

Government of India
Ministry of Defence
D(Vigilance)

Subject: Procurement proposals involving M/s IAI, Israel and M/s Rafael, Israel.

Ref. MoD ID No. 31013/4/2008/D(Vig.) dated 11.11.2011.


Vide the above referred ID note, copy of which is enclosed for ready reference, instructions were issued by D(Vigilance) regarding the modalities for dealing with procurement cases involving two Israeli firms viz. M/s IAI and M/s Rafael. These instructions were issued in the context of ongoing investigation by CBI in Barak Missile case where both these vendors from Israel were named in the FIR and were to be applicable till such time that investigation report/chargesheet was available and fresh instructions were to be issued after receipt of investigation report/chargesheet.

2. In this context, it is stated that closure report was filed by CBI in the Ld. Court of Special Judge, Patiala House, New Delhi in the CBI Case No. RC AC1 2006A 0004 (Barak case) and the same has been accepted by the Ld. Court of Special Judge on 27.01.2017.

3. In the light of acceptance of the Closure Report by the Ld. Special Judge, Patiala House Court, New Delhi and the MoD guidelines for Penalties in Business Dealings with Entities issued vide ID No. 31013/1/2016-D(Vig.) Vol.II dated 21.11.2016, the extant instructions dated 11.11.2011 have been reviewed and it has been decided to remove the restrictions and regulations enumerated in para 2 of the ibid order in dealing with procurement cases involving M/s IAI, Israel and M/s Rafael, Israel with immediate effect.

4. These instructions will be applicable to the ongoing and the future procurement cases involving these two Israeli firms.

5. This issues with the approval of the Raksha Mantri.


(H.M. Kundlia)
Under Secretary (Vigilance)

SA to RM	Secretary (DP)	FA (DS)	
VCOAS	VCNS	VCAS	CISC
DG (Acq.)	AS(BM)	AS (JN)	
DG (CG)	AS&FA (Acq.)	CGDA	
JS&AM (LS)	JS&AM (MS)	JS& AM (Air)	JS (Navy)
JS (Air)	JS (Army)	JS (Trg.)&CVO	
FM (LS)	FM (MS)	FM (Air)	
TM(LS)	TM(MS)	TM(Air)	

MoD ID No. 31013/4/2008/D(Vig.) dated 04.04.2018

Copy to: (i) PS to RM
(ii) PS to RRM
(iii) SO to Defence Secretary

Copy also to: US, D(IT) for uploading of the Order on the webpage of the Ministry.

ASO(SB)
G. P. 3/18
11/11/18

Ministry of Defence
D(Vigilance)

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Reference is invited to MOD ID No. of even no. dated 01.05.2009 wherein the modalities for dealing with procurement cases involving two Israeli firms viz. M/s IAI and M/s Rafael, were brought out.

2. Based on advice received from Ministry of Law, the consolidated position is as follows:
- (a) On-going procurement cases where either M/s IAI or M/s. Rafael have emerged or are likely to emerge as the vendor and with whom commercial negotiations are to be undertaken or are underway, may be progressed and their vigilance status assessed and brought out in each case while seeking approval of the competent financial authority. While assessing the vigilance status of M/s. IAI and M/s. Rafael through the CVO, the Ministry has also to assess in consultation with the concerned Service Headquarters the operational urgency and strategic requirement for the equipment, the national security angle and whether there existed any viable alternative equipment/proposal.
 - (b) In case it is not possible to await filing of the charge-sheet/investigation report due to operational imperatives, national security, strategic considerations and non-availability of alternatives, fresh RFPs may be issued to these firms in multi vendor cases.
 - (c) RFPs may also be issued to these firms on single vendor basis only after proper justification on the grounds of operational urgency, national security, strategic consideration and non-availability of alternatives, including technology scan as per Para 69 of DPP 2011.
 - (d) The justification of operational urgency, strategic consideration, national security imperatives and non-availability of alternatives as well as the updated vigilance status should be brought out for specific consideration in all cases at Sl. (a), (b) and (c) above while seeking approval of the competent financial authority.
3. These instructions shall be applicable till such time that investigation report/charge sheet is available. Fresh instructions will be issued after receipt of investigation report/charge sheet.
4. It is requested that these instructions may be circulated to all concerned procurement agencies.


(A.K. Gupta)

Joint Secretary & CVO
Tele: 23015444

SA to RM Secretary(DP), Secretary(Defence Finance)
VCOAS VCNS VCAS DG(Coast Guard) -CISC DG(Acquisition)
JS(G/Air)

MoD ID No. 31613/4/2008/D(Vig.) dated 11.11.2011

Copy to: SO to Defence Secretary
D(Vigilance)

**Details of firms debarred/put on hold/suspended etc from doing business with
MoD As on 04.04.2018**

S. No.	Name of Firms	
1.	Debarred Firms – Total 6	
	(i) M/s Singapore Technologies Kinetics Ltd. (STK) (ii) M/s Israel Military Industries Ltd. (IMI) (iii) M/s T. S. Kisan & Co. Pvt. Ltd., New Delhi. (iv) M/s R. K. Machine Tools Ltd., Ludhiana. (v) M/s Rheinmetall Air Defence (RAD), Zurich. (vi) M/s Corporation Defence, Russia.	MoD ID dated 11.04.2012 and 17.09.2013 (enclosed)
2.	Put on hold/Suspended firms – Total 14	
	(i) M/s Denel, South Africa	MoD ID dated 20.04.2005 and 21.04.2005 (enclosed)
	(ii) M/s Agusta Westland International Ltd, U.K. (iii) M/s Leonardo S.p.A. (Erstwhile M/s Finmeccanica, Italy and its group of companies, including subsidiaries and affiliates). (Revised vide MoD ID dt. 05.12.2017 copy enclosed) (iv) M/s IDS, Tunisia. (v) M/s Infotech Design System (IDS), Mauritius. (vi) M/s IDS Infotech Ltd, Mohali. (vii) M/s Aeromatrix Info. Solution Pvt. Ltd., Chandigarh.	MoD ID dated 03.07.2014 and 22.08.2014 (enclosed)
	(viii) M/s Shanx Oceaneering (ix) Inter Spiro India Pvt Ltd. (x) M/s Experts Systems (xi) M/s Unitech Enterprises (xii) M/s Kelvin Engineering (xiii) Atlas group of companies including M/s Atlas Telecom and M/s Atlas Defence Services.	MoD ID dated 09.08.2006 (enclosed)
	(xiv) M/s Offset India Solutions (P) Ltd. and its Group companies/functionaries.	MoD ID dated 05.01.2018 (enclosed)
3.	Restricted Procurement from firms – Total 02	
	(i) M/s Rolls Royce and its allied & subsidiaries companies.	MoD ID dated 28.07.2014 (enclosed)
	(ii) M/s Tatra Trucks a.s. of Czech Republic.	MoD ID dated 22.12.2014 (enclosed)