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GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (RAILWAY BOARD)

DEBARMENT ORDER

No.2024/LS/54/04

Dated 17.04.2025

To

M/s. Hindustan Fibre Glass Works Pvt. Ltd., C1B-231/3 & 4, GIDC Industrial Estate, Por, Ramangamdi, Distt. Vadodara, Gujarat-391243.

Sub: Debarment of M/s. Hindustan Fibre Glass Works Pvt. Ltd., Vadodara and its allied firms.

Ref: (i) Railway Board's Show Cause Notice No. 2024/LS/54/04 dated 23.09.2024.

- (ii) Your letters dated 14.10.2024 and 01.04.2025.
 - (iii) Debarment Order dated 19.02.2025.
 - (iv) Order dated 23.03.2025 issued by Hon'ble High Court of Judicature at Allahabad, Lucknow Bench against case WRIT-C No.2100 of 2025 (petitioner M/s. Hindustan Fibre Glass Works Pvt. Ltd., Vadodara v/s U.O.I.)
- 1. In compliance with the judgment passed by the Hon'ble High Court of Judicature at Allahabad, Lucknow Bench in WRIT-C No. 2100 of 2025, the matter relating to the debarment order dated 19/02/2025 regarding the banning of business dealings with M/s. Hindustan Fibre Glass Works Pvt. Ltd., C1B-231/3 & 4, GIDC Industrial Estate, Por, Ramangamdi, Distt. Vadodara, Gujarat-391243, and its allied firms from participation in any procurement process under this Ministry has been re-examined in detail.

Background:

2. A proposal for debarment of business dealings with M/s. Hindustan Fibre Glass Works Pvt. Ltd., Vadodara (hereinafter called "the firm") was received from Modern Coach Factory (MCF), Raebareli, vide their letter dated 17/09/2024. The matter relates to a Central Vigilance Commission (CVC)-referred PIDPI (Public Interest Disclosure and Protection Informer) complaint, wherein it was alleged that the firm had supplied seats and berths to MCF that did not conform to PO conditions. As per Vigilance/MCF's communication dated 02/07/2024 to PCMM/MCF, it was alleged that the firm failed to supply "Fire Barrier Cloth" in the seats and berths supplied to MCF against PO No.: 04190168100065 dated 07/01/2020, in connivance with Inspecting Engineers, thereby misappropriating public funds. It was recommended that strict

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Page 1 of 13

action, including blacklisting and initiation of criminal proceedings, be considered against the firm.

- 3. A Show Cause Notice dated 23/09/2024, along with a Statement of Charges/ Misconduct, was served upon the firm for indulging in malpractice by supplying non-compliant material and failing to inform the Railways, thereby compromising passenger safety.
- 4. The firm submitted its reply to the Show Cause Notice through its communication dated 14/10/2024. Remarks of MCF was obtained for the aforesaid reply of the firm.
- 5. An oral hearing was arranged on 24/12/2024 at Railway Board with the firm, for which an invitation was extended to the firm on 20/12/2024. The hearing was attended by Shri Aashish Patel, CMD of the firm, among others. Documents were submitted by the firm and minutes of the hearing were recorded and sent to MCF for para-wise comments. MCF's comments were received vide their letter dated 15/01/2025.
- 6. Based on a holistic consideration of the facts, and with the approval of the competent authority, a debarment order dated 19/02/2025 along with statement of charges was issued banning the firm for a period of two years.
- 7. Aggrieved by the said order, the firm approached the Hon'ble High Court of Judicature at Allahabad, Lucknow Bench, by filing a Writ Petition (WRIT-C 2100 of 2025). The Hon'ble Court, vide its order dated 21/03/2025, quashed the debarment order dated 19/02/2025, with liberty to the competent authority to pass a fresh order after duly considering the firm's reply dated 14/10/2024 and, if necessary, conducting an inquiry and providing a personal hearing.
- 8. In compliance with the directions of the Hon'ble Court, the firm's reply dated 14/10/2024 was re-examined. Additionally, a further representation dated 01/04/2025 was submitted by the firm and has been considered. Shri Aashish Patel, CMD of the firm also appeared, for a personal hearing before senior officials in Railway Board, on 03/04/2025.

