tr> <th>S.No.</th> <th>INVOICE NO.</th> <th>INVOICE DATE</th> <th>PAYMENT DATE</th> <th>DELAY IN PAYMENT (IN DAYS)</th> <th>AMOUNT RECEIVED</th> <th>AMOUNT RECEIVED FROM</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>TTIL/2021000049</td> <td>05.05.2021</td> <td>06.07.2021</td> <td>63 DAYS</td> <td>1,03,59,612</td> <td>PGCIL</td> </tr> <tr> <td>2.</td> <td>TTIL/2021000050</td> <td>05.05.2021</td> <td>06.07.2021</td> <td>63 DAYS</td> <td></td> <td>PGCIL</td> </tr> <tr> <td>3.</td> <td>TTIL/2021000054</td> <td>07.05.2021</td> <td>30.08.2021</td> <td>116 DAYS</td> <td>1,14,96,851</td> <td>PGCIL</td> </tr> <tr> <td>4.</td> <td>TTIL/2021000065</td> <td>15.05.2021</td> <td>30.08.2021</td> <td>108 DAYS</td> <td></td> <td>PGCIL</td> </tr> <tr> <td>5.</td> <td>TTIL/2021000092</td> <td>10.06.2021</td> <td>13.10.2021</td> <td>126 DAYS</td> <td>57,67,715</td> <td>PGCIL</td> </tr> <tr> <td rowspan="4">6.</td> <td rowspan="4">TTIL/2021000093</td> <td rowspan="4">10.06.2021</td> <td>27.10.2021</td> <td>140 DAYS</td> <td>13,29,084</td> <td rowspan="4">PGCIL</td> </tr> <tr> <td>10.01.2022</td> <td>215 DAYS</td> <td>5,35,039</td> </tr> <tr> <td>10.01.2022</td> <td>215 DAYS</td> <td>8,40,999</td> </tr> <tr> <td>14.02.2022</td> <td>250 DAYS</td> <td>7,97,615</td> </tr> <tr> <td>16.03.2022</td> <td>280 DAYS</td> <td></td> <td></td> </tr> <tr> <td>7.</td> <td>TTIL/2021000136</td> <td>05.07.2021</td> <td>16.03.2022</td> <td>255 DAYS</td> <td>87,91,081</td> <td>PGCIL</td> </tr> <tr> <td>8.</td> <td>TTIL/2021000137</td> <td>05.07.2021</td> <td>16.03.2022</td> <td>255 DAYS</td> <td></td> <td>PGCIL</td> </tr> <tr> <td>9.</td> <td>TTIL/2021000149</td> <td>09.07.2021</td> <td>16.03.2022</td> <td>251 DAYS</td> <td></td> <td>PGCIL</td> </tr> <tr> <td>10.</td> <td>TTIL/2021000191</td> <td>20.08.2021</td> <td>16.03.2022</td> <td>209 DAYS</td> <td></td> <td>PGCIL</td> </tr> <tr> <td>11.</td> <td>TTIL/2021000303</td> <td>09.12.2021</td> <td>16.03.2022</td> <td>98 DAYS</td> <td></td> <td>PGCIL</td> </tr> <tr> <td>12.</td> <td>TTIL/2021000438</td> <td>24.03.2022</td> <td>13.05.2022</td> <td>51 DAYS</td> <td>98,52,892</td> <td>PGCIL</td> </tr> <tr> <td>13.</td> <td>ARI2223/20000054</td> <td>23.05.2022</td> <td>28.02.2023</td> <td>282 DAYS</td> <td>1,01,480</td> <td>PGCIL</td> </tr> </tbody> </table> <p>7.8 The details mentioned in the above Chart make it clear that the allegation regarding the early/same day release of payment against respective invoice, as alleged in the Chargesheet, is completely false and without any merits. None of the payments received against the invoices, has been released on the date of the issuance of the invoice, which can independently be verified by PGCIL from their own payment portal and records. Therefore, contrary to the averments of the Chargesheet, we have neither received any undue favour in receiving the payments from PGCIL nor has PGCIL faced any loss at our our behest. Further, there is no allegation of any breach of contract or supply of any sub-standard or defective Transformers by our Company to PGCIL. Therefore, no offence under Section 8 of the PC Act is made out against the Company or its Director.</p> | S.No. | INVOICE NO. | INVOICE DATE | PAYMENT DATE | DELAY IN PAYMENT (IN DAYS) | AMOUNT RECEIVED | AMOUNT RECEIVED FROM | 1. | TTIL/2021000049 | 05.05.2021 | 06.07.2021 | 63 DAYS | 1,03,59,612 | PGCIL | 2. | TTIL/2021000050 | 05.05.2021 | 06.07.2021 | 63 DAYS | | PGCIL | 3. | TTIL/2021000054 | 07.05.2021 | 30.08.2021 | 116 DAYS | 1,14,96,851 | PGCIL | 4. | TTIL/2021000065 | 15.05.2021 | 30.08.2021 | 108 DAYS | | PGCIL | 5. | TTIL/2021000092 | 10.06.2021 | 13.10.2021 | 126 DAYS | 57,67,715 | PGCIL | 6. | TTIL/2021000093 | 10.06.2021 | 27.10.2021 | 140 DAYS | 13,29,084 | PGCIL | 10.01.2022 | 215 DAYS | 5,35,039 | 10.01.2022 | 215 DAYS | 8,40,999 | 14.02.2022 | 250 DAYS | 7,97,615 | 16.03.2022 | 280 DAYS | | | 7. | TTIL/2021000136 | 05.07.2021 | 16.03.2022 | 255 DAYS | 87,91,081 | PGCIL | 8. | TTIL/2021000137 | 05.07.2021 | 16.03.2022 | 255 DAYS | | PGCIL | 9. | TTIL/2021000149 | 09.07.2021 | 16.03.2022 | 251 DAYS | | PGCIL | 10. | TTIL/2021000191 | 20.08.2021 | 16.03.2022 | 209 DAYS | | PGCIL | 11. | TTIL/2021000303 | 09.12.2021 | 16.03.2022 | 98 DAYS | | PGCIL | 12. | TTIL/2021000438 | 24.03.2022 | 13.05.2022 | 51 DAYS | 98,52,892 | PGCIL | 13. | ARI2223/20000054 | 23.05.2022 | 28.02.2023 | 282 DAYS | 1,01,480 | PGCIL | |
| S.No. | INVOICE NO. | INVOICE DATE | PAYMENT DATE | DELAY IN PAYMENT (IN DAYS) | AMOUNT RECEIVED | AMOUNT RECEIVED FROM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | TTIL/2021000049 | 05.05.2021 | 06.07.2021 | 63 DAYS | 1,03,59,612 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | TTIL/2021000050 | 05.05.2021 | 06.07.2021 | 63 DAYS | | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | TTIL/2021000054 | 07.05.2021 | 30.08.2021 | 116 DAYS | 1,14,96,851 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | TTIL/2021000065 | 15.05.2021 | 30.08.2021 | 108 DAYS | | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | TTIL/2021000092 | 10.06.2021 | 13.10.2021 | 126 DAYS | 57,67,715 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | TTIL/2021000093 | 10.06.2021 | 27.10.2021 | 140 DAYS | 13,29,084 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 10.01.2022 | 215 DAYS | 5,35,039 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 10.01.2022 | 215 DAYS | 8,40,999 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 14.02.2022 | 250 DAYS | 7,97,615 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16.03.2022 | 280 DAYS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | TTIL/2021000136 | 05.07.2021 | 16.03.2022 | 255 DAYS | 87,91,081 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. | TTIL/2021000137 | 05.07.2021 | 16.03.2022 | 255 DAYS | | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9. | TTIL/2021000149 | 09.07.2021 | 16.03.2022 | 251 DAYS | | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. | TTIL/2021000191 | 20.08.2021 | 16.03.2022 | 209 DAYS | | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. | TTIL/2021000303 | 09.12.2021 | 16.03.2022 | 98 DAYS | | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. | TTIL/2021000438 | 24.03.2022 | 13.05.2022 | 51 DAYS | 98,52,892 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13. | ARI2223/20000054 | 23.05.2022 | 28.02.2023 | 282 DAYS | 1,01,480 | PGCIL | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. | (Para 7.9, 7.10, 7.11 of Letter dated 12.06.2025) | Refer Reply against S. No. 4 above. Further, the Learned Special Judge, Panchkula, Haryana, vide Order dated 19.04.2025 passed in Case No. PC/O1/2023 has also | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|--|--|
| | <p><u>No offence under Section 9, 10 and 12 of the Prevention of Corruption Act, 1988 is made out against the Company or its Director:</u></p> <p>7.9</p> <p>The contents of Chargesheet have miserably failed to establish the commission of any offence by the Company under Section 9 of the PC Act. Both, the Show Cause Notice and the Chargesheet fail to demonstrate that:</p> <ol style="list-style-type: none"> 1. the Company or its Director has given or promised to give any undue advantage to any employee of PGCIL; 2. there is any evidence as to when such undue advantage was demanded by any employee of PGCIL; 3. there is any evidence as to when such undue advantage was given to any employee of PGCIL by the Company or any of its employees; 4. there is any evidence that the Company had obtained or retained any business from PGCIL in lieu of such alleged undue advantage; and 5. there is any evidence that the Company had obtained or retained or may obtain or retain any advantage in conduct of its business with PGCIL. <p>7.10 On the contrary, no direct contract has been executed between PGCIL and the Company since March'2021. The last contract awarded by PGCIL to the Company was on 26.02.2021 in respect of purchase order No. 630KVA Transformer/LOA/76 in respect of Boisar Sub-station, Palghar, Maharashtra. The Company was awarded a sub-contract by M/s Gupta Power Infrastructure Ltd. for supply of Transformers to Lalung Sub-station, Kargil in respect of Purchase Order No. GPIL/LOA/PGCIL/LADAKH/2022-23/009 dated 26.07.2022. Even such Sub-Contract has no connection with the Chargesheet or Accused No. 1, Mr. B.S. Jha in any manner whatsoever, and the same was sub-contracted prior to filing of the Chargesheet on 27.12.2022. Therefore, it is</p> | <p>held that "All the ingredients of Section 8 are fully met and hence, there is no question of discharging the applicants-accused from the present case and for that matter, even in respect of offences punishable under Section 9, 10 & 12 of the PC Act as also Section 120-B IPC as the applicants-accused No. 8 & 11 prime facie acted in conspiracy with accused B.S.Jha."</p> <p style="text-align: right;"><i>ruq Bhadani</i></p> |

| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|---|--|
| | <p>evident that the Company has neither obtained nor retained any business or advantage from PGCIL since March'2021.</p> <p>7.11 In the absence of any offence being made out under Section 9, the invocation of Section 10 of the PC Act also does not sustain in law. Further, there is no allegation in the Show Cause Notice against any Director or Employee of the Company.</p> | |
| 7. | <p>(Para 7.12, 7.13, 7.14 and 7.15 of Letter dated 12.06.2025)</p> <p>No offence under Section 12 of PC Act read with Section 120-B of Indian Penal Code is made out against the Company or its Director:</p> <p>7.12 As far as the allegations under Section 12 of the PC Act are concerned, it is submitted that from a perusal of the Chargesheet and the documents as well as statements relied upon therein, no offence of abetment is either alleged or made out against the Company or its Director.</p> <p>7.13 In the Chargesheet, there are no allegations against the Company or its Director, for having instigated, engaged, intentionally aided or abetted any person to commit any offence under the PC Act. Further, there is no allegation of Abetment in the Show Cause Notice issued by PGCIL.</p> <p>7.14 The contents of the Chargesheet also fail in making out an offence of Criminal Conspiracy punishable under Section 120-B of the IPC, against the Company or its Director. There is no allegation in the Show Cause Notice that, the Company had conspired with any of the employees of PGCIL including Mr. B.S. Jha to commit any offence under the provisions of Prevention of Corruption Act, 1988, which is sine qua non for establishing the offence of criminal conspiracy under Section 120-B of Indian Penal Code, 1860.</p> <p>7.15 In light of the aforementioned facts and grounds, it is respectfully submitted that the</p> | <p>Section 12 of the PC Act deals with Punishment for abetment of offences under the PC Act. It states that 'whoever abets any offence punishable under this Act, whether or not that offence is committed in consequence of that abetment, shall be punishable with imprisonment for a term which shall be not less than three years, but which may extend to seven years and shall also be liable to fine'.</p> <p>In the present case, as per the Chargesheet, Sh B.S. Jha (ex-ED) of POWERGRID made demand of illegal gratification from Jaideep Jain (Director, TESLA) in lieu of their bills being cleared by POWERGRID. On his demand, Jaideep Jain agreed to pay him the bribe. Further, the Chargesheet mentions the sequence of events from Jaideep Jain instructing his employee to send the bribe to Mr. B.S. Jha till the time the same is delivered to Mr. Jha. Thus, there is clear evidence that Mr. Jaideep Jain abetted to pay bribe to Mr. Jha. As such, the Chargesheet provides evidence that offences under Section 12 of PC Act read with Section 120-B of Indian Penal Code are committed by TESLA and its Director.</p> <p style="text-align: right;"><i>ng Bhadani</i></p> |

| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|---|--|
| | Chargesheet utterly fails to establish that the Company or its Director has ever engaged in any form of 'Corrupt Practice,' 'Fraud,' or 'Unethical Practice' that could justify an extreme and punitive measure such as blacklisting against them. No independent enquiry has been conducted by PGCIL to verify the contents of the Chargesheet which has dragged the Company into its clutches without any justifiable or justiciable proof. | |
| 8. | <p>(Para 7 of TESLA's reply dated 11.08.2023)</p> <p>Moreover, in the Show Cause Notice, PGCIL has also referred to the contents of the contract between PGCIL and Necon Power and Infra Ltd. We are neither privy to such contract nor any copy of such contract has been provided to us with the Show Cause Notice. The contents of such contract are not within our knowledge. We deny the interpretation sought to be given to a particular clause of such contract in isolation. Without a complete copy of the contract, we will not be in a position to respond appropriately to the allegations contained in the show cause notice.</p> <p>(Para 2 of TESLA's reply dated 22.02.2024)</p> <p>.....Without prejudice, we categorically deny all the allegation raised against us in the Charge Sheet and the Show Cause Notice. PGCIL has not provided us with the signed and stamped copy of the Contract executed between PGCIL and Necon. Without a signed and stamped copy of the contract, we will not be in a position to respond appropriately to the allegations contained in the show cause notice. Therefore, we request to provide us with the signed and stamped of the contract signed between PGCIL and Necon.</p> | <p>As communicated to TESLA vide Show Cause Notice dated 11.07.2023, Clause No. 35 of Section-II: Instruction to Bidders, Vol. I, (which is the part of the Contract Agreement for ARP SS01A) inter-alia provides that it is the Employer's policy that requires the Bidders, Suppliers and contractors and their subcontractors under the contracts to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, "Corrupt Practice" means offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party and the Employer will sanction a firm or individual, including declaring ineligible either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt practices in competing for, or in executing a contract.</p> <p>Based on the request of TESLA, the complete set of Bidding Documents was provided to them for Package ARP-SS01A containing the terms & conditions based on which the Contract has been entered into by POWERGRID and NECCON vide letter dated 25.01.2024.</p> <p>Furthermore, vide the aforesaid letter dated 25.01.2024, it was also communicated to TESLA that the breach under the provisions of the said Contract is only an additional breach highlighted by POWERGRID. Indulging in the fraud and unethical</p> |

