# आलोक
# Aloke

श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
**SYAMA PRASAD MOOKERJEE PORT, KOLKATA**
Formerly Kolkata Port Trust

सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि
Culture of Integrity for Nation's Prosperity

## Vigilance

Syama Prasad Mookerjee Port, Kolkata
2024

## Integrity Pledge for Citizens

I believe that corruption has been one of the major obstacles to economic, political and social progress of our country.

I believe that all stakeholders such as Government, citizens and private sector need to work together to eradicate corruption.

I realize that every citizen should be vigilant and commit to highest standards of honesty and integrity at all times and support the fight against corruption.

I, therefore, pledge:

- To follow probity and rule of law in all walks of life;
- To neither take nor offer bribe;
- To perform all tasks in an honest and transparent manner;
- To act in public interest;
- To lead by example exhibiting integrity in personal behaviour;
- To report any incident of corruption to the appropriate agency

सत्यमेव जयते

केंद्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

केंद्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

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दिनांक/Date. 25.10.2024

## MESSAGE

### Vigilance Awareness Week (28th October to 3rd November, 2024)

Observance of Vigilance Awareness Week affirms Commission's commitment to promote integrity and probity in public life by seeking engagement of all stakeholders and to create greater awareness regarding the importance of integrity and ethics. The Commission believes that the theme for this year should be inspired by the rich cultural heritage of India that is rooted in ethical values and integrity. It is believed that these values can serve as a foundation upon which the nation can continue its journey towards development and prosperity. Hence, the theme for this year is:

**"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि"**

**"Culture of Integrity for Nation's Prosperity"**

VAW is being observed from 28th October to 3rd November 2024. Since last couple of years, the Commission has been running a three-month campaign leading upto the Vigilance Awareness Week. This year, the campaign associated with the Vigilance Awareness Week is being undertaken from 16.08.2024 to 15.11.2024. The Commission has sought the participation of all Ministries/ Departments/ Organizations of the Central Government to undertake this threemonth campaign on five different focus areas namely Capacity Building Programs, Identification and implementation of Systemic Improvement measures, Up-dation of Circulars/Guidelines/Manuals, Disposal of complaints received before 30.06.2024 and Dynamic Digital Presence. It is believed that focused attention on these Preventive Vigilance measures would build transparent systems.

Emerging challenges, best practices and thoughts on way forward on various issues that come across are being shared with all stakeholders in the form of three booklets that will be released on 08.11.2024. The idea behind this is to disseminate information regarding effective and innovative initiatives undertaken by different organizations to serve as a point of reference for the way forward.

The Commission solicits the participation of all officials and citizens to come together in bringing about transparency and accountability in all spheres of public life.

(A. S. Rajeev)
Vigilance Commissioner

(Praveen K. Srivastava)
Central Vigilance Commissioner

**रथेंद्र रमण,** आई.आर.टी. एस.
अध्यक्ष

**RATHENDRA RAMAN,** I.R.T.S.
Chairperson

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## MESSAGE

Vigilance Awareness Week (VAW) - 2024 is going to be observed in Syama Prasad Mookerjee Port, Kolkata (SMPK) from 28th October, 2024 to3rd November, 2024. The theme of VAW-2024 is **"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि ; Culture of Integrity for Nation's Prosperity".**

Central Vigilance Commission has been promoting a three-month campaign period (16th August, 2024 till 15th November, 2024) as one of the salient tools of preventive vigilance ana also as a prelude to VAW, wherein every organization is to take up suitable measures in five focus areas. I am sure that SMPK will achieve the desired outcome of the said campaign with proactive approach from all Departments and Divisions of both KDS and HDC, with coordination by Vigilance Department.

SMPK is also conducting various outreach activities as well as workshops/stakeholder meets to ensure maximum possible sensitization about the need of transparency & integrity in public governance, preventive vigilance measures and anti-corruption. I am also happy to state that Vigilance Department of SMPK is bringing out the 8th edition of **"ALOKE"** to commemorate the occasion.

I whole-heartedly congratulate Vigilance Department for the above efforts and wish them all the best in their activities.

Date: 24th October, 2024

Raman
(Rathendra Raman)
Chairperson

सम्राट राही, आई.आर.एस.
उपाध्यक्ष

**SAMRAT RAHI, I.R.S.**
Deputy Chairman

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## MESSAGE

The theme of Vigilance Awareness Week (VAW) 2024 is **"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि ; Culture of Integrity for Nation's Prosperity".**

In connection with observance of VAW-2024, from 28th October, 2024 to 3rd November, 2024, in Syama Prasad Mookerjee Port, Kolkata (SMPK), various activities are being arranged across the Port,in line with the mandate of CVC. I feel that active participation of employees, stakeholders, school & college students and other citizens in the various activities during VAW-2024 will go a long way in raising awareness amongst them regarding the perils of corruption.

Starting a new thing takes a lot of effort, but continuing and improving upon the same requires persistence.Vigilance Department of SMPK has been continuing their effort in bringing out the annual 'Journal' or 'Year Book' - "Aloke" since VAW- 2017. I am glad that in keeping with the tradition, the 8th edition of "Aloke" is being published.

I congratulate Vigilance Department for their efforts and whole-heartedly wish them all the best in their initiatives.

Date: 23rd October, 2024

Samrat

( Samrat Rahi )
Dy. Chairperson

# FROM THE EDITOR'S DESK

By **Sandip Banerjee**
*Assistant Vigilance Officer*
*Vigilance Department, SMP, Kolkata*

Vigilance Awareness Week is observed every year during the week in which the birth anniversary of Sardar Vallabhbhai Patel falls (31st October). This year, Vigilance Awareness Week is being observed from 28th October to 3rd November, 2024, with the theme "सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि" "Culture of Integrity for Nation's Prosperity". Like the past couple of years, this year also Central Vigilance Commission (CVC) has desired that as a precursor to VAW 2024, under a 3-month campaign, every organization should undertake preventive vigilance exercise on 5 focus areas identified by CVC, which has already started from 16th August, 2024 and will continue till 15th November, 2024. With active involvement of the Port Management and participation by all concerned, we will definitely be able to achieve significant outcomes on each of the 5 parameters.

In keeping with the tradition since 2017, the 8th edition of the in-house Journal or Year Book by Vigilance Department of Syama Prasad Mookerjee Port, Kolkata (SMPK), i.e., "Aloke", has been scheduled to be released during VAW 2024. On behalf of Vigilance Department of SMPK, I thank all the individuals, who have managed to spare time from their hectic schedules to contribute valuable articles for this edition of "Aloke".

Apart from including thought provoking articles and important circulars & guidelines of CVC as well as various Ministries in this 8th edition of "Aloke", we have tried to appraise the Port fraternity about the areas where Vigilance Department has been able to make specific contribution to systemic efficiency. To that effect, this edition contains a section named "An overview of the functioning of Vigilance Department, SMPK over the last 5 years", which, I am sure, will be a good read for everyone.

Finally, I would like to urge everyone to contribute in her/his own small way in fighting corruption, and realize that each and every one of us essentially needs to play a vital role in saying "NO" to corruption as a commitment to a strong and developed India. This will go a long way towards inculcating a culture of integrity, which, in turn, will lead to greater prosperity of our beloved nation.

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# Checks and Balances

*By* **Arnab Basu**
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**WHAT ARE THESE?**

Checks and balances are rules and procedures to reduce errors/mistakes, prevent improper functioning/behavior, or decrease the risk of centralization in an organization. Checks and balances prevent any one person or any one department from having absolute control over decisions and force co-operation in completing tasks. The term is most commonly used in reference to the Government, but also refers to limiting power in businesses and organizations.

By separating the duties of various employees into clearly defined roles, businesses and organizations are better able to ensure that rogue employees or executives cannot harm the business, without the intervention of other employees. Having these types of internal controls can improve operational efficiency in some situations. While it may seem that adding these checks on power can hurt efficiency, many a times it turns out to be just the reverse, i.e., these checks smoothen the system and boost efficiency. To be specific on this issue, it is like if one executive has too much power and is taking on too much responsibilities, forcing delegation can make things run smoother and quicker, and thus boost efficiency.

**THE INDIAN SCENARIO**

The doctrine of checks and balances states that each organ of the Government shall act on the other organs in such a way, so as to prevent them from becoming totalitarian and to prompt them towards fulfilling their constitutional obligations. Various provisions under the INDIAN CONSTITUTION provide for checks and balances in the governance framework of the INDIAN STATE.

SEPARATION OF POWERS is a fundamental principle, in a democratic Government, which entails dividing the powers of the state into 3 (three) separate branches:

a) The LEGISLATIVE

b) The EXECUTIVE

c) The JUDICIARY

Checks and balances are designed to maintain the system of separation of power, keeping each branch in its place. Such pairing of separated powers, with an intricate system of checks and balances, is designed to give each branch fortification against encroachment by the others, thus preventing abuse of power and avoid autocracy.

**THE UNITED NATIONS SCENARIO**

The UNITED NATIONS has 6 (six) internal institutions:

a) The INTERNATIONAL COURT OF JUSTICE

b) The GENERAL ASSEMBLY

c) The ECONOMIC AND SOCIAL COUNCIL

d) The TRUSTEESHIP COUNCIL

e) The SECRETARIAT

f) The SECURITY COUNCIL

Each of these institutions has different responsibilities, such as maintaining international peace, policy review and recommendations on economic, social & environmental issues and an international court. The individuals working in these bodies as well as the bodies themselves cannot influence one another. Considering that the UNITED NATIONS has a wide global influence impacting most nations around the world, it is imperative that different directives are handled by different groups, so as to avoid concentration of power. The UNITED NATION's voting system and veto power policy allow individual countries to check the power of other countries.

**THE BAZBALL SCENARIO**

Checks and balances are equally applicable in CRICKET, especially in TEST CRICKET (unarguably the purest and the oldest format of cricket), which many a cricket philosopher and writer had compared with life, specially the UNCERTAINTY FACTOR being the main point of comparison.

