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Ref: PG/CC/CS/KEC /Supplementary

Date: 26/12/2025

M/s. KEC International Limited
8th Floor, Building 9A, DLF Cyber City
Phase-III, Gurgaon-122002

M/s. KEC International Limited
1st Floor, RPG House, 463, Dr. Annie
Besant Road,
Worli, Mumabi-400030

Kind Attn.: Mr Rajinder Gupta, Chief Executive-T&D India & Srilanka
Mr. Anil Kalia, DGM- Sales & Tendering

Email: guptarajinder@kecrpg.com; kaliaa@kecrpg.com

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

Ref:

1. Letter of debarment issued to KEC vide letter ref PG/CC/CS/KEC dated 18/11/2025
2. Order of the Delhi High Court dated 17/12/2025 in W.P.(C) 18746/2025

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, POWERGRID had entered into Contracts with M/s. KEC International Limited, Gurgaon (hereinafter referred to as "KEC") vide Contract Agreement numbers TBCB/765KV/Phase-II/Rajasthan Part-C/TW03/G4/CA-I/5 & TBCB/765KV/Phase-II/Rajasthan Part-C/TW03/G4/CA-II/6 dated 26/03/2021 (TW03) and TBCB/400kV/RAJ-PHASE-II-PART-C/TW04/G3/CA-I/07 & TBCB/400 kV/RAJ-PHASE-II-PART-C/TW04/G3/CA-II/08(TW04)dated 01/04/2021.
- 3.0 WHEREAS, POWERGRID had issued a letter dated 18/11/2025 regarding debarment, i.e. exclusion of M/s KEC International Limited (KEC) from participating as Bidder or Sub-contractor in tenders/Contracts and from award of contracts by Power Grid Corporation of India Ltd. (POWERGRID) for a period of 9 months w.e.f. 18/11/2025 on the ground of violation of clause 1(a) & 1(c) of Section-II of Integrity Pact and ITB Clause 36 under Contracts referred to at sl no 2.0 above.
- 4.0 WHEREAS, KEC had filed W.P.(C) 18746/2025 before the Hon'ble Delhi High Court challenging the Debarment/exclusion order referred to at para 3 above.
- 5.0 WHEREAS, vide order 17/12/2025, the Hon'ble Delhi High Court has inter-alia held as follows:

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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

"...

3. Learned senior counsel for the respondent submits that the impugned order is based on copious consideration of the relevant factual conspectus, including the reply filed by the petitioner to the Show Cause Notice dated 18.11.2025. It is submitted that this is evident from perusal of the relevant record.

4. Considering that the impugned order itself does not reflect consideration of the petitioner's reply to the SCN, after some hearing, learned senior counsel for the petitioner accedes that the impugned order dated 18.11.2025 shall be kept in abeyance and a fresh /supplementary order shall be passed by the respondent expressly dealing with all contentions of the petitioner as raised in the reply to the show cause notice.

5. It is assured that the contentions raised by the petitioner in response to the show cause notice shall be duly considered with an open mind and if the same necessitates that debarring / blacklisting action be obviated, appropriate order to that effect shall be passed.

6. It is further stated that the aforesaid exercise shall be conducted within a period of 10 days from today. It is directed accordingly.

7. As agreed, till conclusion of the aforesaid, the impugned order dated 18.11.2025, shall be kept in abeyance.

8. Needless to say, since the impugned order has been kept in abeyance, the same shall not pose an impediment to the petitioner's participation in any ongoing bids of the respondent or any other third party, till the conclusion of the aforesaid exercise.

9. The petition is disposed of in the above terms. Pending applications stand disposed of."

6.0 In line with the above order of the Court, the contentions raised by KEC in its reply dated 04/08/2025 in response to the Show Cause Notice issued by POWERGRID and further submission on KEC dated 25/08/2025 pursuant to personal hearing on 19/08/2025 have been considered and dealt as follows:

<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
Letter dated 04/08/2025 Para 1 (a), 1(b)	The Power Transmission..... RPG Group(of which is part of)..... applicable laws	The contents of the said para are matter of record.
Letter dated 04/08/2025 Para 1 (c), 1(d)	KEC has adopted and put in place the following global standard elaborated polices to ensure that it employees at all levels are committed to ethical practices:	KEC has brought out various policies and procedures the company has adopted for ethical practices and has tried to demonstrate its commitment as per the provision of Integrity Pact to take all necessary actions to prevent corruption.

