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CIN No.U40102GJ2003GCO42907



No.: MGVCL/PP/CPC/MG-116/10 KVA X'mer/Danke Electrical/Stop Deal/2341
Dt.: 21.10.19

BY Speed Post/By Fax:02868.262977 / Email:marketing@dankepower.com,
danke@dankepower.com /

STOP DEAL CIRCULAR

To, M/s DankeElectricals Ltd., 776-778, GIDC Estate, Waghodia, Baroda-391760	To: Shri Sunil Kumar Kabra Interim resolution professional M-19, MetroTower Nr. Kinnari Cinema, Ring Road, Surat-395002 Gujarat-India
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Sub: Stop dealing all kinds of business with you & your director for a period of three years.

- Ref: (1) Tender No. MGVCL /PP/ CPP-2016-17/116/ CRGO /Amorphous Distribution Transformers opened on 27.05.2016
(2) MGVCL Master LOA no.: MGVCL/PP/PP-2016-17/116/10 KVA CRGO DTRs /Danke/1777 dtd.04.07.16
(3) MGVCL A/T: MGVCL/PP/CPC/116/10 KVA CRGO trans/ Danke Electrical/2647 Dt.:17.09.16
(4) T.O.L. No.. MGVCL/PP/PP-2016-17/116/ 10 KVA CRGO DTRs/Danke/2349 Date:10.07.17
(5) T.O.L. No.. MGVCL/PP/PP-2016-17/116/ 10 KVA CRGO DTRs/Danke/2753 Date:10.07.17
(6) T.O. Notice: MGVCL/PP/PP-2016-17/116/ 10 KVA CRGO DTRs/Danke/3266 Date:30.10.17
(7) T.O. Show Cause Notice: MGVCL/PP/PP-2016-17/116/ 10 KVA CRGO DTRs/Danke/3602 Date:04.12.17
(8) NCLT order: IA 78/2019 in/with C.P. (I.B.) No. 152/ NCLT/AHM/2018 Date:12.06.19

Sir,

MGVCL had placed an order on your company for supply of 3 Phase 10 KVA 11 Kv Distribution Transformers vide A/T issued at ref. (3) above. The details of the order placed with delivery schedule and supply status is as under;

Sr No	Tender No/AT No/ Date	Ordered qty. in Nos.	Unit end cost with Tax in Rs	Total order value in Rs	Del. Schedule	Supplied qty in Nos.	Schedule Completion Date	Balance qt. to be supplied in Nos.
1	MG-116/2647 Dt:17.09.16	330	29,288.44	96,65,184.38	7M in equal monthly lots from 01.10.16	189	30/04/17	141
Total quantity		330				189		141

As per clause 45 of the A/T, time was the essence of the contract and was strictly adhered to. However from the above it is clear that you have not supplied 141 nos of 11 KV 10 KVA DTR as per delivery schedule of contract. Even after vigorous follow up by various letters and telephonically, you have not offered the inspection call for balance quantity of transformers & thus supply of balance 141 nos of ordered material was still pending..

Therefore, Notice was issued to you on dated 30.10.17, however you have failed to supply the balance quantity of ordered martial.

Failure on your part, to supply the ordered materials within delivery schedule is a breach of contracts made by you. Non supply of ordered 10 KVA Dist. Transformers has adversely affected our field work, created crisis at work front and our company failed to achieve the targets decided by Government. Therefore, a final 15 (Fifteen) days notice was issued to you vide letter dtd.04.12.17 under reference no. 7 above to show cause within 15 days as to, why action like Risk and cost purchase of transformers, forfeiting the amount against SD and PBG, stop dealing with you / your firm, etc. or any other actions as decided by our competent authority should not be taken against you / your firm.

Vide your letter dated 20.12.17 you have replied that, there has been a massive fire in your works ,so the BIS license was kept on hold by BIS authorities till restoration of factuality at your works.

It is to mention here that the last date of contractual period against the order under reference was 30.04.2017 and massive fire took placed at the works on 31.10.2017.i.e. after six months from the last date of contractual period. Hence, your reason for non supply of balance quantity is not justifiable and also not acceptable.

Further, it is to mention here that NCLT Ahmadabad vide order No.: IA 78/2019 in/with C.P. (I.B) No.152/NCLT/AHM/2018 dated:12.06.2019 has considered an order for liquidation in respect of the your company.

Considering the above, Show cause Notice issued and replies/submission by you, the competent authority of MGVCCL is of the opinion that your conduct of non supplying balance 141 Nos of transformers even after completion of delivery schedule long back, and continuous failure to complete a contract were serious and undesirable act. Therefore, it would be undesirable to deal with your company.

Therefore, the competent authority of the Company has finally decided to;

- (A) To stop deal all kinds of business with you i.e. M/s. Danke Electricals Ltd., Waghodia & your director for a period of three years from the date of issue of this letter.
- (B) To recover from you risk and cost purchase of balance ordered quantity of 141 Nos of 10 KVA distribution transformers
- (C) To forfeit the encashed Bank Guarantee of Rs. 3,86,607.00 submitted against Security Deposit provided against the order under reference and Rs. 5,91,853.00 submitted against Performance Guarantee (Warranty) against the Purchase order No.:MGVCL/PPP/PG-622/1135 Dated 12.05.16.

This is without prejudice to our other rights in terms of the contract / purchase orders and contentions.

For and on behalf of Madhya Gujarat Vij Co. Ltd.,

[R G Nagariya]

ADDITIONAL CHIEF ENGINEER (PROC)

Copy fwcs to: -

1. P.S. to MD, GUVNL/MGVCL/GSECL/GETCO/DGVCL/UGVCL/PGVCL, Corporate Office Vadodara /Surat/ Mehsana / Rajkot
2. P.S. to Director (A) / Director (T) / Director (F) / VP (Coordination), GUVNL, HO, Vadodara.
3. Legal Adviser, GUVNL, HO, Vadodara
4. CE (Tech & Operation) - MGVCCL- Vadodara / CE (Purchase), PGVCL -Rajkot / CE (Purchase) UGVCL - Mehsana /ACE (Purchase), DGVCL-Surat / CE (Purchase), GSECL - Corporate Office - Vadodara / CE (Purchase) GETCO - Corporate Office - Vadodara
5. CE (TECH) , GUVNL, HO, Vadodara
6. GM (IT), GUVNL, HO, Vadodara
7. CGM (F&A), MGVCCL, Corporate Office, Vadodara
8. ED (F) / GM (F&A), DGVCL/UGVCL/PGVCL/GSECL/GETCO, Corporate Office, Vadodara/Surat/Mehsana/Rajkot