Now let us understand the BAZBALL scenario. In the backdrop of increasing popularity of white-ball cricket (i.e., ODIs, T20s, T10s, etc.), the red-ball cricket, i.e., TEST CRICKET, was losing its glory as well as importance, as it was being ridiculed as boring and lengthy (spanning 5 days). England Men's Cricket Team, from 2022, under the leadership of Brendon McCullum (as Coach) and Ben Stokes (as Captain), started playing an aggressive brand of cricket, which is entertaining also. It emphasizes on aggressive batting (the natural batting style of their new coach McCullum - the term BAZBALL was coined after his nick name BAZ), even when the team was on the backfoot, to snatch victory from the jaws of defeat. In this BAZBALL era, starting from 2022 till the 1st Test against Pakistan at Multan in 2024, England have played 30 Test matches and won 20 and lost 9. They have achieved a run rate of 4.61 per over, an unprecedented rate in Test Cricket (the previous best in a 30 Test match sequence was 4.00 per over, between August 2001 and December 2003, by Australia). It is obvious that this unprecedented run rate could be achieved by the cumulative aggression of their batters, including the old-styled Joe Root. Being a batter of old-school-mentality, Root was finding it difficult to adopt the all-aggressive attitude of the other England batters. Considering the same, he was allowed to continue with his accumulative artistry, peerless precision and physical resilience, thus making him a perfect foil to the other aggressive batters. This deadly combination (of all England batters, other than Root, scoring runs at a blistering pace and Root joining the party, with the same intent, but with subtle CHECKS and BALANCES) was in full view, in the England 1st inning of the 1st Test at Multan (Pakistan) in October 2024.

a) Pakistan scored, in their 1st inning, 556 all out in 149 overs - run rate 3.73 per over

b) England scored, in their 1st inning, 823/7 in 150 overs - run rate 5.49 per over

   The 4th wicket partnership of Harry Brook and Joe Root - 454

   Harry Brook - 317- 29 fours and 3 sixes - 42% of 317

   Joe Root – 262 - 17 fours and 0 sixes – 26% of 262

   (Root's 262 held the lowest boundary percentage, 26%, among the 100th 250-plus knock in Tests)

The above clearly shows that in the aforesaid run-feast by most of the England batters, especially Brook, Root continued with his old-school temper to buy runs. Thus, his above act was a perfect example of CHECKS and BALANCES, amidst the mayhem by the other England batters and had a smoothening effect on the overall BAZBALL intent of the England team and increasing efficiency of the same.

**AT THE END**

The idea of checks and balances, which is almost synonymous with separation of power, was first proposed by the Greek Statesman Polybus, in reference to the Government of ancient Rome. Hence, it is an age-old concept, and is invariably in existence in every sphere of life.

# Cybersecurity and Cyber Hygiene for Government of India Employees: A Data-Driven Analysis

*By* **Jayanto Chaudhury**
*Dy. Director (EDP) & CISO*
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## 1. Introduction

The Government of India is rapidly digitizing to enhance governance and deliver citizen-centric services effectively. However, the increasing reliance on digital infrastructure exposes government systems to various cybersecurity threats, underscoring the critical need for a robust cybersecurity framework and cyber hygiene practices. This article explores the current cybersecurity landscape in India's government sector, presents statistical insights on threats faced by government systems, and highlights essential practices in cyber hygiene for government employees.

With the introduction of initiatives like **Digital India** and **Aadhaar**, the government holds vast amounts of sensitive data. Protecting this data against threats is paramount for national security and public trust. This article covers :

- Cybersecurity threat statistics in the government sector.
- The current status of cybersecurity measures and employee awareness.
- Best practices for cybersecurity and cyber hygiene specific to government employees.

## 2. Cybersecurity Threat Landscape in India's Government Sector

India's cybersecurity landscape has witnessed an uptick in cyber incidents, with government institutions being high-value targets. Data from the **Indian Computer Emergency Response Team (CERT-In)** reveals the following:

- **Rise in Incidents :** In 2022 alone, CERT-In recorded **over 1.4 million cybersecurity incidents**, a significant rise from previous years. Of these, around **20%** targeted government agencies.
- **Phishing and Malware Attacks :** Phishing attacks represented **18%** of the incidents, while malware attacks accounted for **25%**, often aimed at stealing government data or disrupting operations.
- **Ransomware Incidents :** A CERT-In report highlights a **53% year-over-year increase** in ransomware incidents impacting government organizations. These attacks encrypt data and often demand ransom for decryption.

- **State-Sponsored Threats :** According to a **2023 report by the Ministry of Home Affairs (MHA)**, approximately **42% of all sophisticated cyber-attacks** are attributed to state- sponsored groups, primarily targeting Indian government infrastructure.

3. **Cyber Hygiene Awareness and Challenges**

Despite increasing threats, cyber hygiene awareness among government employees remains suboptimal. A survey conducted by **NASSCOM** and **Deloitte** on government employees in 2022 highlights:

- **Low Cyber Hygiene Compliance :** About **47% of government employees** admit to lacking clarity on cybersecurity protocols and cyber hygiene.
- **Password Management :** Only **35% of employees** change passwords regularly, and 52% use the same password for multiple accounts.
- **Email Phishing Awareness :** Over **38% of employees** were unable to identify phishing emails during a simulated phishing test.
- **Outdated Systems :** Around **60%** of government offices still rely on outdated systems, which are vulnerable to cyber threats due to inadequate security features.

These statistics underscore the need for enhanced cybersecurity education and stronger policies within the government sector.

4. **Key Cyber Hygiene Practices for Government Employees**

To mitigate risks, government employees must adopt cyber hygiene practices designed to protect both individual and organizational data. The following are essential cyber hygiene measures recommended by CERT-In and other cybersecurity bodies:

- **Password Management :** Using unique, strong passwords for each account and updating them periodically. According to CERT-In, enforcing multi-factor authentication (MFA) could prevent **nearly 70%** of unauthorized access attempts.
- **Email and Phishing Awareness :** Employees should be trained to recognize phishing attempts. Studies suggest that regular training can reduce the likelihood of employees clicking on phishing links by **30%**.
- **Device Security :** Keeping devices updated with the latest security patches is crucial. Data from the **Cyber Swachhta Kendra** (Botnet Cleaning and Malware Analysis Center) shows that outdated systems account for **40% of malware infections** in government devices.

- **Data Backup :** Regularly backing up data ensures data availability during cyber incidents. In 2023, NCIIPC (National Critical Information Infrastructure Protection Centre) reported that organizations with robust data backup saw a **40% faster recovery** post-attack.
- **Access Control :** Implementing the principle of least privilege ensures that employees only have access to information required for their roles. CERT-In estimates that this practice could reduce insider threat risks by **30%**.

5. **Government Initiatives and Statistical Impact**

To bolster cybersecurity, the Indian government has launched initiatives such as the **National Cyber Security Policy (NCSP), Cyber Swachhta Kendra, and Digital India.** These programs focus on protecting critical information infrastructure, creating awareness, and providing cybersecurity tools to government employees.

- **National Cyber Security Policy (NCSP) :** The policy, introduced in 2013, outlines strategies to secure cyberspace. Since its implementation, the government has reported a **25% decline in high-risk incidents** due to enhanced monitoring and incident response mechanisms.
- **Cyber Swachhta Kendra :** Launched in 2017, this platform provides free cybersecurity tools to clean infected devices. According to CERT-In, approximately **800,000 infections** were cleaned in 2022 due to this initiative, reducing potential entry points for cyber-attacks.
- **Employee Training Programs :** In 2022, over **1,500 government employees** across departments underwent cyber hygiene training, leading to a **15% increase in phishing detection** during simulations.

These initiatives demonstrate progress in mitigating cyber threats, yet the large volume of attacks indicates the need for continued efforts and policy updates.

6. **Case Studies: Recent Cybersecurity Incidents**

Understanding recent incidents can help illustrate the impact of cybersecurity breaches and the importance of rigorous cyber hygiene practices. Some notable examples include:

- **Attack on the Kudankulam Nuclear Power Plant (2019) :** A malware attack targeted this nuclear facility, prompting immediate action by CERT-In and raising awareness about the critical need for cybersecurity in sensitive installations.
- **Indian Space Research Organization (ISRO) Incident :** Phishing and malware attacks aimed at compromising sensitive data have been reported, underscoring the vulnerability of research organizations.

These cases reinforce the importance of strict cybersecurity protocols and swift incident response mechanisms to prevent potential data theft and service disruption.

## 7. Recommendations and Conclusion

The importance of a comprehensive cybersecurity strategy and strict adherence to cyber hygiene practices cannot be overstated for the Government of India. Based on the data and insights presented, the following recommendations can enhance cybersecurity within the government sector:

- **Enhanced Employee Training :** Government employees should undergo regular cybersecurity and cyber hygiene training. According to CERT-In, training can reduce the risk of successful attacks by **45%**.
- **Modernization of IT Infrastructure :** Upgrading legacy systems across government offices would mitigate vulnerabilities inherent in outdated technology. Data suggests this could reduce malware infection rates by **30%**.
- **Mandatory Multi-Factor Authentication (MFA) :** Implementing MFA on all government systems would limit unauthorized access and significantly reduce breach rates.
- **Regular Audits and Compliance Checks :** Conducting audits to ensure compliance with cybersecurity policies can help identify gaps. In 2023, NCIIPC found that departments conducting quarterly audits had **25% fewer incidents** than those with annual audits.
- **Improving Collaboration with CERT-In :** Building closer partnerships between government departments and CERT-In would improve the ability to detect and respond to emerging threats.

## Conclusion

The digital transformation of India's government sector presents both opportunities and challenges. Effective cybersecurity and cyber hygiene practices are essential to secure sensitive data and ensure uninterrupted service delivery to citizens. By investing in infrastructure upgrades, rigorous employee training, and closer collaboration with CERT-In, the government can strengthen its cyber resilience. As India progresses towards becoming a digital leader, fostering a cyber-aware culture within government agencies will be instrumental in sustaining secure digital governance.

*Report Courtesy :* GAI

# আসুন, লজ্জা ঢাকি

**ননীগোপাল মন্ডল**
ডেপুটি ম্যানেজার (পি অ্যান্ড আই আর)
হলদিয়া ডক কমপ্লেক্স

"সততা, স্বচ্ছতা এবং দুর্নীতির বিরুদ্ধে লড়াই সংস্কৃতির অংশ হতে হবে। এগুলোকে মৌলিক মূল্যবোধ হিসেবে শেখাতে হবে।" – Angel Gurra, OECD Secretary General.