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<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p>(i) <i>Anti-Bribery and Anti-corruption policy.....</i></p> <p>(ii) <i>Conflict of Interest Policy:.....</i></p> <p>(iii) <i>Gift and Hospitality policy.....</i></p> <p>(iv) <i>Guidance note on bid submission of tenders:.....</i></p> <p>(v) <i>Guidance note on interaction with Government officials</i></p> <p>(vi) <i>Supplier code of conduct</i></p> <p>(vii) <i>Third party risk management policy</i></p> <p>...</p> <p><i>To bring awareness and sensitizing the said policies and to ensure compliance of the policies by the employees and, EKC conducts various training programmes at regular intervals. Further, weekly 'tidbits' on the policies are released to the employees to highlight the compliance requirements under the policies. KEC is presently conducting a training, assessment and certification programme for the polices in association in Ernst and Young to ensure awareness of the policies and their compliance level. All the above activities are carried out to ensure compliance of KEC's policy on zero tolerance towards bribery and corruption and to ensure KEC's employees are committed to act professionally, fairly, and ethically, with integrity in all its business dealings and relationships.</i></p> <p>.....</p>	<p>While it is appreciated that KEC has implemented such policies internally and for its suppliers, the very act of corruption by its senior employees in collusion with its suppliers, as mentioned in chargesheet, indicate that the policies, as implemented are not effective in ensuring ethical working culture in the company. Therefore, KEC's argument that by implementing such policies, they have ensured compliance to Integrity Pact thereby refusing to accept responsibility on their part cannot be accepted.</p> <p style="text-align: right;"><i>MyBnadarish</i></p>

<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p><i>It may be noted that the Policies of KEC and their implementation are in line with the objective of Government Tenders, including that of PGCIL, with the clear intent to ensure that the highest standard of ethics is followed during procurement and execution of Contracts. This is also in one with the clauses (1) of section II of the Integrity Pact which requires the Bidder/Contractor to commit itself to take all necessary actions to prevent corruption and to prevent involvement of any third party in corruption.</i></p>	
<p><i>Letter dated 04/08/2025, Para 2</i></p>	<p><i>... it is specifically denied that KEC has breached the terms of Bidding Documents, the Integrity Pact, and /or indulged directly or indirectly engaged in any corrupt, fraudulent, collusive, coercive or obstructive practices in competition for or in executing said Projects or has acted in a manner that would put its reliability or credibility into question.</i></p>	<p>The denial by KEC is noted. However, the breach of terms of Bidding Documents, the Integrity Pact, and indulgence/engagement directly or indirectly in any corrupt, fraudulent, collusive, coercive or obstructive practices by KEC in executing the contracts putting its reliability or credibility into question have been brought out in succeeding paras.</p>
<p><i>Letter dated 04/08/2025 Para 3</i></p>	<p><i>KEC would also like to bring to your kind notice that the construction work of Project TW03 and TW04 were both completed in November 2024 and September 2024 respectively and in fact the said Projects were taken over on December 21,</i></p>	<p>Regarding duration of the Integrity Pact, Section -IX of the Pact states that 'it expires for the Contractor after closure of the contract'. The transmission lines under the subject packages have been commissioned and taken over by POWERGRID in Oct 2024 and Dec 2024. However, commissioning and taking over of the lines does not</p>

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<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p>2024 and October 15 2024, while the Take over Certificate was issued by PGCIL on February 03 2025 and December 28, 2024, respectively. The lines have been charged with power flowing and the projects have been successfully executed and commissioned. Therefore, as KEC's obligations for execution under the Contract have been successfully fulfilled as per the provisions of the Project Documents, the Integrity pact duration, as envisaged in Section-IX, has also expired. Notwithstanding what is stated hereabove, there are no violations of the Integrity Pact or any other document either during the tendering process or during the execution as alleged. Copies of Take over certificate for the Projects are enclosed for your ready reference and perusal.</p>	<p>constitute closure of the contract or the completion of execution of the contract(s).</p> <p>As per Taking Over Certificate (TOC) dated 03/02/2025 (for TW03) and 28/12/2024 (for TW04), punch points/outstanding items/balance works of shutdown and non-shutdown nature are pending for both the contracts. Further, Final Quantity Variation (Amendment), Final Time Extension and LD are yet to be finalized for both contracts, payment reconciliation process is yet to begin and final payments yet to be released. The Defect Liability Period of the contracts is also underway. KEC has also admitted the pendency of payment of retention bills and final Amendment in para 5 of its reply to Show Cause Notice dated 04/08/2025. Further, KEC being a regular EPC contractor is aware that contract is considered closed only when all the Contract Closing Proformas (CCPs) forms are issued, Defect Liability period is completed, and CPGs are released to the Contractor. From the above, it is very clear that as on date of the event that has culminated in a Chargeheet, the contracts were not closed and KEC was very much under the obligations undertaken by it under the Integrity Pact for the subject contracts.</p> <p>Furthermore, in addition to the Integrity Pact, contract provision at ITB clause 36 inter-alia details "Corrupt Practice" and the remedy available to Employer in the form of sanctioning a firm including declaring ineligible 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 executing a contract. As brought</p>