Averment of the Firm:

- 9. Vide their letter No. HF/MCF/24-25/0065/19 dated 01/04/2025, the firm referred to the judgment dated 21/03/2025 passed by the Hon'ble High Court of Allahabad (Lucknow Bench), in its Writ Petition (WRIT-C 2100 of 2025). In the said communication, the firm once again submitted their response to the Show Cause Notice No. 2024/LS/54/04 dated 23/09/2024, as summarized below:
 - a. The firm was awarded Purchase Order No. 04190168100065 dated 07.01.2020 by Modern Coach Factory (MCF), Raebareli, for the supply of seats and berths, which included PU foam with fire barrier cloth as a specified component. M/s. RITES was nominated as the inspecting agency for the supplies.
 - b. The firm carried out the supply in two scheduled phases. Upon delivery, inspections were conducted by RITES and MCF, and the materials were accepted. Completion certificates were issued by MCF confirming compliance with the scope of work. The RITES

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- inspection certificates dated 03/03/2020 and 05/03/2020 also recorded that the supplies were as per specification.
- c. Subsequently, Vigilance unit of MCF, vide its letter dated 09/09/2022, raised allegations of non-compliance with the fire barrier cloth specification. The firm responded through their letter dated 13/09/2022, stating that the allegation was misconceived and attributing the confusion to an error in the bid document where Specification CK-607 (pertaining to Recron) was mistakenly mentioned instead of the appropriate code for PU foam with fire barrier cloth.
- d. In response to the dispute, the firm requested a joint inspection, which was delayed by MCF but was eventually accepted. Four joint inspections were conducted in September and October 2024 with the participation of representatives from MCF, RITES, and the firm. It was noted that such coaches had undergone Periodic Overhauling (POH) at Mysuru and Perambur Carriage Workshops. Fire barrier cloth was found to be available in 94 inspected berths and was not found in 9 berths. RITES hologram and the firm's markings were not available in most of the checked berths (attributed to POH done in these coaches).

Issues Raised by the Firm:

- 10. In its aforesaid letter No. HF/MCF/24-25/0065/19 dated 01/04/2025, the firm raised the following key issues:
- 10.1 Non-supply of Relevant Documents: The firm stated that the documents forming the basis of the charges in the Show Cause Notice were never supplied, despite their request dated 21/10/2024.
- 10.2 Incorrect Specification in Bid Document: The firm submitted that Specification CK-607 Rev.1, mentioned in the M1 list appended to the bid document of Tender No. 04190168 (closed on 24/06/2019), was erroneous and pertained to Recron rather than PU foam with fire barrier cloth.
- 10.3 Actions Initiated Beyond Warranty Period: The firm contended that the actions initiated by MCF, including references made by MCF/Vigilance in Vig./MCF letter No. G/MCF/RBL/Vig./Stores/Misc/Comp-64 dated 09/09/2022 and Dy.CMM/Furnishing/MCF letter No. 04190168100065/ HFGW Vadodara dated 25/08/2023, were beyond the warranty period defined under Clause 3202 of the IRS Conditions of Contract (30 months after delivery or 24 months from placement in service). They argue that the delayed action is contractually and legally unsustainable.
- 10.4 Completion and Acceptance of Supplies: The firm asserted that all supplies were inspected and accepted by RITES and MCF at the time of delivery, and that completion certificates issued by MCF confirm that materials were in accordance with specifications. No objection or deficiency was recorded during the delivery or acceptance process.

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- 10.5 **Objection to Inspection Without Representation:** The firm objected to the inspection conducted on 31/01/2023 without their representative, contending that the same violates principles of natural justice and cannot be relied upon.
- 10.6 **Joint Inspections Post-POH:** The firm has submitted that four joint inspections conducted during September and October 2024 in 20 coaches (in the presence of representatives from the firm, MCF officials, and the RITES Inspector) were done after POH of the coaches.
- 10.7 **Non-traceability of Deficient Materials:** The firm argued that materials found deficient during joint inspection lacked identification marks of the firm and RITES hologram, and as such, cannot be traced to their supplies. They further cited that the coaches had undergone POH at Mysuru and Perambur workshops, which typically involves replacement of interiors.
- 10.8 **Denial of Misrepresentation or Breach:** The firm strongly denied all charges of misrepresentation, concealment, or endangerment to safety. They maintained that all contractual obligations were fulfilled, and that the discrepancies found were either unrelated to their supplies or occurred after POH.