Corruption Perceptions Index বা দুর্নীতি ধারণা সূচক (CPI) হল এমন একটি সূচক, যার দ্বারা কোন দেশ কতোটা দূর্নীতিগ্রস্থ তা নির্দেশিত হয়। আন্তর্জাতিক ভাবে বিশ্বের ১৮০টি দেশের ওপর নানা ধরণের সার্ভে করে এই সূচক তৈরি করা হয়। এখান থেকে বুঝতে সুবিধে হয়, কোন দেশ কতোটা দূর্নীতি তে ডুবে আছে।

বলতে খুব খারাপ লাগলেও, আমাদের লক্ষ্য যেহেতু দূর্নীতিকে নির্মূল করা, তাই এ বিষয়ে যত বেশি চর্চা হবে, ততই ভালো। এখানে কোন দল বা মত কে কোনভাবেই ধরা যাবে না। তাই খারাপ লাগার কথাটা বলছি, দূর্নীতিতে ভারতবর্ষের স্থান অত্যন্ত খারাপ যায়গায়। ২০২৩ এর দূর্নীতি ধারণা সূচক অনুযায়ী বিশ্বের ১৮০টি দেশের মধ্যে ভারতের স্থান ৯৩ নম্বরে।

একটু গোড়ার কথা বলি, বিশ্বের ১৮০টি দেশের মধ্যে সার্ভে করে 'ট্রান্সপারেন্সি ইন্টার্ন্যাশনাল' নামক এই বেসরকারি সংস্থাটি ২০২৩ এর সূচক প্রকাশ করেছে। এদের মান রাখা হয়েছে ০ থেকে ১০০ পর্যন্ত। যে দেশ যত বেশি স্কোর করবে, সে দেশ তত দূর্নীতি-মুক্ত। আবার উল্টো করে বললে এটা দাঁড়ায়, যে দেশ কম স্কোর করবে, সে তত দূর্নীতিগ্রস্থ। তাতে ভারতের স্কোর হয়েছে ৩৯। বিশ্বের ১৮০টি দেশের মধ্যে ভারতের স্থান ৯৩ নম্বরে।

অন্য দেশগুলো কে কেমন করেছে একটু দেখে নেওয়া যাক। এই সূচকে সবচেয়ে ভালো জায়গায় এক নম্বরে আছে ডেনমার্ক। এই দেশের স্কোর ৯০। দ্বিতীয় স্থানে আছে ফিনল্যান্ড। এদের স্কোর ৮৭। সবচেয়ে শেষে আছে সোমালিয়া। এদের স্কোর ১১। এছাড়া ১৩ স্কোর করে ভেনেজুয়েলা, সিরিয়া এবং সাউথ সুদান ১৭৭ নম্বরে। আমেরিকা ৬৯ স্কোর করে ২৪ নম্বরে। আমাদের পড়শি দেশগুলোর মধ্যে সবচেয়ে ভালো, দূর্নীতি কম ভূটানে। ভূটান ২৬ নম্বরে। আর দূর্নীতিতে ডুবে আছে বাংলাদেশ ১৪৯ নম্বরে, পাকিস্তান ১৩৩ নম্বরে, শ্রীলঙ্কা ১১৫ নম্বরে আর নেপাল ১০৮ নম্বরে।

২০২৩ এর এই সিপিআই সূচক দেখে অবাক হওয়ার কিছু নেই। বিশ্ব ব্যাংকের উদ্যোগে ১৯৯৫ থেকে প্রতি বছর এই সূচক প্রকাশ করে 'ট্রান্সপারেন্সি ইন্টার্ন্যাশনাল' সংস্থাটি। ওই বছর আমাদের দেশ সবচেয়ে ভালো জায়গায় ছিল ৩৫ নম্বরে। পরে ১৯৯৬ এ ভারতের স্থান হয় ৪৬, 2000 সালে হয় ৬৯, ২০১০-এ হয় ৯১ এবং এর আগে, ২০২২ সালে আমাদের দেশের র‍্যাঙ্ক ছিল ৮৫ নম্বরে।

দুর্নীতি ধারণা সূচক (সিপিআই), পরিমাপ করে যে দেশগুলিকে তাদের দুর্নীতির অনুভূত স্তরের ভিত্তিতে ০ (অত্যন্ত দুর্নীতিগ্রস্ত) থেকে ১০০ ( দূর্নীতি-মুক্ত ) স্কেলে রেট দেয়। CPI ট্রান্সপারেন্সি ইন্টারন্যাশনাল দ্বারা তৈরি এবং ব্যবহার করা হয়েছিল, ১৯৯৩ সালে প্রতিষ্ঠিত একটি আন্তর্জাতিক বেসরকারি সংস্থা যা দুর্নীতির বিরুদ্ধে লড়াইয়ের জন্য ব্যবসা, সুশীল সমাজ এবং সরকারী কাঠামোকে একত্রিত করার লক্ষ্যে। সূচকটি প্রথম ব্যবহার করা হয়েছিল ১৯৯৫ সালে, ১৭৮টি দেশের মধ্যে সার্ভে করে এবং এটি বার্ষিক সমীক্ষায় ক্রমবর্ধমান সংখ্যক দেশকে কভার করে।

সিপিআই দেশীয় এবং আন্তর্জাতিক ব্যবসায়িক নির্বাহী, আর্থিক সাংবাদিক এবং ঝুঁকি বিশ্লেষকদের সমীক্ষার উপর ভিত্তি করে তৈরি। অতএব, এটি বিশেষজ্ঞ এবং ব্যবসায়িক অভিজাতদের ধারণা প্রতিফলিত করে, সাধারণ মানুষের নয়। এটি প্রকাশের আগের দুই বছর এবং প্রকাশের বছর থেকে প্রতিটি নিজ নিজ দেশের জন্য বেশ কয়েকটি সার্ভে, জনমত এবং সমীক্ষার গড় স্কোর ধরে প্রস্তুত করা হয়। প্রতিটি দেশের জন্য ব্যবহৃত সার্ভের ন্যূনতম বিকল্প অপশন তিনটি, যখন কিছু দেশে ১৪ থেকে ১৫টি সমীক্ষা ব্যবহার করে মূল্যায়ন করা হয়।

CPI পাবলিক সেক্টরকে সামনে রেখে এবং সরকারী পদাধিকারী ও ক্ষমতাবান রাজনীতিবিদদের মধ্যে দুর্নীতির মাত্রা মূল্যায়ন করে। দুর্নীতিকে ব্যক্তিগত লাভের জন্য সরকারি পদের অপব্যবহার হিসাবে সংজ্ঞায়িত করা হয়, যার অর্থ সাধারণত ঘুষ নেওয়া। অন্য পক্ষকে ঘুষ দিতে বাধ্য করা। কারণ দুর্নীতিগ্রস্ত দেশগুলিতে বিচার বিভাগ এবং মিডিয়ার গুণমান এবং স্বাধীনতা সাধারণত কম থাকে, দুর্নীতির প্রকাশ এবং বিচার সংক্রান্ত সরকারী পরিসংখ্যানগুলি আরও দুর্নীতিগ্রস্ত দেশগুলিতে দুর্নীতির মাত্রাকে অবমূল্যায়ন করে। সিপিআই, মূল্যায়নের উপর ভিত্তি করে, একটি প্রদত্ত দেশে অসামরিক কর্মচারী এবং ক্ষমতাবান রাজনীতিবিদদের মধ্যে অবৈধ অনুশীলনের মাত্রা সম্পর্কে তথ্যের একটি মূল্যবান বিকল্প উৎস।

ভারতের স্কোর বিশ্বব্যাংকের কান্ট্রি পারফরমেন্স এবং ইনস্টিটিউশনাল অ্যাসেসমেন্ট, ওয়ার্ল্ড ইকোনমিক ফোরাম এক্সিকিউটিভ ওপিনিয়ন সার্ভে এবং গ্লোবাল ইনসাইট কান্ট্রি রিস্ক রেটিং সহ গড়ে ১৩টি গবেষণার ফলাফল। যে দেশগুলো সূচকে নীচের অবস্থানে রয়েছে, সেগুলি হল সোমালিয়া, উত্তর কোরিয়া, মায়ানমার এবং আফগানিস্তান, যে দেশগুলো অস্থিতিশীল সরকার এবং সংঘাত দ্বারা পরিচালিত।

এবারের ভিজিল্যান্স অ্যাওয়ারনেস উইক বা সতর্কতা সচেতনতার উদ্দেশে থিম হলো "Culture of Integrity for Nation's Prosperity" অর্থাৎ সত্যনিষ্ঠা সংস্কৃতি চর্চার মধ্য দিয়ে দেশের সমৃদ্ধি সাধন। যত বেশি করে দুর্নীতির বিভিন্ন দিকগুলো আমরা চিহ্নিত করতে পারব, দুর্নীতির জন্য যত বেশি সোচ্চার হতে পারব, তত বেশি মানুষ সচেতন হবে। তত বেশি সাবধান হবে।

আমাদের দেশের একটা স্থায়ী শক্তিশালী সরকার আছে, আমাদের অর্থনীতির বুনিয়াদ ও শক্তপোক্ত। বেশির ভাগ ক্ষেত্রে আমরা স্বয়ংসম্পূর্ণ। আমাদের মেধা নিয়ে পাশ্চাত্তের দেশগুলো ঈর্ষান্বিত, তা সত্ত্বেও আমরা ঘুরে দাঁড়াতে পারছিনা কেন? কেন আমাদের রন্ধ্রে রন্ধ্রে দুর্নীতির ঘুণপোকা আমাদের ঝাঁঝরা করে দিচ্ছে? একটি বেসরকারি সংস্থা তাদের এক সমীক্ষায় দেখিয়েছে যে ভারতের দুর্নীতির জন্য প্রায় বছরে ৩৩,০০০ কোটি টাকার অপচয় হয়। দুর্নীতি না থাকলে এই অর্থ সত্যিকারের দেশের উন্নয়নের কাজে লাগানো যেত।

রাষ্ট্রনেতা এবং গবেষকরা এবিষয়ে ভালো বলতে পারবেন। তবে আমার নিজস্ব ধারণা হলো, অশিক্ষা, কুশিক্ষা, অনাচার, ন্যায়পরায়নতার অভাব, মূল্যবোধের অভাব এবং দারিদ্র হলো দুর্নীতির মূল কারণ। এছাড়াও বিপুল জনসংখ্যা যেভাবে বিস্ফোরণের দিকে চলে যাচ্ছে, তার নিয়ন্ত্রনের কোন সঠিক রূপরেখা কোথায়? থাকলেও, অমান্যকারির জন্য কঠিন বিধান কোথায়? শহুরে কিছু মানুষ, 'হাম দো হামারে দো,' বস্তা পচা স্লোগান মেনে চললো, তাতেই হলো। যারা মানেন না, তাদের শাস্তি কী? গ্রামাঞ্চলে কোটি কোটি মানুষ এই পথে কি চলেন? ঐ নিয়েও আমাদের এখুনি ভাবতে হবে। তা নাহলে, শুধু দুর্নীতির কথা বলি কেন, এমন হাজার ব্যাধি আমাদের সমাজে ছড়িয়ে আছে, যা আরও সক্রিয় হয়ে উঠবে।

আমাদের দেশ কতোকিছু তে পরিপূর্ণ, তারপর ও বিশ্বের কাছে মাথা উঁচু করে কেন বলতে পারব না, আমরা নির্মল দেশের নাগরিক। সবসময় কেন লজ্জা পাবো, আমাদের দেশ দূর্নীতিতে ভরে আছে বলে। আসুন, সবাই মিলে এই লজ্জাকে ধুয়ে মুছে সাফ করি। দূর্নীতি-মুক্ত দেশ গড়ি।

# Irregularities in Term Deposit Investments Made by Finance Dept.

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One of the PSUs (say XYZ) of GoI made TERM DEPOSIT Investments in ABC Bank. But, the Term Deposit Receipts (TDRs) were closed without the knowledge of the PSU, and that no money has been credited in Organization Accounts. The entire amount had been credited in the Current Account dubiously created in the name of XYZ.