<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
		<p>out above, the responsibilities and liabilities of the KEC under the Contract are yet to be completed and the Contract execution is yet to be completed.</p> <p>KEC has sought to deflect the allegations by asserting that the Integrity Pact is no longer in force due to the expiration of its duration, and therefore, the grounds for issuing a show cause notice are invalid. This claim is factually incorrect, as detailed above. More importantly, KEC's approach of focusing on technicalities rather than addressing the substantive issues raises serious concerns about its commitment to the principles and obligations enshrined in the Integrity Pact. The attempt to sidestep accountability through tenuous reasoning, rather than engaging with the merits of the case, undermines the spirit of integrity and transparency that the Pact is designed to uphold.</p> <p>Further, KEC has asserted that there are no violations of the Integrity Pact or any other document either during the tendering process or during the execution as alleged. However, the very act of corruption, as mentioned in the chargesheet, occurred during the execution of the contract as the contract is yet to be closed.</p>
<p><i>Letter dated 04/08/2025, Para 4, 5 and 6</i></p>	<p><i>From the perusal of Show Cause Notice, it appears that PGCIL's allegations in the Show Cause Notice solely reply on the reproduction of the contents of the FIR as well as the Chargesheet in the matter. As informed to PGCIL by KEC through its numerous letters, there were no allegations against KEC in the FIR and neither was</i></p>	<p>Being a case that was investigated by CBI, the contents of FIR and Chargesheet filed by CBI in the subject case have formed the basis of POWERGRID's Show cause notice. In such cases of corruption, POWERGRID can rely on the findings of the premier investigating agency in the country like CBI to take administrative action against KEC.</p> <p>Further, KEC's submission that there were no allegations against it in the FIR and that</p>

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<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p><i>KEC investigated. Further, KEC was not even aware of the contents of Chargesheet or alleged reference of KEC therein. KEC, for the first time, received a copy of the Chargesheet (without the annexures and documents thereto) along with the Show Cause Notice from PGCIL. The said Chargesheet has not yet been taken by CBI Court till date nor is warranted. Copies of FIR and the Chargesheet received through PGCIL, nowhere attributes involvement of KEC in the actions alleged by CBI.</i></p> <p><i>With reference to the allegation in the Chargesheet, it is pertinent to point out that the contents of the Chargesheet, as relied upon in the Show Cause Notice, are based solely on surmises and conjecture. There is nothing in the Chargesheet to suggest any involvement of KEC as there is no allegation against KEC in the Chargesheet. The only reference with respect to KEC is that 'M/s. KEC International was the ultimate beneficiary of the acts of Sh. Jabraj Singh and Sh. Suman Kumar Singh.' Even this allegation on the face of it, is not only incorrect but unsustainable under the law, since even to the knowledge of PGCIL, the payment of retention bills and final amendment were in any case due to KEC in terms of the Contract. It would be farfetched</i></p>	<p><i>KEC was not investigated is not true. As per Annexure-A of the FIR, KEC is listed as accused. Further, the Chargesheet is the result /culmination of the investigations of CBI wherein KEC through it authorized representative) has been named as accused number (A-6).</i></p> <p><i>The details of the investigation as brought out in the chargesheet that includes intercepted telephonic conversation between the accused including senior level employees of KEC, shows that officials of KEC had paid bribe to the employee of POWERGRID. The call intercepts also show the procedure through which Bribe money is taken from the account of KEC and paid to the employee of POWERGRID involved in the execution of the contract in question.</i></p> <p><i>Furthermore, as per the details in the Chargesheet, the exchange of bribe and the arrest of an official of KEC from the site of the incident was witnessed by independent witnesses and the officials of CBI. The banking transactions in the chargesheet show the modus of KEC in generating cash for giving bribe i.e. the money used for the purpose of payment of the undue advantage in the subject case has been remitted from the account of KEC using the Central Procurement Disposal Committee (CPDC) which is a system of KEC for making vendor payments.</i></p> <p><i>Moreover, the assertion that Chargesheet nowhere attributes involvement of KEC in the actions alleged by CBI is also not true as the Chargesheet has deliberated the role of KEC, where it is inter-alia mentioned that the undue advantage remitted from bank account no. 40313588997 of M/s. KEC International Ltd maintained with State Bank of India, CAG Branch Mumbai, was</i></p>

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	<p><i>and preposterous to assume that any alleged actions were carried out to obtain the advantage of any kind during the execution of the contract, as such no advantage has been derived by KEC.</i></p> <p><i>Notwithstanding what is stated hereinabove, the law makes it manifestly clear that a Chargesheet is merely a collective opinion of the Investigating Officer and does not have evidentiary value in the eyes of law unless corroborated and established in trial. Therefore, the reliance of PGCIL on the chargesheet for alleging the violation of the Integrity Pact by KEC is highly premature, unjust and devoid of any legal basis. Further, with the case being at pretrial Chargesheet stage, the fundamental criminal law principles presume an accused is innocent until proven guilty. In view thereof, the issuance of the Show Cause Notice, merely relying on the FIR and Chargesheet, is completely unwarranted.</i></p>	<p>routed through M/s. Umapati Constructions. Further, as per the Chargesheet, both Sh. Jabraj Singh and Sh. Suman Kumar being senior employees of M/s. KEC acted on behalf of the company for clearing of pending retention bills and early processing of final amendments. M/s. KEC International was the ultimate beneficiary of the acts of Sh. Jabraj Singh and Sh. Suman Kumar Singh.</p> <p>As per the contents of chargesheet, the said undue advantage was purportedly given to early clearance of the final amendment and subsequent release of payment to KEC. The said fact has also been admitted by the accused public servant Sh. Uday, during interrogation, as mentioned in the chargesheet. The ultimate beneficiary of Sh. Uday clearing the final amendment and passing the bill early is KEC, the company and not any individual employee.</p> <p>In addition to the role of KEC, the role of 4 employees of the company who have been named as accused have also been detailed in the Chargesheet. The involvement of the employees of KEC in itself would constitute a violation of the Integrity pact which inter-alia states that Contractor will not directly or through any other person, offer to any of POWERGRID's employees involved in the execution of the contract any material or other benefit which it is not legally entitled to, in order to obtain in exchange an advantage of any kind whatsoever during the execution of the contract.</p> <p>Further, as per the relevant ITB clause 36 and GCC clause 36, POWERGRID may sanction a firm, declaring it ineligible to be awarded a contract if at any time POWERGRID determines that the firm has,</p>