Pursuant to the direction of the Hon'ble Court, the Ministry of Railways re-examined the firm's reply dated 14/10/2024 and additional submission dated 01/04/2025. A personal hearing was also granted to the firm's representative on 03/04/2025. The facts and documents of the case have since been reviewed afresh for arriving at the following reasoned decision.

Observations regarding the issues raised by the firm in Para 10 above:

11. <u>Issue 1: Non-supply of relevant documents:</u>

- a. The firm has contended that the documents forming the basis of the charges in the Show Cause Notice were never supplied to them, despite their request dated 21/10/2024. This assertion is factually incorrect and does not reflect the sequence of correspondence on record.
- b. Upon receipt of the firm's letter dated 21/10/2024, a communication was issued vide letter No. 2024/LS/54/04 dated 11/11/2024, requesting the firm to specify in detail the specific list of documents sought by them. However, no response was received from the firm to that communication.
- c. Subsequently, in order to ensure transparency and fairness, all documents relevant to the subject matter of the case were forwarded to the firm *suo motu*, without awaiting further clarification, vide letter No. 2024/LS/54/04 dated 29/11/2024 through Speed Post. A copy of this forwarding letter and the enclosures is once again being enclosed with this order for reference.
- d. It is pertinent to note that this issue of alleged non-supply of documents was not raised by the firm at any point during the oral hearing conducted on 24/12/2024, where they were provided a full opportunity to present their case and submit additional material. The firm has chosen to raise this issue for the first time only in their subsequent letter dated

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- 01/04/2025 more than three months after the oral hearing and after the initial debarment order had already been issued.
- e. In view of the above, the firm's allegation that it was denied access to relevant documents is devoid of merit and appears to have been raised belatedly without reasonable cause.

12. <u>Issue 2: Alleged ambiguity in the specification in the bid document:</u>

- a. The firm has stated that Specification CK-607 Rev.1, mentioned in the M1 list appended to the bid document of Tender No. 04190168 (closed on 24/06/2019), was erroneous and pertains to Recron rather than PU foam with fire barrier cloth. This contention has already been addressed, not acceptable as discussed in subsequent paras and stands clarified.
- b. MCF Vigilance had examined this issue and clarified the matter vide their letter No. G/MCF/RBL/Vig./Stores/Misc/ Comp-64 dated 09/09/2022. Notably, a copy of the said clarification was enclosed by the firm itself as Annexure-8 to their letter dated 01.04.2025, thereby acknowledging its availability.
- c. As per the observations in the aforementioned MCF Vigilance letter, there exists no ambiguity regarding the requirement of PU foam with fire barrier cloth. The specification column of the signed M1 list, which forms an integral part of the PO, clearly records the requirement of PU foam with fire barrier cloth in place of Recron. Therefore, any reference to CK-607 in earlier bid documentation was overridden by the definitive specifications included in the PO.
- d. As observed by MCF Vigilance in the aforesaid letter, during the price negotiation stage with the TC, the firm explicitly justified the quoted and subsequently revised rates by citing the additional cost involved in supplying PU foam. This aspect was discussed in detail during negotiations, as recorded in the TC proceedings. Such submissions from the firm themselves reaffirm that they were fully aware of the requirement and had accepted it without protest.
- e. Accordingly, the argument now advanced regarding ambiguity in specification lacks merit and appears to be an afterthought. The contractual obligation to supply PU foam with fire barrier cloth was unambiguous and well understood by the firm at the time of execution.

13. <u>Issue 3: Actions allegedly initiated beyond warranty period:</u>

a. The firm has contended that the actions initiated by MCF, including the references made in Vigilance letter No. G/MCF/RBL/Vig./Stores/Misc/Comp-64 dated 09/09/2022 and Dy.CMM/Furnishing/MCF letter No. 04190168100065/ HFGW Vadodara dated 25/08/2023, were undertaken beyond the warranty period specified under Clause 3202 of the IRS Conditions of Contract. The firm has therefore argued that such delayed action is legally unsustainable.