**Brief of the Case :**

- XYZ is regularly investing surplus funds as Fixed Deposits (FD) in Nationalized Banks. Taking into account the maturity amount of the FD on the due date along with the balances available and anticipated requirement for the expenditure, the funds available for investment are assessed and action taken for investment by the Securities Section, Finance Dept. There is an empanelled list of different Bank Branches with the Securities Section, Finance Dept.
- There are different types of funds from which Fixed Deposits are made. The Funds are categorized as **General Fund (GF), General Insurance Fund (GIF), Leave Encashment Fund (LEF), Family Security Fund (FSF), Loss of Wages Compensation Fund (LWCF) and Welfare Fund (WF).**
- The available funds are invested in 2 (two) Rate categories called **'Callable'** or **'Non-callable'.** <u>**'Callable'** means deposits can be pre-closed at any given point of time.</u> For normal organizational expenditure, funds under GF are utilized and in case of unanticipated expenditure, such FDs are pre-closed. **Therefore, FD investments under GF are made under 'Callable' category.** <u>'Non-callable' means deposits cannot be pre-closed at any point of time</u>, but some banks permit it on levying of penalty. The other funds GPF, GIF, FSF, LEF, LWCF & WF are specific in nature and necessity to pre-close usually doesn't arise. **Therefore, investments under these funds are made under 'Non-callable' category.** Most of the Banks offer higher ROI for 'Non-callable' than for 'Callable' category.
- XYZ invites offers from the Banks to quote their ROI for 2 (two) type of deposits, i.e., **'Bulk Deposit' and/or 'Retail Deposit.'** Normally, the Banks quote higher ROI for Retail Deposits, which are generally below 2 Crore (1.99 Crore in most of the cases). Deposits above 2 Crore are termed as Bulk Deposits for which less ROI is offered by the Banks.
- There is a Standard Operating Procedure (SOP) for investment of surplus funds in Term Deposits.

**Lapses by the Department :**

- The ABC Bank was empanelled in list of securities without following the procedures prescribed in the SOP for investments, i.e., without obtaining the request letter and confirmation from the Bank or without verifying the identity of the person who has brought the visiting card in the name of the Branch Manager.
- Amounts were transferred to the Bank by the Accounts Officer by obtaining the Login ID, Password and OTP of another official (who was on long medical leave) duly approved by Dy. Manager (Securities).
- Confirmation was not obtained from the Bank to which funds were transferred, as per SOP.
- Investments were made in different denominations, such as approval of the CEO of the organization was obtained for 10 TDRs for Bulk Deposit amounting Rs 40 Crore whereas Bank investment was made in Retail Deposit Receipts with 21 TDRs.
- The TDRs were received by the Accounts Officials from unidentified persons, without any covering letter or acknowledgement.
- Verification of TDR, such as the details of the name of the Bank, Branch, name of the Depositor, date of deposit and maturity, rate of interest, tenure, amount of deposit & maturity, signature and stamp of the issuing authority were not carried out by the initiating officials.
- The Accounts Officials have also failed to carry out the status check and the letter of confirmation from each Bank at the end of each quarter as per SOP.
- As per SOP, if various Banks and branches offer the **same rate** of interest, the investible amount shall be split amongst the Banks and branches to spread the risk. Here, in this case, 2 (two) different Banks (ABC Bank and SDG Bank) have offered same rate.
- Post-tender negotiations from ABC Bank was obtained by Sr. Dy. Manager, without the knowledge of the Manager (Finance), by disclosing the H1 rate offered by other Bank (SDG Bank).
- Suppressing the fact of obtaining revised rate beyond due date and time from ABC Bank in the Comparative Statements and Proposal Notes submitted to Competent Authority.
- The category of Callable and Non- Callable was not specified in the NIT.
- Manager (Finance) failed to re-validate the shortlisted and recommended quotes for the investments.
- Multiple branches of the same Bank offered different rates of interest.

**Areas of Improvement :**

- The primary goal of e-Procurement is to utilize technology to enhance transparency, fairness and efficiency in the procurement process, minimizing undue human intervention. According to OM No. 26/12/2014-PPC dated January 21, 2015, issued by the Department of Expenditure (DoE), Ministry of Finance (MoF), all Central Government Ministries and Departments, along with their attached and subordinate offices, CPSEs, and Autonomous/Statutory Bodies, are mandated to implement e-Procurement for all tenders with an estimated value of Rs. 2,00,000 or more, in a phased approach. In XYZ organization, e-tendering has become standard practice, with the exception of surplus fund investments. Therefore, efforts should be made to complete investments through electronic quotes within 60 days, adapting appropriate modules to meet organizational requirements.
- It is a common practice for Tender Committees to include a competent Officer from the Finance Department as a member. For investments handled solely by the Finance Department, in addition to the Senior Deputy Manager and Deputy Manager, another Officer at the level of Deputy Head of Department from any other Department may be tasked with opening offers from Banks, preparing comparative statements, and handling other necessary tasks related to investment finalization.
- A system should be developed for the receipt of Term Deposit Receipts from Banks, with a senior Officer assigned responsibility for this process.
- A mechanism of status check of TDRs and confirmation letter from each bank should be obtained, with strict adherence ensured by the Manager (Finance).
- According to ABC Bank's Deposit Policy, all Bank Deposits are insured under the scheme offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC), subject to specific limits and conditions. The details of the insurance coverage will be provided to the depositor. Therefore, the Finance Department must verify this policy before making deposits to ensure recoverability.
- There should be One Bank One Branch to be empanelled.
- Post-tender negotiations should be avoided. If required, negotiation should be held with the approval of Competent Authority.
- The Head of the Finance should have verified and scrutinized documents in each phase of the investments.
- The category of the deposit, i.e., Callable or Non-Callable, for Retail or Bulk Deposits to be specified clearly.

# Inclusion of Change of Scope in General Conditions of Contract

*By* **Nilanshu Banerjee**
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SMPK executes various projects and works all around the year. The item rate contracts, wherein a Bill of Quantity is stipulated, has a variation clause in the GCC to take care of unforeseeable changes. Moreover, the GCC stipulates that the Bill of Quantities are estimated quantities of the work and shall never be deemed as actual or correct quantities of the works to be executed by the contractor. Thus, all eventualities are taken care by the variation clause.

In EPC mode of contract (the more preferred mode of contract), payments are linked to milestone and design obligation lies on the contractor. The current GCC lacks provisions to address changes resulting from Soil investigation outcomes, Topographical differences, new statutory requirements as a variation clause. These changes can significantly impact the project scope, especially when they contradict initial assumptions made during the block cost/estimation stage.

A change in scope clause needs to be incorporated in the GCC to address changes arising from discrepancies between initial assumptions and actual conditions. It should provide a framework for adjusting project parameters when faced with unforeseen circumstances. It should also ensure fair treatment for both the department and the contractor when significant deviations occur. This addition will enhance contract flexibility and improve project management.

**Change of Scope**

1. The Authority may, notwithstanding anything to the contrary contained in this Agreement, require the Contractor to make modifications/alterations to the Works ("Change of Scope") within a period of six months counted from the work order date.

   Upon the Authority making its intention known to the Contractor for the specific Change of Scope, be it positive or negative, the Contractor shall submit his proposal for the said Change of Scope involving additional cost or reduction in cost. Any such Change of Scope shall be made and valued in accordance with the existing rates of SMPK.

2. Provided that any such Change of Scope, excluding major structures/design, may be required and agreed to be executed between the parties beyond the period of six months of the work order Date but before expiry of 50% of the original Scheduled Construction Period of the Project, subject to the condition that it shall not entail any claims (e.g. Extension of Time/Prolongation related claims) against the Authority.

3. The Change of Scope shall mean the following:
   (a) change in specifications of any item of Works;
   (b) omission of any work from the Scope of the Project, the Authority shall not omit any Work under this Clause in order to get it executed by any other contractor; and /or
   (c) any additional Work, Plant, Materials or services, which are not included in the Scope of the agreement, including any associated Tests on completion of construction.

**Procedure for Change of Scope**

i. In the event of the Authority determining that a Change of Scope is necessary, it may direct the Contractor by serving a notice specifying in reasonable detail the Works and services contemplated thereunder (the "Change of Scope Notice"). The Contractor in response shall submit a detailed proposal within 15 days from the receipt of Change of Scope Notice.

ii. If the Contractor determines, not later than 120 days from the work order Date, that a Change of Scope to the Works is required, it shall prepare a proposal with relevant details at its own cost and shall submit to the Authority to consider such Change of Scope (the "Change of Scope Request").

iii. Upon receipt of a Change of Scope Notice, the Contractor shall, with due diligence, provide to the Authority and the Authority's Engineer such information as is necessary, together with detailed proposal in support of:
   (a) the impact, if any, which the Change of Scope is likely to have on the Project Completion Schedule, if the works or services are required to be carried out during the Construction Period; and
   (b) the options for implementing the proposed Change of Scope and the effect, if any, each such option would have on the costs and time thereof, including the following details:
      - break-up of the quantities, unit rates and cost for different items of work; and
      - proposed design for the Change of Scope;
      - proposed modifications, if any, to the Project Completion Schedule of the Project.