KEC reply para no.	KEC's reply	POWERGRID's Deliberations & Response
		<p>directly <u>or through an agent</u>, engaged in corrupt practices in executing a contract.</p> <p>Also, the Hon'ble Delhi High Court, in <i>PNC Infratech Limited v. Union of India Through Ministry of Road Transport and Highways & Anr.</i>, W.P. (C) No. 14903 of 2011, dated 29.10.2024, and connected cases, held that the serious allegations against the bidder stood corroborated by the evidence in the chargesheet. The relevant observations of the Hon'ble Court are reproduced below:</p> <p><i>"12.13 Likewise, Baldev Singh & Anr. v. State of Punjab and Kartongen Kemi Och Forvaltning AB v. State are distinguishable, as these cases dealt with the weight of an FIR as substantive evidence in criminal proceedings. In the administrative context here, the chargesheet – supported by concrete evidence including recorded conversations and CCTV footage – serves as a substantive basis for action. Thus, while these criminal cases emphasize high thresholds of proof, administrative decisions of debarment rely on a standard of credible evidence that firmly supports the action in question.</i></p> <p><i>12.14 It is indeed a fundamental tenet of criminal law that every individual is presumed innocent until proven guilty by a competent court following a fair trial. However, in the present case, the issue before the Court does not concern establishing guilt in the criminal sense but rather determining whether a "transgression" has occurred under the terms of the Integrity Pact (IP). The IP is structured to enforce ethical integrity and transparency in public contracts, and its objectives would be undermined if the Petitioners' arguments were to be accepted. This mechanism is preventive rather than punitive, aimed at promoting public trust by precluding contractors suspected of unethical practices from participating in public tenders.</i></p>

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KEC reply para no.	KEC's reply	POWERGRID's Deliberations & Response
		<p>12.15 <u>The Court is of the view that the breaches alleged against the Petitioners constitute serious infractions that cannot be overlooked or trivialized. The evidence that emerges in the chargesheet – comprising intercepted communications, video footage, and documented instances of bribery – reflects conduct that strikes at the very core of public procurement integrity. The severity of these allegations, coupled with the corroborative material unearthed and referenced in the chargesheet, firmly justifies the Respondents' decision to debar the Petitioners from participating in tender processes.</u>"</p> <p>Further, the Hon'ble High Court in <i>M/s. Sabharwal Medicos Pvt Ltd through its Director vs Union of India</i> [W.P.(C) 7369 of 2011 dated 25.09.2013] has observed that <u>once the investigation by a State Agency is carried out and culminates in the filing of chargesheet, the state 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 as serious cloud.</u></p> <p>In view of the facts brought out above, it is clear that the action of the KEC and its employees, including senior employees has resulted into a transgression of integrity pact which has put the reliability and credibility of KEC into question and undermined the integrity of the public procurement process. Further, this action of KEC/its employees is also determined as 'corrupt' practice, constituting violation of ITB clause 36 of the Contracts.</p>
Letter dated 04/08/2025, Para 7	As regards the alleged involvement of KEC's named employees is concerned, it would be appropriate to state that the charges are yet to be framed and,	Regarding KEC vicarious liability for the act of its employees, as deliberated in preceding paragraphs Integrity Pact clearly states that Contractor will not directly or through any other person, offer to any of POWERGRID's

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KEC reply para no.	KEC's reply	POWERGRID's Deliberations & Response
	<p><i>in any event, in absence of the establishment of guilt without any required corroboration in the evidence in criminal trial, would amount to prematurely concluding that they acted on behalf of KEC. Assuming, without admitting, the contents of the Chargesheet, any such alleged actions of the employees are neither within the scope of their employment nor were they authorized, and their alleged actions are in breach of powers conferred to them by the Company and beyond the boundaries of reasonable conduct expected from them. Therefore, the Company cannot be vicariously liable for alleged actions of the employees. In any event, pending the proceedings, Mr. Suman Singh, Deputy General Manager-Projects, has been suspended from the Company, and Mr. Jabraj Singh, Vice President and Head, T&D North India, Mr. Atul Kumar Agarwal, Senior Manager-Commercial and Mr. Ashutosh Kumar, Senior Engineer-Projects, have been moved out of their current responsibilities</i></p>	<p><i>employees involved in the execution of the contract any material or other benefit which it is not legally entitled to, in order to obtain in exchange an advantage of any kind whatsoever during the execution of the contract.</i></p> <p>Further, as per the relevant ITB 36 and GCC 36 clauses, POWERGRID may sanction a firm, declaring it ineligible to be awarded a contract if at any time POWERGRID determines that the firm has, <u>directly or through an agent</u>, engaged in corrupt practices in executing a contract.</p> <p>The above-mentioned provisions makes it clear that not only the bidder as a juristic entity is bound by the Integrity pact/ Provisions of the Contract, but such juristic entity either directly or 'through any other person' or 'firm' or <u>through an agent</u> is also prevented to do anything in violation of the Integrity Pact/ Provisions of the contract.</p> <p>Thus, the provision of Integrity Pact and the contract enable action against KEC even in case of engagement of corrupt practices by its employees.</p> <p>Therefore, the KEC's argument that KEC, as a company cannot be held vicariously liable for the action of its employees, cannot be accepted.</p>
<p>Letter dated 04/08/2025, Para 8</p>	<p><i>KEC further reiterates that there was no reason for KEC to act in the manner alleged in the Show Cause Notice in view of the fact that the said Projects were completed long back.</i></p>	<p>In view of the deliberations against the contentions brought in Para 3 of the table above, it is clear that contracts were not closed, and the undue advantage was offered for early finalization and early release of the payment under the contracts. Therefore, KEC's assertion that the projects were completed long back cannot be accepted.</p>