Page 5 of 13

- b. This contention is wholly misconceived and contrary to the terms of the contract accepted by the firm.
- c. As seen from Clause 21 under "Other Terms and Conditions" of the Purchase Order No. 04190168100065 dated 07/01/2020, the warranty provisions applicable to certain items are governed by Design Letter No. RBL MD 33151 dated 19.11.2018. Notably, the firm has itself enclosed a copy of this PO as Annexure-4 to their letter dated 01/04/2025.
- d. Annexure-B to the aforementioned Design Letter clearly specifies that the warranty period is "72 months from the date of fitment or 78 months from the date of supply," whichever is earlier.
- e. Accordingly, the actions initiated by MCF, including references made by its Vigilance branch in 2022 and 2023, fall well within the stipulated warranty period of six years. The firm's assertion that these actions were time-barred under Clause 3202 is therefore incorrect and devoid of contractual basis.
- f. It is also relevant to note that this issue was never raised by the firm during the currency of supply, nor was it mentioned in their detailed reply to the Show Cause Notice dated 14/10/2024, or even during the oral hearing conducted on 24/12/2024. The firm has raised this argument for the first time in its letter dated 01/04/2025, which casts serious doubt on the bona fides of this contention and points to it being a post-facto defence without foundation.
- g. In view of the above, the allegation that the action was initiated beyond the warranty period is incorrect, unfounded, and unsustainable.

14. <u>Issue 4: Completion and Acceptance of Supplies:</u>

- a. The firm has asserted that all supplies made under the subject contract were duly inspected and passed by RITES at the time of delivery and were subsequently accepted by the consignee. It has further claimed that MCF issued a completion certificate confirming that the supplies conformed to the contractual specifications, and that no objection or deficiency was recorded at the time of acceptance.
- b. While it is correct that the firm's supplies were pre-inspected and passed by RITES, followed by formal acceptance and issuance of a completion certificate by the consignee, this by itself does not extinguish the rights of the purchaser or consignee under the terms of the contract in the event of subsequent detection of deficiencies.
- c. As per Para 1502 of the IRS Conditions of Contract, which formed part of the contract terms, it is explicitly provided that notwithstanding any approval which the Inspecting Officer may have given in respect of the stores and notwithstanding delivery of the stores, it shall be lawful for the consignee, on behalf of the Purchaser, to reject the stores or any part thereof within a reasonable time after actual delivery, if such stores are not in all respects in conformity with the terms and conditions of the contract.

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- d. Further, Para 3203 of the IRS Conditions of Contract provides that if during the warranty period, the goods are found not to conform to the prescribed description or quality, the Purchaser shall be entitled to reject the goods or such portions thereof as do not conform, and the rejected items shall remain at the Seller's risk.
- e. A combined reading of the above clauses clearly establishes that the consignee or purchaser is fully within their rights to reject any portion of the supply that is found to be non-conforming, even after acceptance, provided it is within a reasonable period and/or within the warranty period. These provisions exist to safeguard against latent defects or deviations that may not be immediately apparent at the time of initial inspection.
- f. Therefore, the firm's assertion that the acceptance of the supply at the time of delivery precludes any further action is untenable. The rights of the purchaser to seek remedial action upon discovery of non-compliance during the warranty period remain intact under the contract. In the present case, the deficiencies in the supplied items came to light during subsequent inspections and were duly recorded. As such, the action taken cannot be faulted merely on the ground that the supplies were earlier accepted.
- g. Significantly, the firm has itself referred to the aforesaid provisions of the IRS Conditions of Contract in its letter dated 01/04/2025, thereby demonstrating clear awareness of the contractual stipulations. However, despite this, the firm has attempted to convey an incorrect impression that initial acceptance of the supply by the consignee precludes any subsequent rejection within the warranty period. This interpretation is flawed and contrary to the express terms of the contract.

15. Issue 5: Objection to Inspection Without Representation:

- a. The firm has raised an objection to the inspection conducted on 31/01/2023, contending that the absence of their representative during the said inspection renders the findings procedurally unfair and contrary to the principles of natural justice. It has therefore submitted that the outcome of the inspection should not be relied upon.
- b. This contention is misplaced and does not stand scrutiny in the context of the nature and purpose of the inspection.
- c. The inspection in question was carried out by the Vigilance officials of MCF and NER at Gorakhpur on 31/01/2023, in the presence of SDGM/RITES and other officials. Understandably, the inspection was conducted in connection with a PIDPI-CVC complaint pertaining to the firm's supplies under the subject PO.
- d. As per Para 403 of the Indian Railway Vigilance Manual (IRVM-2018), surprise inspections constitute one of the key preventive vigilance measures to be undertaken by vigilance officials. Furthermore, Para 519.4 of the same Manual clearly stipulates that surprise checks should be conducted in cases involving complaints relating to works or stores.