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| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|--|---|
| | | practice is already prohibited under MQP Approval granted to them. |
| 9. | <p>(Para 5, 6, 7 & 8 of Letter dated 22.02.2024)</p> <p>A. NO ALLEGATIONS IN THE SHOW CAUSE NOTICE WHICH FALL WITHIN THE SCOPE OF THE LETTER FOR NON-INDULGENCE IN UNETHICAL PRACTICES</p> <p>The Letter dated 17.06.2021 regarding Non-indulgence in Unethical Practices is not applicable in our case as none of the allegations contained in the Show Cause Notice fall within the scope of this letter.</p> <p>.....</p> <p>.....</p> <p>A careful reading of the Non-Indulgence Letter dated 17.06.2021 reveals that such letter is not addressed to any of the contractors of PGCIL. The Non-Indulgence Letter is applicable only in the following cases which is evident from the reading of its first paragraph:</p> <p>a. fraudulent/un-ethical practices like un-informed outsourcing,</p> <p>b. fraud during sampling, usage of material from unapproved sources;</p> <p>c. welding joints which is not allowed as per technical specification;</p> <p>d. tempering of test equipment;</p> <p>e. swapping of material samples selected and sealed by our inspection executives for third party lab testing;</p> <p>f. forging the signatures; and</p> <p>g. submission of forged documents ag- forged test certificates of raw materials, forged test reports.</p> <p>However, the Charge Sheet against TESLA and its Director does not contain any of the allegations which fall within the scope of Non-Indulgence Letter. A careful perusal of</p> | <p>As per the Letter dated 17.06.2021 regarding Non-Indulgence in unethical practices annexed with the MQP approval validity Extension granted to TESLA vide letter dated 03.02.2023, it was communicated to take care that none of the workers/executives in the premises indulge in any un-ethical practice during manufacturing, inspection or dispatch of material for POWERGRID projects. Some of the unethical practices observed by POWERGRID during regular inspection at various manufacturer's premises have also been mentioned therein like un-informed outsourcing, fraud during sampling, usage of material from unapproved sources, welding joints which is not allowed as per technical specification, tempering of test equipment, swapping of material samples selected and sealed by our inspection executives for third party lab testing, forging the signatures, submission of forged documents e.g.- forged test certificates of raw materials, forged test reports etc. Also, punitive measures for the Vendors resorting to un-ethical practices were also mentioned in the said letter which includes issuance of warning letter or imposing a penalty of INR Five Lakh or withdrawal of vendor approval or manufacturer quality plan (MQP) of defaulted manufacturer, as per POWERGRID norms.</p> <p>As such, the said Letter regarding non-indulgence in un-ethical practices is more focused toward the un-ethical practices being observed in the manufacturer premises. However, despite being not explicitly stated in the aforesaid letter dated 17.06.2021, bribing a Public Servant is an unethical practice despicable by all means and the same is also a punishable offence as per the PC Act under which charges have also been framed against TESLA by CBI in their chargesheet. Moreover, the same is also a violation of the Code of Integrity provisions as enshrined in POWERGRID's Works & Procurement policy.</p> |