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<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
<p>Letter dated 04/08/2025, Para 9</p>	<p>With reference to the alleged violation of the relevant clause of GCC and ITB mentioned in clause 3.0 and 4.0 of the Show Cause Notice, we submit that there is no violation of the GCC and ITB and Integrity Pact [Section II(1),(1) (a), (1)(c) and(2)] in support of which we make the following submissions for your kind consideration.</p> <p>(i) With respect of the alleged violation of GCC 36.2.1 and ITB 36 of the contract, it is submitted that there is no allegation either in the FIR or the Chargesheet that KEC had offered anything to influence the actions of the Employer's official(s) in the procurement process or during the executing the Contract.</p> <p>(ii) With respect to alleged violation of Section II (1) of the Integrity Pact, it is submitted that the existence of the KEC policies mentioned in para 1 (b) and 1(c) hereinabove, itself reflects KEC's commitment to take all measures necessary to prevent corruption and its commitment to observe the principles contained in the Integrity Pact.</p> <p>(iii) With respect to alleged violation of Section II(1)(s) of the Integrity Pact, it is submitted that there is nothing in the FIR or Chargesheet to show that KEC, as bidder and/or during execution, had directed any employee or third</p>	<p>All the contentions of KEC in this para have been deliberated & responded to in detail in above paras.</p> <p style="text-align: right;"><i>msBmadamil</i></p>

KEC reply para no.	KEC's reply	POWERGRID's Deliberations & Response
	<p>party to offer any benefit in exchange of advantage either in the tender process or during the execution of the contract. Further, there was no question of obtaining any advantage of any kind during the execution of contract as KEC was any way entitled to the retention amounts and/or quantity amendment in terms of contract.</p> <p>(iv) With respect to alleged violation of Section I (1) (c) of the Integrity Pact it is submitted that there is no allegation of KEC having passed any information provided by POWEGRID as part of business relationship to others and neither is there any allegation in the IFR or Chargesheet that KEC has directed any employee to commit any offence under PC/IPC Act as there was no authorization to the named employees to commit the alleged offence.</p> <p>(v) With respect to alleged violation of Section II(2) of the Integrity Pact is submitted that the same unsubstantiated since in the FIR and Chargesheet there is no finding that KEC has instigated any third party to commit the offences outline or was the party thereto.</p> <p>In view of the above, there is no violation of the contractual provisions and the Integrity Pact as mentioned in Clause</p>	<p style="text-align: right;"><i>ms Madanik</i></p>

<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p>3.0 and 4.0 of the Show Cause Notice.</p> <p>Notwithstanding what is stated hereinabove, the duration of the Integrity Pact has expires and therefore any such allegations are completely out of the purview of Integrity Pact.</p> <p>It may therefore be appreciated that KEC had taken all steps to ensure that the provision of the contract and Integrity Pact are complied with ad there is no negligence on its part. It is further reiterated that there is no content in the FIR or Chargesheet attributable to KEC which would constitute as transgression of the Integrity Pact.</p>	
<p>Letter dated 04/08/2025, Para 10</p>	<p>In view of the above, any action taken based on the allegations set forth in the Show Cause Notice will result in severe long standing adverse consequences by denying KEC the privileged opportunity of entering into contracts with PGCIL and will cause grave prejudices and irreparable harm particularly when the Chargesheet is sub judice and therefore it will be premature to conclude alleged involvement of KEC in the alleged actions. Furthermore, such action will also cause significant and enduring irreversible reputational damage and stigmatization of KEC and adversely affect KEC's participation in Government contracts.</p>	<p>The content of the chargesheet reveals that KEC & its employees were involved in the corrupt practices resulting into transgression of the Integrity Pact & breach of ITB 36 such as to put KEC's reliability and credibility in question and accordingly POWERGRID may take appropriate actions as per relevant provisions of Integrity Pact & Contract, after following due procedure in this regard.</p> <p>Further, that once the investigation by a State Agency is carried out and culminates in the filing of chargesheet, POWERGRID 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 as serious cloud.</p> <p style="text-align: right;"><i>ngshadavit</i></p>