- e. The inspection dated 31/01/2023 was conducted in accordance with these provisions and as part of the legitimate duties of vigilance officials. It may also be noted that IRVM-2018 does not prescribe that such inspections must be conducted in the presence of the supplier.
- f. Moreover, the firm was already aware of the vigilance investigation being conducted in respect of the supplies made under the contract, as the matter had been communicated through MCF Vigilance letter No. G/MCF/RBL/Vig./Stores/Misc/Comp-64 dated 09/09/2022. In such a scenario, it is entirely reasonable for Vigilance officials to have conducted a surprise check in furtherance of the investigation.
- g. Accordingly, the firm's assertion that the findings of the inspection dated 31/01/2023 are inadmissible or contrary to natural justice is not tenable. The said inspection formed the initial basis for further scrutiny and was subsequently supplemented with joint inspections conducted in the presence of the firm's representatives. The outcome of the 31/01/2023 inspection must therefore be viewed as part of a broader investigative process and not in isolation.
- h. In view of the above, the objection raised by the firm lacks merit and is thus rejected.

16. <u>Issue 6: Joint Inspections Post-POH:</u>

- a. The firm has submitted that four joint inspections were conducted during September and October 2024 in 20 coaches, and that these inspections were carried out after the Periodical Overhauling (POH) of the coaches. It has argued that the non-availability of fire barrier cloth in 9 of the checked berths during these inspections cannot be attributed to them, as the POH might have involved replacement of the original materials.
- b. The firm's argument is not supported by facts and is found to be without merit.
- c. A key inspection had already been conducted earlier—on 31/01/2023—by the Vigilance officials of MCF and NER in Coach No. 199506 at Gorakhpur Coaching Depot. This inspection was carried out prior to the POH of the said coach, which, as per the firm's own documents (Annexure-12 (Page 9) of its letter dated 14/10/2024), was undertaken only on 01/08/2023. The pre-POH status of the coach is therefore firmly established.
- d. During the visual check conducted on 31/01/2023, the following key observations were made:
 - I. Fire barrier cloth was not found in berth numbers 41 and 57.
 - II. RITES hologram was absent.
 - III. The firm's aluminium nameplate was present, confirming traceability.
- e. It is pertinent to note that, as per the completion report of MCF (furnished by the firm as Annexure-5, Page 1 of its letter dated 01/04/2025), the fire barrier cloth was stated to have been supplied and fitted in the said coach. However, the fact that it was found

- missing during the pre-POH vigilance check on 31/01/2023 directly contradicts this claim and casts serious doubt on the integrity of the supply.
- f. Thus, the argument that deficiencies noticed during joint inspections in September-October 2024 were a result of POH cannot be accepted. The earlier vigilance inspection, conducted prior to POH, had already revealed non-availability of fire barrier cloth in specific berths. This clearly establishes that the defect existed before any possibility of post-supply intervention.
- g. Furthermore, joint inspection reports submitted by the firm itself (as part of Annexure-12- Pages 4, 5, and 53 of its letter dated 14/10/2024) clearly record the presence of Recron in 11 berths, which is a direct violation of the supply specifications laid out in the PO. These findings further reinforce that materials not conforming to the contract were indeed part of the firm's original supply.
- h. In light of the above, the argument that the deficiencies were a consequence of POH is not only unsubstantiated but also logically untenable. The discovery of non-compliant materials both before and after POH confirms a pattern of deviation, for which the firm cannot be absolved. Accordingly, the viewpoint of the firm is rejected in toto.

17. <u>Issue 7: Non-traceability of Deficient Materials:</u>

- a. The firm has argued that the materials found deficient during joint inspections lacked their identification marks and RITES holograms, and therefore cannot be conclusively linked to their supplies. It has further submitted that the coaches in question had undergone Periodical Overhauling (POH) at workshops such as Mysuru and Perambur, during which the interiors, including seats and berths, are often replaced or reworked—thus implying that the deficiencies may have arisen post-supply.
- b. This line of argument is not supported by facts and is found to be misleading.
- c. As already elaborated under Issue 6, a random vigilance check conducted on 31/01/2023 in Coach No. 199506—prior to the POH of that coach—revealed that fire barrier cloth was not present in berth numbers 41 and 57. Importantly, this coach was fitted with materials under the subject PO, and the firm's aluminium nameplate was present, while the RITES hologram was absent.
- d. The fact that the fire barrier cloth was missing in specific berths before the coach underwent POH clearly indicates that the deficiency existed in the original supplied material and cannot be attributed to any subsequent maintenance activity or refurbishment.
- e. As admitted by the firm in its letter dated 01/04/2025, fire barrier cloth was found missing in nine specific berths during the joint inspections conducted in September and October 2024. As noted earlier, this deficiency was present even prior to the POH of the coaches. In this context, the firm's attempt to divert attention to the absence of identification marks or RITES holograms is untenable, especially when a portion of the