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| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|---|--|
| | <p>the non-indulgence letter reveals that the letter is restricted to certain unethical practices being observed by PGCIL in experience with other contractors. None of above unethical/fraudulent practices are either alleged against us in the Show Cause Notice nor they have been committed by our Company. No instance has been cited by PGCIL in the show cause notice which may, even remotely, fall under the category of unethical practices mentioned in the Non-Indulgence Letter. Therefore, Tesla and its employees have not committed any unethical practice which may be covered in the Letter dated 17.06.2021 regarding Non-indulgence in Unethical Practices. Hence, the show cause notice is liable to be withdrawn and recalled on this ground itself.</p> | |
| 10. | <p>(Para 8, 9 & 10 of Letter dated 12.06.2025)</p> <p>Lastly, a Chargesheet cannot be treated as a conclusive evidence of guilt, as our Company and its Directors are innocent and have not been found guilty of any corrupt practices whatsoever by any Court of law. The allegations levelled against us remain unproven, and the matter is sub judice. It is a fundamental tenet of criminal jurisprudence that an accused is presumed innocent until proven guilty beyond reasonable doubt. The mere filing of a chargesheet does not amount to conviction and, by itself, cannot form the basis for a punitive action such as blacklisting or debarment. Blacklisting, being an extreme measure with grave and irreversible consequences, cannot be justified at such a premature stage. If imposed, it would result in severe reputational harm, destroy existing and future business prospects, and amount to nothing less than "civil death" of the Company, causing irreparable damage to its operations, employees, and stakeholders.</p> <p>Further, as per Rule 151 of the General Financial Rules, 2017, a firm can only be debarred or blacklisted upon <u>conviction</u> under the Prevention of Corruption Act,</p> | Refer Reply at S.No. 2 above. |