   For the avoidance of doubt, the Parties should expressly agree that, the Contract Price shall be increased or decreased, as the case may be, on account of any such Change of Scope.

iv. The parties agree that costs and time for implementation of the proposed Change of Scope shall be determined as per the following:
   (a) For works where Schedule of Rates (SOR) of SMPK be applicable for determination of costs with appropriate escalations as per WPI.

(b) For item of Works not included in Schedule of Rates, the cost of same shall be derived by Authority's Engineer from prevailing market rates.

v. For the avoidance of doubt, in case the cost as determined by the Contractor and the Authority reveals a difference of more than 10% (ten per cent) [i.e., the cost determined by the Contractor is on the higher side by more than 10%], the cost as determined by the Authority shall be considered as final and binding on the Contractor.

vi. The costs of existing works or items, which are being changed/omitted shall also be valued as per above procedure and only net cost shall be considered.

vii. The reasonable time for completion of works to be taken under Change of Scope shall be determined by the Authority's Engineer on the basis of Good Industry Practice and if such time exceeds the Scheduled Completion Date, the same has to be dealt by the Authority's Engineer.

**Payment for Change of Scope**

Payment for Change of Scope shall be made in accordance with the payment schedule specified in the Change of Scope Order.

**Restrictions on Change of Scope**

(i) No Change of Scope shall be executed unless the Authority has issued the Change of Scope Order save and except any Works necessary for meeting any Emergency.

(ii) The total value of all Change of Scope Orders shall not exceed 10% (ten per cent) of the Contract Price.

(iii) The change of scope should comply with system improvement practices of SMPK.

**This addition will enhance contract flexibility and improve project management.**

# भ्रष्टाचार : कारण, प्रभाव और समाधान

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**परिचय**

भ्रष्टाचार समाज की एक गंभीर समस्या है, जो किसी भी देश के विकास और सामाजिक न्याय में बाधा उत्पन्न करती है। यह एक ऐसी कुप्रथा है, जिसमें व्यक्ति अपने व्यक्तिगत लाभ के लिए अधिकारों और कर्तव्यों का दुरुपयोग करता है। भारत जैसे विकासशील देश में, भ्रष्टाचार की जड़ें गहरी हैं, जो समाज के हर स्तर पर मौजूद हैं।

**भ्रष्टाचार के कारण**

भ्रष्टाचार के कई कारण हो सकते हैं, जिनमें से प्रमुख निम्नलिखित हैं:

1. **गरीबी और असमानता**
   जब समाज में आर्थिक असमानता बढ़ती है और गरीबों के पास बुनियादी आवश्यकताओं की पूर्ति के साधन नहीं होते, तो भ्रष्टाचार की प्रवृत्ति बढ़ जाती है। व्यक्ति जल्दी पैसा कमाने या अपनी स्थिति सुधारने के लिए भ्रष्ट तरीकों का सहारा लेता है।

2. **अशिक्षा और जागरूकता की कमी**
   जब लोग अपने अधिकारों और कर्तव्यों के प्रति जागरूक नहीं होते, तब वे आसानी से भ्रष्टाचार का शिकार बन जाते हैं। एक शिक्षित समाज भ्रष्टाचार से लड़ने में अधिक सक्षम होता है।

3. **कानूनी ढांचे की कमजोरी**
   जब कानूनों का पालन ढंग से नहीं होता या न्याय प्रणाली कमजोर होती है, तो लोग भ्रष्ट तरीकों का सहारा लेने में नहीं हिचकिचाते। कमज़ोर कानून व्यवस्था भ्रष्टाचार को प्रोत्साहित करती है।

4. **नैतिक पतन**
   जब समाज में नैतिक मूल्यों का ह्रास होता है, तो व्यक्ति समाज और राष्ट्र की भलाई की जगह अपने व्यक्तिगत हितों को प्राथमिकता देने लगता है, जिससे भ्रष्टाचार बढ़ता है।

5. **राजनीतिक हस्तक्षेप**
   प्रशासनिक प्रक्रियाओं में जब राजनीतिक हस्तक्षेप होता है, तो निर्णय पारदर्शी नहीं होते और भ्रष्टाचार को बढ़ावा मिलता है। राजनीतिक दल अक्सर अपने लाभ के लिए सरकारी संसाधनों का दुरुपयोग करते हैं।

**भ्रष्टाचार के प्रभाव**

भ्रष्टाचार समाज और राष्ट्र दोनों पर नकारात्मक प्रभाव डालता है। इसके मुख्य प्रभाव इस प्रकार हैं :

1. **आर्थिक विकास में रुकावट**
   भ्रष्टाचार से सरकारी योजनाओं और संसाधनों का सही तरीके से उपयोग नहीं हो पाता, जिससे आर्थिक विकास बाधित होता है। भ्रष्टाचार की वजह से देश के संसाधनों का दुरुपयोग होता है और इसका सीधा असर जीडीपी पर पड़ता है।

2. **सामाजिक असमानता**
   भ्रष्टाचार समाज में आर्थिक और सामाजिक असमानता को बढ़ाता है। जब केवल चुनिंदा लोग भ्रष्ट तरीकों से लाभ उठाते हैं, तो सामान्य जनता के लिए संसाधन और अवसर सीमित हो जाते हैं।

3. **प्रशासनिक अव्यवस्था**
   भ्रष्टाचार से सरकारी और प्रशासनिक संस्थाओं की विश्वसनीयता पर प्रश्नचिह्न लगते हैं। इससे कानून व्यवस्था कमजोर होती है और आम जनता का विश्वास सरकारी संस्थाओं पर कम हो जाता है।

4. **नैतिकता का पतन**
   भ्रष्टाचार समाज में नैतिक पतन का कारण बनता है। जब लोग देखते हैं कि भ्रष्ट व्यक्ति बिना किसी सजा के समाज में उन्नति कर रहे हैं, तो इसका समाज के नैतिक मूल्यों पर गहरा प्रभाव पड़ता है।

5. **विदेशी निवेश में कमी**
   जिन देशों में भ्रष्टाचार की अधिकता होती है, वहाँ विदेशी निवेशक निवेश करने से बचते हैं। इससे अंतरराष्ट्रीय स्तर पर देश की छवि खराब होती है और आर्थिक नुकसान होता है।

**भ्रष्टाचार के समाधान**

भ्रष्टाचार से निपटने के लिए सामूहिक और संगठित प्रयासों की आवश्यकता है। इसके लिए निम्नलिखित कदम उठाए जा सकते हैं :

1. **सख्त कानून और उनका पालन**
   भ्रष्टाचार को रोकने के लिए कड़े कानून बनाना और उनका सख्ती से पालन करना जरूरी है। विशेषकर "भ्रष्टाचार निवारण अधिनियम" जैसे कानूनों को प्रभावी तरीके से लागू करना चाहिए।

2. **शिक्षा और जागरूकता**
   भ्रष्टाचार से निपटने के लिए लोगों को उनके अधिकारों और कर्तव्यों के प्रति जागरूक करना अत्यंत आवश्यक है। शिक्षित समाज भ्रष्टाचार से लड़ने में अधिक सक्षम होता है। स्कूलों और कॉलेजों में नैतिक शिक्षा का पाठ्यक्रम लागू किया जा सकता है।

3. **डिजिटल प्रौद्योगिकी का उपयोग**
   डिजिटल तकनीकों और ई-गवर्नेंस के माध्यम से प्रशासनिक प्रक्रियाओं में पारदर्शिता लाई जा सकती है। सरकारी योजनाओं और सेवाओं का ऑनलाइन प्रबंधन भ्रष्टाचार को कम करने में सहायक हो सकता है।

4. **नागरिक सहभागिता**
   समाज के सभी वर्गों को भ्रष्टाचार के खिलाफ एकजुट होना होगा। नागरिकों की भागीदारी बढ़ाने के लिए सरकार को शिकायत निवारण प्रणाली मजबूत करनी चाहिए, जिससे लोग बेझिझक भ्रष्टाचार की शिकायत कर सकें।

5. **राजनीतिक सुधार**
   राजनीतिक दलों और नेताओं को भी पारदर्शी और ईमानदार होना चाहिए। चुनावी प्रक्रियाओं में सुधार और राजनीतिक फंडिंग में पारदर्शिता से भ्रष्टाचार को नियंत्रित किया जा सकता है।

**निष्कर्ष**

भ्रष्टाचार एक गंभीर समस्या है जो समाज और राष्ट्र दोनों को कमजोर करती है। इसे रोकने के लिए सभी नागरिकों, सरकार और समाज के अन्य संगठनों को मिलकर काम करना होगा। सख्त कानून, जागरूकता और नैतिकता का पालन इस दिशा में सबसे कारगर उपाय हो सकते हैं। यदि हम सभी मिलकर भ्रष्टाचार के खिलाफ संघर्ष करें, तो एक स्वच्छ, समृद्ध और न्यायपूर्ण समाज का निर्माण संभव हो सकेगा।

# Say No to Corruption ; Commit to the Nation

*By* **Pooja Banerjee**
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Corruption is a pervasive problem that undermines the very foundations of society, compromising integrity, trust, and justice. It erodes public confidence in institutions, hinders economic development, and exacerbates social inequalities. To build a strong, prosperous, and just nation, it is imperative that we say no to corruption and commit ourselves to the nation's well-being.

At its core, corruption is the abuse of power for personal gain. It manifests in various forms, from bribery and embezzlement to favoritism and nepotism. These acts not only violate ethical principles but also have far-reaching consequences for the entire society. Corruption diverts resources away from essential services like healthcare, education, and infrastructure, leaving the most vulnerable segments of the population to suffer. It stifles innovation and investment, as businesses are deterred by the uncertainty and inefficiency that corruption creates.

One of the most insidious effects of corruption is its impact on governance. When public officials engage in corrupt practices, they betray the trust placed in them by the people. This erodes the legitimacy of institutions and weakens the rule of law. In a corrupt system, decisions are made not on the basis of merit or public interest but rather on who can pay the highest bribe or pull the most strings. This leads to a vicious cycle where corruption becomes normalized, and citizens grow increasingly disillusioned with their leaders and the democratic process.