Page 9 of 13

- material could be traced to their supply, as evidenced by the presence of the firm's own branding during the vigilance check conducted on 31/01/2023.
- f. Moreover, as noted earlier, the joint inspection reports (submitted by the firm itself) confirm that Recron was found in 11 berths, directly contradicting the required specification of PU foam with fire barrier cloth. This not only confirms deviation but also points to a systemic issue in supply rather than an isolated instance or post-supply interference.
- g. In view of the above, the firm's contention that the deficiencies cannot be attributed to them due to lack of traceability is rejected. The evidence on record clearly demonstrates that the supply did not conform to the contract in all respects.

18. Issue 8: Denial of Misrepresentation or Breach:

- a. The firm strongly denied all charges of misrepresentation, concealment, or endangerment to safety. They maintained that all contractual obligations were fulfilled, and that the discrepancies found were either unrelated to their supplies or occurred after POH.
- b. The firm's blanket denial is not borne out by the facts of the case or the evidentiary record.
- c. As established in the foregoing replies:
 - i. There was no ambiguity in the contractual specification, which clearly mandated the use of PU foam with fire barrier cloth. This requirement was acknowledged by the firm during price negotiations.
 - ii. A pre-POH vigilance check conducted on 31/01/2023 in Coach No. 199506 revealed the absence of fire barrier cloth in specific berths, even while the firm's nameplate was present—conclusively linking the non-compliance to the original supply.
 - iii. The firm's assertion that the deficiencies arose post-POH is contradicted by the findings of this pre-POH inspection, as well as by the joint inspection reports showing that Recron, instead of the required fire barrier cloth, was used in at least 11 berths.
 - iv. The lack of RITES holograms or identification markings, while cited as a defence, cannot override the factual presence of deficiencies in components traceable to the firm's supply.
- d. Taken together, these findings reveal that the firm failed to meet the essential safety-related requirement of supplying fire barrier cloth in certain seats and berths. The omission of such a critical safety component, coupled with the absence of any proactive disclosure or corrective initiative by the firm, reflects a serious breach of trust and a failure to uphold contractual and ethical responsibilities.

e. Accordingly, the firm's contention that it fulfilled all obligations and that no element of misrepresentation or endangerment to safety exists, is untenable. The facts, documents, inspection reports, and the sequence of events, taken in totality, clearly indicate otherwise.

19. Final Order:

Upon careful and comprehensive re-examination of the case relating to the proposal for debarment of business dealings with M/s. Hindustan Fibre Glass Works Pvt. Ltd., Vadodara ("the firm"), the following decision is passed in compliance with the order dated 21/03/2025 of the Hon'ble High Court of Judicature at Allahabad, Lucknow Bench in Writ-C No. 2100 of 2025.

- a. The proceedings initiated against the firm stemmed from a CVC-referred PIDPI complaint, supported by factual observations and inspection reports, and were not arbitrary in nature. A detailed Show Cause Notice dated 23/09/2024 (SN-203) was served upon the firm, along with a Statement of Charges. The firm responded vide letter dated 14/10/2024.
- b. The firm was granted a personal hearing on 24/12/2024 and again on 03/04/2025 after the initial debarment order dated 19/02/2025 was quashed by the Hon'ble High Court. All relevant documents, including those relied upon in the Show Cause Notice, were duly supplied to the firm. Thus, the principles of natural justice have been fully adhered to.
- c. The firm was contractually bound to supply PU foam with fire barrier cloth. This requirement was clearly laid out in the PO and acknowledged by the firm. No ambiguity existed, as confirmed by MCF Vigilance, and the firm's allegation on the erroneous reference to CK-607 in the bid document is misplaced.
- d. Despite the materials being pre-inspected and accepted at the time of delivery, Clauses 1502 and 3203 of the IRS Conditions of Contract provide that deficiencies discovered subsequently during the warranty period entitle the purchaser to take appropriate remedial action. A random vigilance check on 31/01/2023, conducted prior to POH, found fire barrier cloth missing in coach components traceable to the firm.
- e. The firm admitted that fire barrier cloth was missing in nine berths during the joint inspection conducted in September 2024 and October 2024. The firm's argument that deficiencies in these nine berths were due to POH is untenable, as the inspection findings of vigilance pre-date POH activities.
- f. Apart from the above, joint inspections conducted during September 2024 and October 2024 also revealed usage of Recron in 11 berths, indicating deviation from the contractual specification.
- g. It is, therefore, evident that the firm failed to supply the fire barrier cloth as mandated under the contract—which is substantiated by its absence in two berths during the vigilance check conducted on 31/01/2023 and in nine berths during the joint inspections