<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
<i>Letter dated 04/08/2025, Para 11</i>	<i>As demonstrated, KEC has the requisite Policies for prevention of corruption and maintain ethical practices in course of its business and also conducts trainings for its employees periodically. In view of the Policies and the trainings undertaken and proactive actions taken by KEC against named employees, even though allegations are sub-judice, it is evident that KCE has suitable corruption prevention system and the processes necessary to recoup the damage caused by the allegations as contained in the FIR and Chargesheet and in the light of the same, we request PGCIL, in line with Section III(3) of the Integrity Pact, not to take any action of banning/backlisting KEC. It is pertinent to mention that KEC has not received any communication on the status of the bids submitted by it during the past 4 months since March 2025 even though it could have been the lowest bidder in such bids.</i>	All the contentions of KEC in this para have been deliberated & responded to in detail in above paras.
<i>Letter dated 04/08/2025, Para 12</i>	<i>It is pertinent to mention and is a matter of record that KEC had successfully executed and commissioned the said Project. Therefore, it is imperative to note that KEC would not have directly or indirectly benefitted from the alleged acts for which the imputations are made against the named employees in the FIR for having allegedly</i>	All the contentions of KEC in this para have been deliberated & responded to in detail in above paras. <i>mgBhadani</i>

KEC reply para no.	KEC's reply	POWERGRID's Deliberations & Response
	<p>committed the offence, on the pretext that the alleged events occurred after project completion. The amount which was due after the project completion was mainly related to retention and quantity amendments under the terms of the Contract, which, in any way KEC is entitled to.</p>	
<p>Letter dated 04/08/2025, Para 13</p>	<p>KEC maintains an unblemished record of no precedent of such incident in the history of KEC involving it directly or in any projects in which it has participated and more particularly in the projects of KEC/PGCIL.</p>	<p>The contents of the said para are matter of record.</p>
<p>Letter dated 04/08/2025, Para 14</p>	<p>Considering the facts and circumstances hereinabove presented, we respectfully request you to forthwith withdraw the Show Cause Notice and desist from taking any further action, as such action would result in adverse consequences, thereby causing grave harm and irreparable prejudice to KEC. We reiterate that we are in compliance with the bidding document and the Integrity Pact and would continue to do so. We would also like to bring to your kind attention that inclusion of KEC in the bidding process with its substantial experience, scale, and strong performance track record, will ensure that prices discovered through competitive tenders reflect the true market value at which projects can be executed. The absence of KEC</p>	<p>All the contentions of KEC in this para have been deliberated & responded to in detail in above paras.</p> <p style="text-align: right;"><i>ncs/Bhadani</i></p>

<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p><i>from the process can distort the price discovery mechanism, be a loss of a trusted contractor for PGCIL, and cause adverse consequences to KEC.</i></p>	
<p><i>Letter dated 04/08/2025, para 15</i></p>	<p><i>The above submission have been made on the basis of the contents of the FIR and Chargesheet copy as provided by you in your Show Cause Notice. We have not received from CBI Court, the annexures and documents relied upon in the Chargesheet. We earnestly request to give us opportunity to make further submissions based on the examination of the annexures and documents attached to the Chargesheet once we receive the same.</i></p>	<p>KEC has submitted that they have not received from CBI court the annexures, documents relied upon in the Chargesheet. However, the contents of the chargesheet specifically brought out the role of KEC & its Employees putting KEC's reliability & credibility into question.</p> <p>Further, in line with principle of natural justice, an opportunity of being heard has been given to KEC by way of Show Cause Notice & personal hearing. Considering the same, POWERGRID has gone ahead with its process based on the submissions already made by KEC in its reply dated 04/08/2025, personal hearing dated 19/08/2025 and further written submissions dated 25/08/2025.</p> <p>Rest of the contentions of KEC in this para have already been deliberated and responded in above paras.</p>
<p><i>KEC's Reply dated 25/08/25</i></p>	<p><i>Pursuant to our discussions during the Personal hearing, we wish to confirm the following:</i></p> <p>(i) <i>The Chargesheet has not been served upon any of the three KEC employees named in the chargesheet who have been presently removed from their position. In this connection, please find enclosed the letters from the</i></p>	<p>The status of charge sheet as informed by KEC is noted. Regarding KEC's submission that they have not been investigated, it is brought out that though only documents may have been sought from KEC, as discussed above, CBI after its investigations have filed a chargesheet naming KEC also as an accused bringing out its role.</p> <p>Rest of the contentions of KEC in this para have already been deliberated and responded in above paras.</p> <p style="text-align: right;"><i>nasRhadawil</i></p>