To combat corruption, a collective commitment is required from all members of society. This begins with fostering a culture of transparency and accountability. Governments must enact and enforce strict anti-corruption laws, ensuring that those who engage in corrupt activities are held accountable, regardless of their position or status. Institutions like the judiciary, law enforcement, and anti-corruption agencies must be independent and empowered to act without fear or favor.

However, the fight against corruption is not solely the responsibility of the government. Citizens, too, play a crucial role. By refusing to participate in corrupt practices, such as paying or accepting bribes, individuals can set an example and help create a culture of integrity. Public awareness campaigns can also be instrumental in educating people about the dangers of corruption and encouraging them to report any instances they encounter.

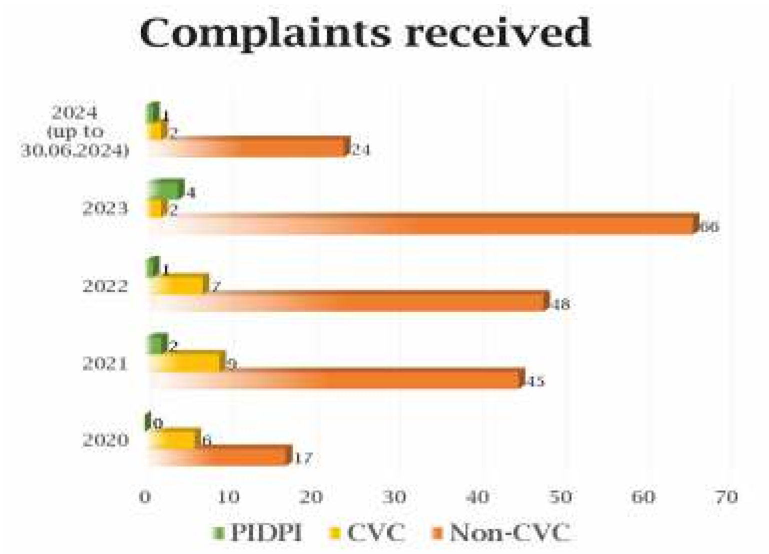
Moreover, the private sector must also commit to ethical business practices. Companies should implement robust anti-corruption policies, conduct regular audits, and ensure transparency in their operations. Ethical leadership in the business community can help set standards for the entire economy and foster an environment where corruption is not tolerated.

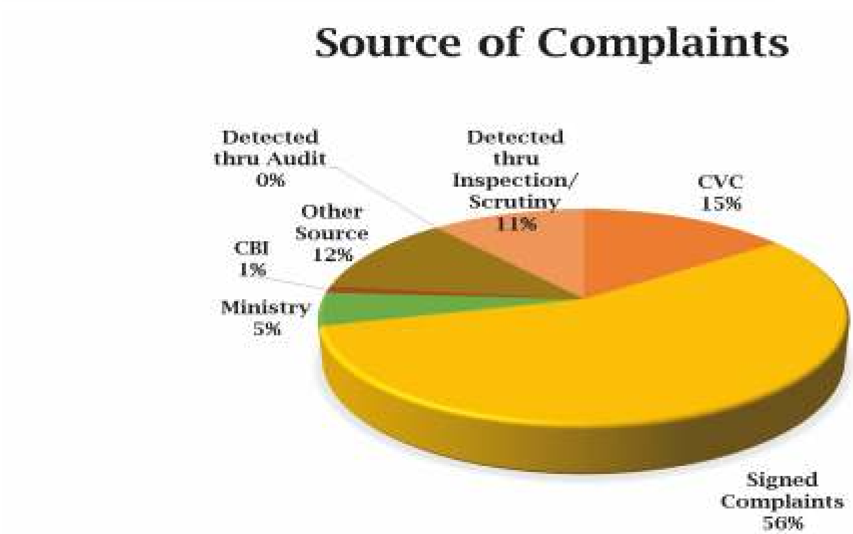
Education plays a pivotal role in this endeavor. By instilling values of honesty, integrity, and civic responsibility in young people, we can nurture a generation that is more resistant to corruption. Schools and universities should incorporate ethics and anti-corruption education into their curricula, emphasizing the importance of upholding these values in all aspects of life.

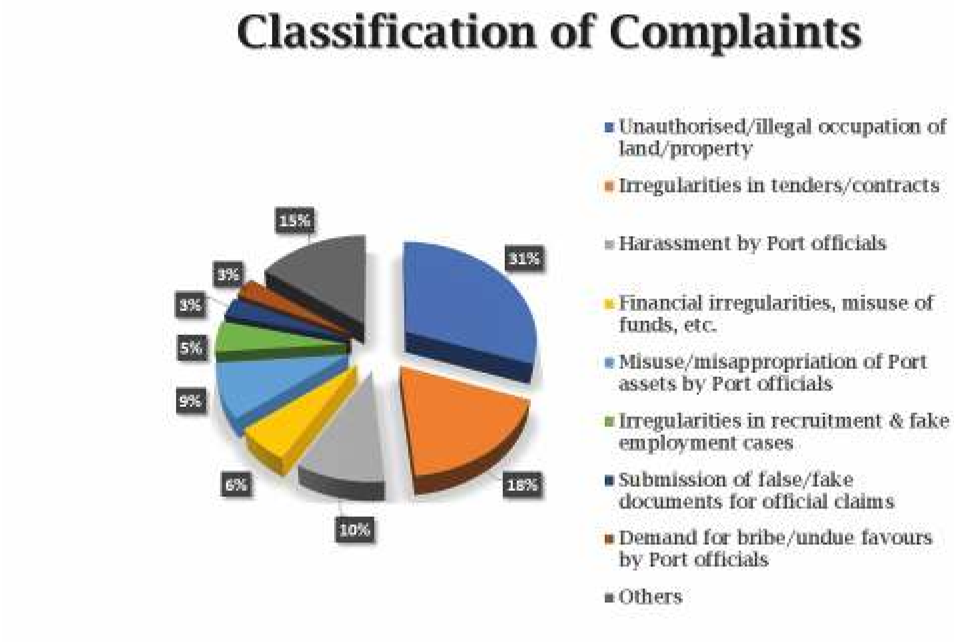
Finally, international cooperation is essential in the fight against corruption. Corruption often crosses borders, with illicit funds being laundered through complex global networks. Countries must work together to track and recover stolen assets, share information, and support each other's anti-corruption efforts.

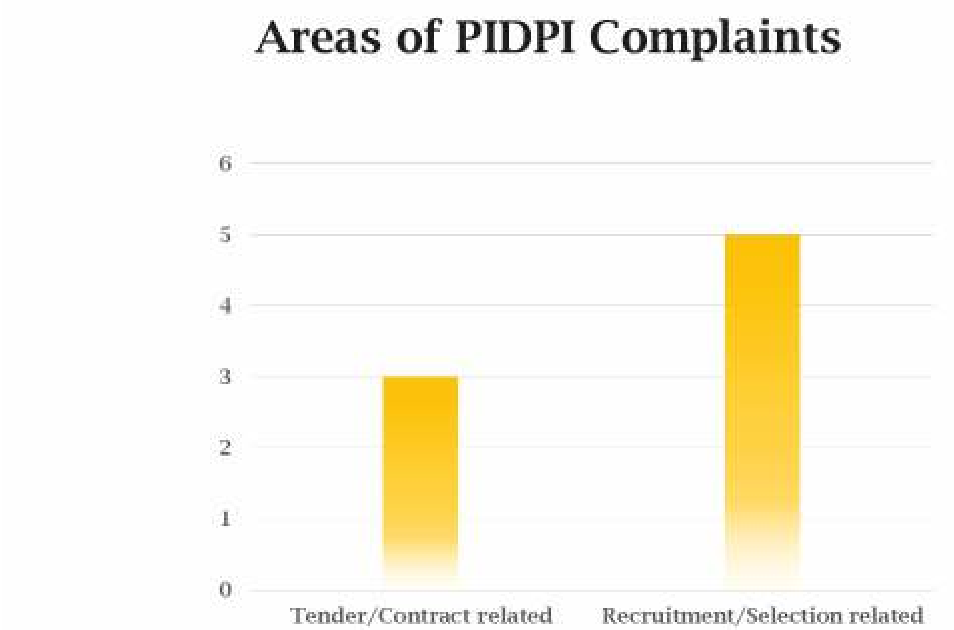
In conclusion, saying no to corruption is not just about rejecting unethical behavior; it is about committing to the nation and its future. By working together—government, citizens, businesses, and the international community—we can build a society where integrity prevails, justice is served, and the full potential of the nation can be realized.

# An overview of the functioning of Vigilance Department, Syama Prasad Mookerjee Port Authority Kolkata over the last 5 years

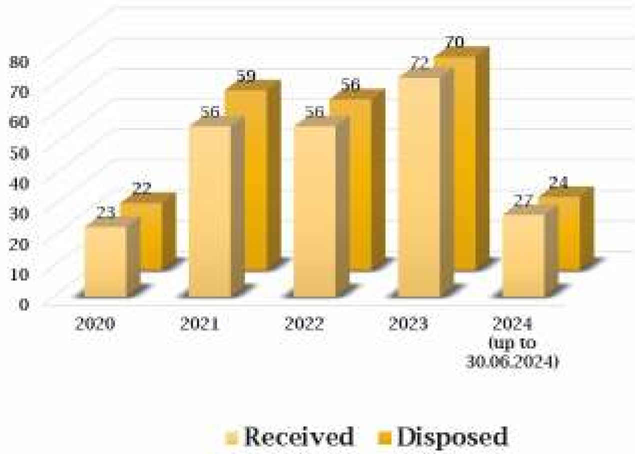


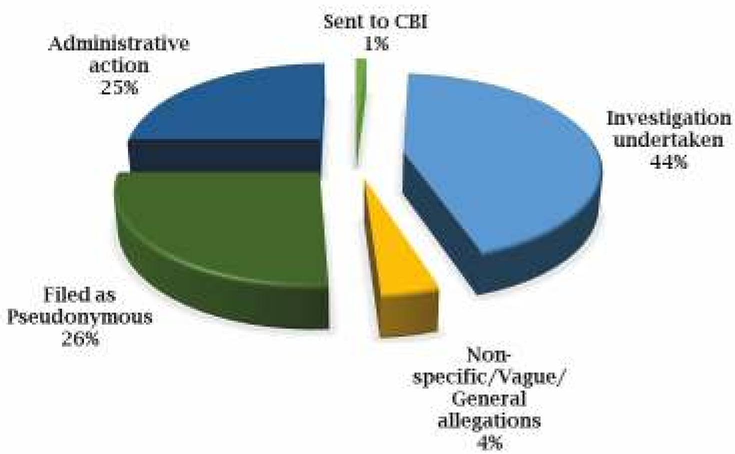

Classification of Complaints
15%
31%
3%
3%
5%
9%
6%
10%
18%
Unauthorised/illegal occupation of land/property
Irregularities in tenders/contracts
Harassment by Port officials
Financial irregularities, misuse of funds, etc.
Misuse/misappropriation of Port assets by Port officials
Irregularities in recruitment & fake employment cases
Submission of false/fake documents for official claims
Demand for bribe/undue favours by Port officials
Others