- carried out in September and October 2024. Furthermore, the firm supplied Recron, a material not stipulated in the contract, as confirmed by its presence in 11 berths during the said joint inspections.
- h. The absence of RITES holograms or firm's markings cannot override the nature of deficiencies found. Furthermore, the firm's contention that non-traceability discredits the findings is unfounded, especially when corroborative evidence obtained during the vigilance check on 31/01/2023 establishes the non-supply of fire barrier cloth to the firm.
- i. The denial of misrepresentation or endangerment to safety by the firm is not supported by record. The non-supply (of fire barrier cloth) or supply of sub-standard material (recron) in place of a critical fire-safety component constitutes a serious lapse that compromises passenger safety and amounts to concealment of material facts.
- j. While the present proceedings are confined to an administrative inquiry for the purpose of determining whether continued business dealings with the firm are warranted, it is necessary to highlight the gravity of the misconduct uncovered. The firm has stated that it is a long-standing and reputable supplier to Indian Railways. While the status of the firm as a regular supplier is not in dispute, it is precisely by virtue of this position of confidence and continued engagement with public authorities that a heightened standard of probity and responsibility is expected of the firm.
- k. The deliberate omission to supply a critical fire-safety component—fire barrier cloth, as required under the contractual specifications—and the apparent substitution with inferior material such as Recron, constitutes a serious breach of contractual faith. This was done despite the firm's awareness of the requirement, its specific justification for pricing based on PU foam with fire barrier cloth, and the issuance of completion certificates. These circumstances go beyond a mere commercial or technical lapse.
- I. Such conduct attracts the legal ingredients of criminal breach of trust under Section 405 IPC (Section 316(1) of BNS, 2023), which penalizes misappropriation or dishonest use of property entrusted to someone in a position of confidence. In this case, public funds were entrusted to the firm for the supply of safety-critical components.
- m. Further, the firm's act of suppressing the non-use of fire barrier cloth, while continuing to represent to the purchaser (MCF) that the supplies conformed to specifications, would also fall within the purview of Section 418 IPC (Section 318(3) of BNS, 2023), which deals with cheating with knowledge that wrongful loss may be caused to a person whose interest the offender was bound to protect. By supplying deficient material under the cover of inspection and certification, the firm knowingly caused wrongful loss to the Railways and compromised passenger safety, a duty it was bound to uphold.
- n. This reference to legal provisions is made not for the purpose of criminal attribution under this proceeding, but to underscore the seriousness of the misconduct, which, in its nature and effect, goes beyond a mere breach of contract and reflects a disregard for safety and probity in public procurement.

- o. In view of the above and in exercise of powers vested under Railway Board letter No. 2021/RS(G)/779/17(E3380016) dated 09/11/2022 regarding banning of business dealings, and having regard to the facts established on record, it is decided that M/s. Hindustan Fibre Glass Works Pvt. Ltd., Vadodara and its allied firms is debarred from participation in any procurement process under Ministry of Railways for a period of two (02) years from the date of issue of this order.
- p. This order has been passed after due compliance with the principles of natural justice and is supported by detailed reasoning, contemporaneous evidence, and statutory provisions. It is neither arbitrary nor disproportionate but is necessary to uphold contractual integrity, ensure public safety, and safeguard public resources.
- 20. Receipt of this letter may please by acknowledged.

DA: 1. As above

2. List of distribution (No. 2024/LS/54/04, dated 17.04.2025)

(S.K.Verma) 17/0 4/25 Director Railway Stores (M) Railway Board.

Room No. 363, Rail Bhawan, Raisina Road, New Delhi - 110001