KEC reply para no.	KEC's reply	POWERGRID's Deliberations & Response
	<p>lawyers of the employees.</p> <p>(ii) As submitted during the personal hearing, KEC was not investigated by CBI. In order to substantiate this, we would bring to your kind attention the following communication from CBI during their investigation:</p> <p>(a) Letter dated 31.3.2025 for production of documents required for investigation by which the original /certified copy of the work order pertaining to PSTL 765 kV Bhadla-II to Sikar-II and 400 kV Sikar-II to NEEMRANA TLC, and the Contract details of employees engaged in the said projects was sought.</p> <p>(b) Email dated 21.4.2025 seeking certified copy of CPDC in respect of payments made to the sub-contractors by M/s. KEC International Limited and Original/Certified copy of service order/PO/work order and JMCs pertaining to the above-mentioned payments.</p> <p>(c) Email dated 6.5.2025, seeking information and</p>	<p style="text-align: right;"><i>ncs Bhadani</i></p>

<i>KEC reply para no.</i>	<i>KEC's reply</i>	<i>POWERGRID's Deliberations & Response</i>
	<p data-bbox="549 300 842 412"><i>data of KEC employees named in the FIR/Chargesheet</i></p> <p data-bbox="501 421 842 613"><i>(d) Email dated 17.5.2025 seeking service records of the KEC employees named in the FIR/Chargesheet</i></p> <p data-bbox="453 622 842 860"><i>The above referred communication is enclosed for your kind perusal. It will be evident from the communication that no investigation was made against KEC.</i></p> <p data-bbox="453 869 842 1016"><i>We have been informed that the Judge of the concerned Court was not sitting on 21.8.2025 and the matter is listed on 19.9.2025.</i></p> <p data-bbox="453 1025 842 1503"><i>The concerned Court will have to take cognizance of the Chargesheet and issue notice to the Company for making it available the Chargesheet and its annexures. As requested in our reply to the Show Cause Notice, we would request you to provide us an opportunity to pursue the annexures to the Chargesheet and make further submissions on the same.</i></p>	

7.0 The aforementioned contentions of KEC as brought out at 6.0 above had been considered and deliberated by POWERGRID while arriving at its decision for debarment/exclusion which was communicated on 18/11/2025 to KEC.

8.0 However, in compliance of the order dated 17/12/2025 passed by the Hon'ble Delhi High Court, the decision of debarment/exclusion has once again been revisited by POWERGRID considering the contents of the FIR, Chargesheet, submission made by KEC in reply to show-cause notice, and KEC's written submissions pursuant to personal hearing. It has been noted that execution of the contract is complete when all punch-list items get completed/rectified and the defect liability period expires. In this case, aside from the fact that the defect liability period has not expired, the taking-over certificate clearly sets out the remaining work to be completed. Not all punch list items have been rectified/completed. Therefore, the contracts cannot be deemed to be fully

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executed. Further, final amendment is pending, Final time extension and Liquidated damages have not finalised, payment reconciliation is not done, and final payment has also not been released. Also, Section IX of the Integrity Pact states that it expires only upon the closure of the contract i.e. on completion of Defect Liability period.

The chargesheet reveals that KEC, through its employees, paid a bribe to a PGCIL employee, a fact witnessed by independent witnesses and CBI officials, and that the bribe was recovered from the scene of incident. KEC is the ultimate beneficiary of the acts of its employees who interacted with the POWERGRID employee in their official capacity and in connection with work related to the execution of the contracts. The chargesheet also mentions about the intercepted telephonic conversation between accused which clearly shows the intention to pay bribe and the modus operandi followed by the accused. The above action of KEC/its employees to purportedly secure undue advantage by early clearance of final amendment and subsequent release of payment constitutes a transgression of the Integrity Pact such as to put KEC's reliability and credibility in question and undermine the integrity of the public procurement process. Further, this action of KEC/its employees is also determined as 'corrupt' practice, constituting violation of ITB clause 36 of the Contracts.

Furthermore, based on the severity determined by the circumstances and facts of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder/Contractor and the amount of the damage, POWERGRID has considered debarment/exclusion for a period of 9 months against the maximum period of 3 years as provided in the Integrity Pact.

- 9.0 Considering the above, after due consideration in the matter, it is informed that the decision communicated to KEC vide letter dated 18/11/2025 regarding debarment/exclusion from POWERGRID remains unchanged.
- 10.0 This letter is issued as a Supplementary order to letter dated 18/11/2025 and shall be read in conjunction with the same.

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)
DGM (CS-P&S)

Email/ Registered Post with A/D

Ref: PG/CC/CS/KEC

Date: 18/11/2025

M/s. KEC International Limited
8th Floor, Building 9A, DLF Cyber City
Phase-III, Gurgaon-122002

M/s. KEC International Limited
1st Floor, RPG House, 463, Dr. Annie
Besant Road,
Worli, Mumabi-400030

Kind Attn.: Mr Rajinder Gupta, Chief Executive-T&D India & Srilanka
Mr. Anil Kalia, DGM- Sales & Tendering
Mr. Nitin Gupta, Chief Manager
Email: guptara@kecrpg.com; kaliala@kecrpg.com