Areas of PIDPI Complaints
6
5
4
3
2
1
0
Tender/Contract related
Recruitment/Selection related

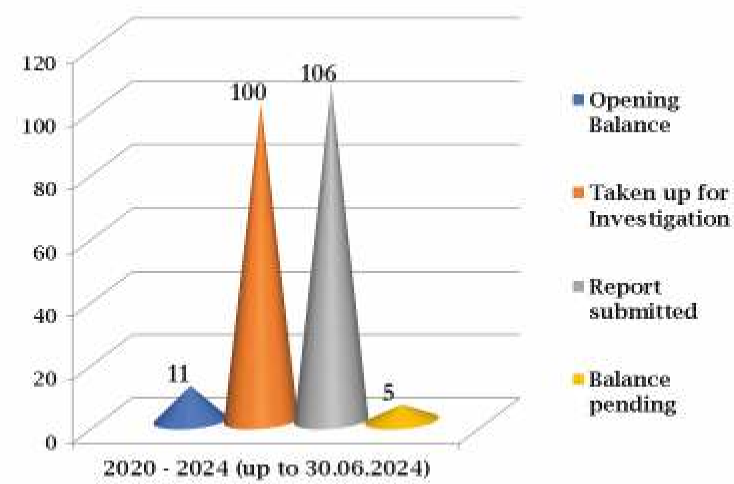
## Receipt & Disposal of Complaints



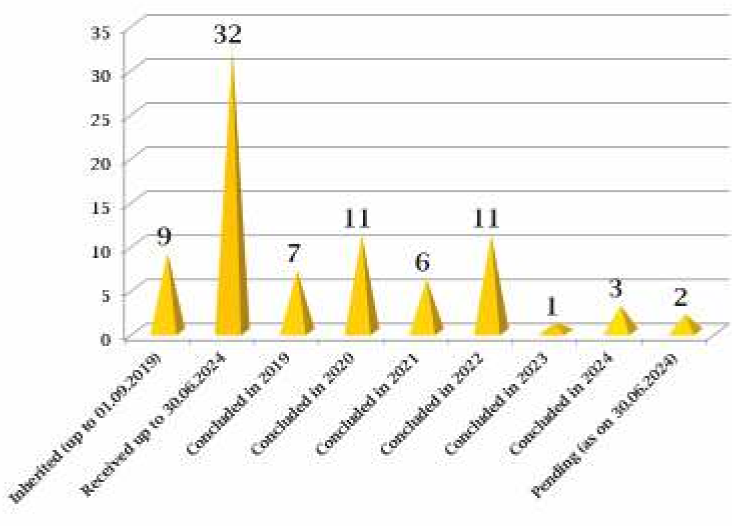

## Modes of Disposal of Complaints

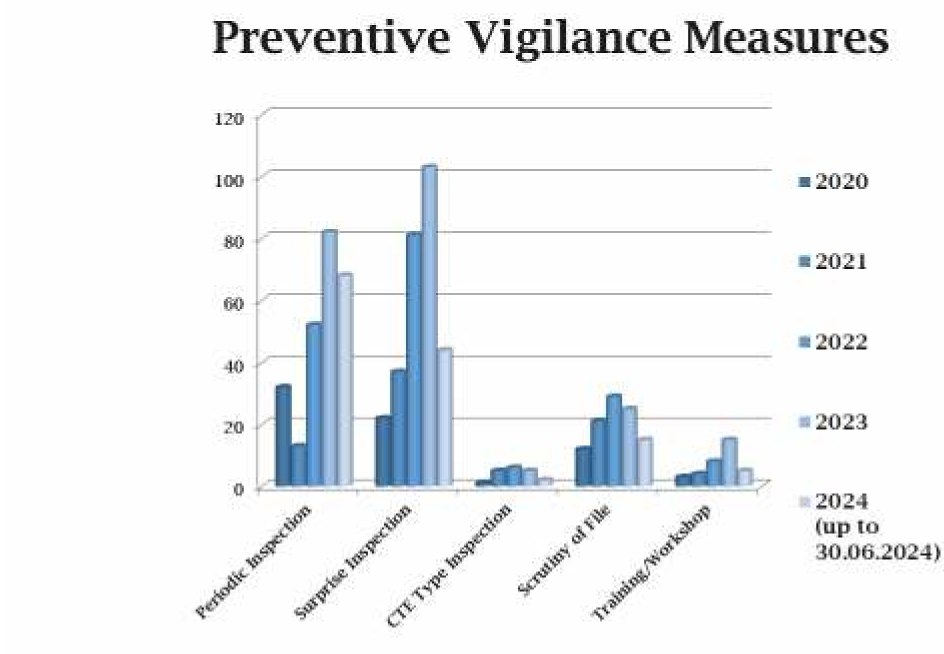


# Vigilance Investigation




# Status of Disciplinary Proceedings (Vigilance Cases)





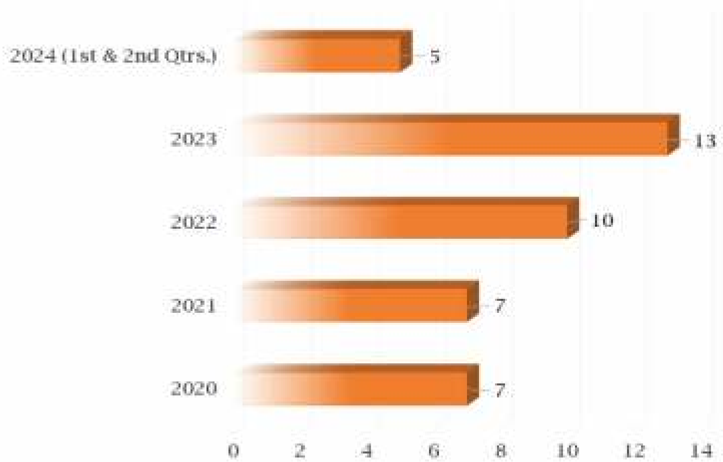

## Irregularities frequently encountered in Vigilance investigations

- Disregard for extant rules/regulations/guidelines/ orders
- Violation of extant Delegation of Power
- Exercising powers beyond one's jurisdiction (like that by Engineer's Representative of contract)
- Engineer of contract/Engineer's Representative of contract not exercising powers delegated in contract
- Suppression of material facts
- Misrepresentation and/or ambiguous representation
- Interpretation of contract terms in an improper manner
- Vague/non-specific replies to outside private entities resulting in undue financial benefits

# Irregularities frequently encountered in Vigilance investigations

- Inordinate avoidable delay/inaction adversely affecting interests of the Port
- Not reviewing issues after specified period for which administrative approval was initially taken
- Lack of thorough scrutiny of documents in tender/ contract, applications for recruitment/selection, etc.
- Shortfalls in initial planning/research/detailing
- Compromises in quality
- Inconsistencies and lack of transparency in dealing with applications for outside employment
- Establishment Registers & Rosters are not properly maintained.
- Over-dependency on Consultants
- Avoidable inconsistencies in systems and processes between KDS and HDC in certain areas

## System Improvement undertaken



## Main areas where System Improvement undertaken

- Procurement / tender / contract related matters
- Unauthorized occupation of Port land / property and other Estate related matters
- HR / personnel / recruitment / appointment / pension related matters
- Vessel / cargo handling, Port operations and theft / pilferage related matters
- Legal related matters
- Office procedure related matters

## A few salient contributions by Vigilance Department, SMPK

- Digital Life Certificate (DLC) related to pension arrears
- Busting of fake employment racket (Cyber crime)
- Taking initiative to start training on Public Procurement at AJNIFM, Faridabad and several Capacity Building programs
- Organizing Run Up Activities to G20 Anti Corruption Working Group Meeting in Kolkata in 2023
- Prevention of payment of Rs. 10.86 Crore against inferior quality Steel materials
- Prevention of payment of Rs. 8.76 Crore towards construction in 'No Development Zone' as per CRZ rule
- Recovery of Rs. 2.14 Crore from a Contractor

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Formerly Kolkata Port Trust

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कोलकाता – 700 001/Kolkata - 700 001
वेबसाइट/Website- www.smportkolkata.shipping.gov.in
सामान्य प्रशासन विभाग/**General Administration Department**

No. Admn/6460/3/System Improvement/II December 7, 2023

DMD/CME/GM(Engg)/GM (Marine) (I/C)

Subject: - **System improvement in respect of salvaged items (buoys, chains, anchors and mooring materials).**

Chairman has approved of the following system improvements regarding retrieval of salvaged items (buoys, chains, anchors and mooring materials) as follows:

- Concerned Department to create an inventory of buoys, chains, anchors and mooring materials based on the physical survey as on date, along with the location deployed/salvaged/stored.
- The "Supply Divers Log Book" is to be included under Scope Of Work in future NITs for retrieval of salvaged items.
- It is crucial that items recovered at the Port are appropriately signed and sealed by Port Officials. These records should then be cross-checked and matched with the outward signature records, conducted under the supervision of security personnel. It is important to ensure that the individuals signing these documents at the different points of verification are not the same.

You are requested to take appropriate action accordingly.

**(S. K. Dhar)**
Secretary (I/C)

Copy to OSD to Chairman for kind information of Chairman.

Copy to PS to Dy. Chairman (H)/ Dy. Chairman (K) for kind information of Dy. Chairman (H) Dy. Chairman (K).

Copy to PA to CVO for kind information of CVO. This has reference to CVO's letter No. Vig/Sys.Impv./2023/1039 dated 30.11.2023.