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| S.No. | TESLA's reply (Relevant Contents of Letter 3 dated 12.06.2025 along with relevant extracts of Letter 2 dated 22.02.2024 and Letter 1 dated 11.08.2023 are discussed) | POWERGRID'S Deliberations and Response |
|-------|--|--|
| | <p>1988 or Indian Penal Code, 1860. Relevant part of Rule 151 is reproduced hereinbelow:</p> <p>"Rule 151 Debarment from bidding. (i) A bidder shall be debarred if <u>he has been convicted</u> of an offence- (a) under the Prevention of Corruption Act, 1988; or (b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract."</p> <p>In the present case, neither the Company nor its Director has been convicted of any such offence. Further there is neither any loss of life or property of PGCIL nor the Company has caused any threat to the public health as a part of execution of their sub-contract. Hence, the issuance of the present Show Cause Notice is premature, disproportionate, and devoid of any legal merit.</p> | |
| 11. | <p>(Para 16 of Letter dated 12.06.2025)</p> <p>As this Supplementary Reply answers several queries raised during the meeting held on 03.06.2025, the Company further seeks an opportunity of oral hearing to fortify, and present these new facts before the Hon'ble Committee to aide them in taking a just and fair decision on the Show Cause Notice dated 11.07.2023.</p> | <p>POWERGRID has already granted TESLA an opportunity of personal hearing and taken into consideration the submissions made by them pursuant to the same. As such, no compelling reasons exist so as to grant them a further Personal hearing in the subject matter.</p> |


14.0 NOW THEREFORE, after due consideration of reply of TESLA and all relevant aspects of the case, POWERGRID is of the considered opinion that such an act on the part of TESLA and their Director puts their reliability and credibility into question and also comprise violation of guidelines contained in the Letter regarding non-indulgence in unethical practices on ground of corruption and also a violation of POWERGRID's Works & Procurement policy (WPP) manuals.

15.0 NOW THEREFORE, it is hereby informed that without prejudice to any other rights available to POWERGRID in terms of the provisions of the letter regarding non-indulgence in unethical practices/Contract and/or the applicable law, M/s Tesla Transformers (India) Ltd. is hereby excluded from the list of Registered Suppliers in POWERGRID for future Contracts for a period of Twelve (12) months w.e.f. 13.05.2026. Further, M/s Tesla Transformers (India) Ltd. is hereby debarred i.e. excluded from participating as a Contractor/Sub-contractor in all the future tenders/Contracts of

POWERGRID for a period of Twelve (12) months w.e.f. 13.05.2026 on the ground of alleged involvement in corrupt practices punishable under IPC and prohibited as per POWERGRID's policy provisions.

- 16.0 The period of debarment may however be reviewed based on the final judgement of Hon'ble Court in the ongoing criminal proceedings.
- 17.0 FURTHER, in case of ongoing Contracts/sub-Contracts, if any, with POWERGRID, you are hereby warned to refrain from any transgression of the Integrity Pact / Contract provisions / Code of Integrity provisions as enshrined in POWERGRID's WPP.
- 18.0 It may also be noted that the above is without prejudice to our other rights under the contract and in law.

**For on & behalf of
Power Grid Corporation of India Ltd**



**(Jitendra Kumar Singh Bhadauria)
Sr. DGM (CS-P&S)**