Subject: Debarment i.e. exclusion of M/s KEC International Limited (KEC) 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, POWERGRID had entered into Contracts with M/s. KEC International Limited, Gurgaon (hereinafter referred to as "KEC") vide Contract Agreement numbers TBCB/765KV/Phase-II/Rajasthan Part-C/TW03/G4/CA-I/5 & TBCB/765KV/Phase-II/Rajasthan Part-C/TW03/G4/CA-II/6 dated 26/03/2021 (TW03) and TBCB/400kV/RAJ-PHASE-II-PART-C/TW04/G3/CA-I/07 & TBCB/400 kV/RAJ-PHASE-II-PART-C/TW04/G3/CA-II/08(TW04)dated 01/04/2021.
- 3.0 AND WHEREAS, you have signed an Integrity Pact with POWERGRID while submitting bids for the aforesaid Contracts.
- 4.0 WHEREAS, FIR ref No RC2182025A0006 dated 19.03.2025 has been registered by CBI, New Delhi alleging the involvement of KEC along with its various officials including one Vice President and Head, Transmission & Distribution (T&D), North India in inter-alia criminal conspiracy, giving undue advantage to a public servant, bribing a public servant by a commercial organization and abetment thereto, during execution of the subject contracts
- 4.1 WHEREAS, POWERGRID has noticed that as per the Final Report/Chargesheet No. 09/2025 dated 16/05/2025 filed by CBI, New Delhi, KEC along with four of its employees have been named as accused. As inter-alia brought out in the chargesheet, the KEC (through it authorized representative) and four of its employees have been named as accused punishable u/s 61 (2) of Bharatiya Nyaya Sanhita r/w Section 7,8,9,10 and 12 of PC Act, 1988 (as amended in 2018) and substantive offences thereof.

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

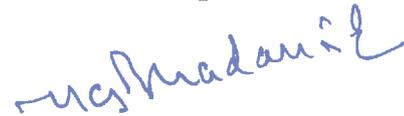
Website : www.powergrid.in

- 5.0 AND WHEREAS, Clause 36 of ITB, Section-II, Vol-B of the Contracts signed with KEC which are referred to at sl no 2.0 above, states 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.
- 6.0 AND WHEREAS, as per the terms of the Integrity Pact [refer Section-II, para 1 (a)] signed by you under the Contracts referred to at sl no 2.0 above, you have inter-alia committed to take all measures necessary to prevent corruption during the contract execution inter-alia including a specific commitment that you will not, directly or through any other person or firm, offer, promise or give to any of POWERGRID's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which it is not legally entitled to, in order to obtain in exchange an advantage of any kind whatsoever during the tender process or during the execution of the contract. Further, you have also committed [refer Section-II, para 1 (c)] that you shall not commit any offence under PC/IPC Act.
- 7.0 AND WHEREAS, as per the terms of the Integrity Pact [refer Section-III], if the Contractor (KEC) has committed a transgression through a violation of Section II such as to put his reliability or creditability into question, POWERGRID may, after following due procedure, ban/ blacklist the contractor in line with POWERGRID's Policy for "Black-Listing of Firms / Banning of Business". Further, as per the relevant clauses of ITB as brought out at sl no 5.0 above and GCC clause 36.2.1, in pursuance of its policy on Fraud and Corruption, Employer may sanction a firm or individual, including declaring ineligible for a stated period of time from award of 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.
- 8.0 AND WHEREAS, vide our letter dated 22/07/2025, a Show cause notice (*along with copies of FIR & Chargesheet*) has been issued to you, thereby, giving you an opportunity to explain as to why you and your 'allied' firms should not be banned/blacklisted from POWERGRID and declared ineligible/excluded from further participation in bids / award of contracts of POWERGRID.
- 9.0 AND WHEREAS, vide letter dated 04/08/2025, KEC submitted its reply to the show cause notice issued by POWERGRID.
- 10.0 WHEREAS, considering your request, a personal hearing was also given to you on 19/08/2025.
- 11.0 WHEREAS, you have submitted your written submission pursuant to the personal hearing vide your letter dated 25/08/2025.
- 12.0 WHEREAS, specific communications were issued to KEC informing that POWERGRID was going ahead with opening of KEC's second envelope bids in those packages subject to ITB clause 36 and Appendix-II to SCC of Volume-I of the Bidding Documents.

ms/Paradise

- 13.0 NOW THEREFORE, after due consideration of reply of KEC and all relevant aspects of the case, POWERGRID is of the considered opinion that KEC has committed transgression of the contractual conditions including the Integrity Pact signed for the Contracts referred to at sl no 2.0 above.
- 14.0 NOW THEREFORE, it is hereby informed that without prejudice to any other rights available to POWERGRID in terms of the provisions of Integrity Pact/Contract and/or the applicable law, M/s KEC International Limited is hereby debarred i.e. excluded from participating as Bidder or Sub-contractor in Tenders/Contracts and from award of Contracts by Power Grid Corporation of India Ltd. (POWERGRID) for a period of 9 months w.e.f. 18/11/2025 on the ground of violation of clause 1(a) & 1(c) of Section-II of Integrity Pact and ITB Clause 36 under Contracts referred to at sl no 2.0 above.
- 15.0 The period of exclusion may however be reviewed based on the final judgement of Hon'ble Court in the ongoing criminal proceedings arising from the chargesheet filed by CBI in the instant matter.
- 16.0 FURTHER, in case of ongoing contracts, if any, with POWERGRID, you are hereby warned to refrain from any transgression of the Integrity Pact/Contract provisions.
- 17.0 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)
DGM (CS-P&S)