Copy to FA&CAO/ GM(M&S)/GM (Finance) for information.

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वेबसाइट/Website- www.smportkolkata.shipping.gov.in
सामान्य प्रशासन विभाग/**General Administration Department**

No. Admn/6460/3/Systems Improvement Date: 08.01.2024

DMD
GM (Marine) (I/C)

Sub: **System Improvement regarding contracts related to hiring of Marine vessels.**

Consequent to investigation of a complaint received in the matter by Vigilance Department, the following system improvements have been approved by the competent authority:-

1. <u>Specification of Marine Vessels:</u>

1.1. There should be absolute clarity in the specification framed for Marine vessels.

(i) For instance, if the requirement corresponds to a particular "Type" of River Sea Vessel (RSV) [as defined in River Sea Vessel Notification 2013 (Annexed to DG Shipping's Order No. 18 of 2013)], the same should be mentioned in clear terms, viz., RSV Type 1/RSV Type 2/RSV Type 3/RSV Type 4, as per requirement, in the bidding documents.

(ii) Again, for instance, if the requirement corresponds to any of the alternative(s), viz., registry under MS Class or a corresponding RSV Type, equivalence of the alternative(s) must be ensured prior to specifying the same as alternative(s) in the bidding documents.

(iii) Further, for instance, if the requirement corresponds to suitability with respect to a certain significant wave height, the corresponding 'Sea State', viz., Sea State 1/ Sea State 2/Sea State 3, should be clearly mentioned in the bidding documents.

1.2. Only the requirement of adherence of the specifications to the corresponding Standards/ Acts/Rules [e.g, Coastal Vessel Rules Notification 2014 (Annexed to DG Shipping's Order 01 of 2014) or River Sea Vessel Notification 2013 (Annexed to DG Shipping's Order No. 18 of 2013), etc.] needs to be stipulated, rather than mentioning some of the requirements of such Standards/Acts/Rules selectively and separately. Apart from such Standards/Acts/Rules specified, other specification(s)/ parameter(s) may be added, either recommended departmentally or being provided by any Consultant or Institute. In the event of the same, adequate justification is to be recorded in file and prior approval in principle of the Competent Authority should be obtained.

1.3. Special care should be taken to ensure that a particular specification is mentioned only in a particular clause of the bidding documents. If it is essential that a particular specification needs to be mentioned in more than 1 (one) clause of the bidding documents, it must be ensured that such specification is identical/exact in terms of absolute unit in all the clauses where the same appears.

(i) For instance, if plying limit of vessel is required to be specified in more than 1 (one) clause of the bidding documents, the same data [viz., 20 NM from nearest land/30 NM from nearest land - as the case may be] must appear in all the clauses.

(ii) Again, for instance, if the requirement of suitability with respect to a certain significant wave height is required to be specified in more than 1 (one) clause of the bidding documents, the same corresponding 'Sea State' [viz., Sea State 1/Sea State 2/Sea State 3-as the case may be] should be mentioned in all the clauses.

1.4. Prior to acceptance of the vessel for operation, the specified parameters of the vessel are to be verified from the relevant certificates issued by the Classification Society and/or the Statutory Authority(ies). In case, due to genuine operational needs justified and approved in file(s)/note(s) - such verification may be completed before completion of 1 (one) month [maximum] of operation.

1.5. However, prior to acceptance of the vessel for operation, speed trial of the vessel must be undertaken, preferably in presence of representatives of the Classification Society and the manufacturer of the Main Engine(s).

2. You are requested to kindly take necessary action accordingly.

**(S. K. Dhar)**
Secretary (I/C)

Copy to OSD to Chairman for kind information of Chairman.

Copy to PS to Dy. Chairman (H)/Dy. Chairman (K) for kind information of Dy. Chairman (H)/Dy. Chairman (K).

Copy to PA to CVO for kind information of CVO

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**Syama Prasad Mookerjee Port, Kolkata**

सामान्य प्रशासन विभाग (मा.सं)
**General Administration Department (HR)**

No. Admn/7806/CON/PR/KDS & HDC/2023 Date 24th January, 2024

CMO/CE/TM/CME/FA&CAO /DMD/CHE(I/C)
GM(M&S); HDC
CLO/Jt. Director(P&R)/Sr. PO/MM/ EM(I/C)

Sub: **Sub: Submission of Annual Property Returns (APR) for the year 2023.**

Reference this office circular of even No. dated 01.12.2023 on the above subject.

2. The DOP&T OM No.11012/11/2007-Estt. A dated 27.09.2011 stipulates that **'Officers who have not submitted the Annual Immovable Property Returns by the prescribed time would be denied vigilance clearance and will not be considered for empanelment for senior level posts in Government of India.'**
3. The above guidelines of DoPT may please be circulated among all the eligible officers working under your control for their information and necessary action in this regard.
4. In this context, the Vigilance Department upon scrutiny of AIPRs for last five years has observed the following:-
   i) AIPRs have been submitted with remarks like -"Same as previous year", "no change" not specifying the owner name, writing illegibly, columns like present value, Annual income from property left blank.
   ii) Permission letter not found enclosed in AIPR file of Class-I & II officers being transferred from one deptt. to other during their service as Class-III & IV.
   iii) Property found declared in one respective year and not found declared in subsequent years, reasons/documents not known as no document/declaration regarding disposal is available in case file.
   iv) AIPRs not submitted within due date of 31st January for the previous calendar year.
   v) Full details of the property have not been declared, incomplete address. e.g. Flat at ..... Apartment, Barasat, 24 Parganas, Land at Habra.
   vi) Different ownership declared in different years e.g. 2018- Self, 2020- Self + Wife, 2022 – Self.
   vii) AIPRs for 2018, 2020 available but no AIPR for 2019 found declared reason for the same is not traceable.
   viii) AIPRS submitted in open Format like e-mails etc. by Class-I & II Officers i.e. not submitted as per the instructions to the HoDs.
5. In view of the above, you are also requested to advise all the officers under your control to be more attentive while submitting their respective AIPR, as a measure of system improvement, please.

**(S. K. Dhar)**
Secretary (I/C)

Copy to OSD to Chairman for kind information of Chairman.
Copy to PS to Dy. Chairman(H) and Dy. Chairman(K) for kind information of Dy. Chairman.(H) and Dy. Chairman(K)
Copy to PA to CVO for kind information of CVO.
Copy to SDS-II for circulating among the officers of GAD(Main) including PSO.

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सामान्य प्रशासन विभाग/**General Administration Department**

No. Admn/6460/3/System Improvement　　　　Dated, 2nd February, 2024

CE/CMO/TM/CME / DMD / FA&CAO / CHE(I/C)
CLO/Sr. PO/Jt. Director(P&R)/MM/EM(I/C)

Sub.: **System Improvement.**

It has been, inter alia, mentioned in this office letter of even No. dated 03.07.2023 on the above subject that -

"In respect of allotment of land / property of SMPK to any outside agency, the same may be done only by Estate Division, KDS or Administration Division, HDC, as applicable, strictly following the due process, and necessary approval of the Competent Authority must be taken prior to such allotment of land / property."

2. Further, vide this office letter of even No. dated 04.09.2023, with the approval of Chairperson, it was communicated to Traffic Manager, copy to relevant Departments / Divisions, that Traffic Department, KDS may continue to allot land/Warehouse within Customs bound area only, provided -

(a) Online application for allotment of land / warehouse and online allotment of land / warehouses are made functional within a specified time frame;

(b) The existing officers and staff of Traffic Department involved in processing of applications for allotment of land/warehouse, are replaced by new set of officers and staff within a specified time frame.

3. In the light of the aforesaid letters, Traffic Department, KDS has now requested for a clarification whether the licences granted inside Dock to outside agencies for running their offices i.e., for purposes other than cargo and cargo related equipment / gears, would be issued by Estate Division, GAD or by Traffic Department in future.

4. The points of clarification raised by Traffic Department have been considered by Chairperson in consultation with Dy. Chairperson(K) and relevant HoDs. He has approved that henceforth, -

   (a) Allotment of land / warehouse on license basis for a period upto 11 months within Customs bound area for cargo, cargo handling equipment / gears and other allied purposes would continue to be handled by Traffic Department;

   (b) Allotment of land / warehouse within Customs bound area for all other purposes, irrespective of the mode and duration of allotment, and also allotment of license for a period beyond 11 months within Customs bound area for cargo and cargo handling equipment / gears and other allied purposes would be handled by Estate Division;

   (c) However, Traffic Department would arrange and ensure to incorporate the rate of Licence Fee of land and structures within Customs bound area for all the categories mentioned in para - 4(a) and 4(b) above in the Traffic Scale of Rates.

5. All are requested to take necessary action accordingly.

**(S. K. Dhar)**
Secretary (I/C)

Copy to OSD to Chairperson for kind information of Chairperson.

Copy to PS to Dy. Chairperson(K) for kind information of Dy. Chairperson(K).

Copy to PA to CVO for kind information of CVO.

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No. Admn/6460/3/Systems Improvement Date: 07.05.2024

TM/CMO/DMD /CME/FA&CAO/CHE (I/C)/CE (I/C)
CLO/MM/ Sr. PO/Jt. Dir (P&R)(I/C)/EM (I/C)
GM (M&S)/GM (Fin)/GM (Tfc)/GM (Engg)/GM (Marine) (I/C)

**Sub: Considering petition of bias by Charge-sheeted employees - regarding**

The Central Vigilance Commission (CVC), vide circular No. 03/02/24 (copy enclosed), has desired that while considering the bias petition, the provisions contained in DoPT's OM dated 09.11.1972, the provisions of Rule 22 (iii) of CCS (CCA) Rules, 1965 and Rule 15 of All India Services (Discipline and Appeal) Rules, 1969 be kept in mind. The CVC has specifically highlighted paragraph 4 of DoPT's OM No. 39/40/70-Ests-A dated 09.11.1972 which provides that "whenever an application is moved by a Government Servant against whom disciplinary proceedings are initiated against the Inquiry officer on grounds of bias, the proceedings should be stayed and the application referred, along with the relevant material to the appropriate reviewing authority for considering the application and passing appropriate orders thereon". The CVC has also emphasized that as per Rule 22 (iii) of CCS (CCA) Rules, 1965 and Rule 15 of All India Services (Discipline and Appeal), Rules, 1969 "no appeal shall lie against any order passed by an inquiring authority in the course of Inquiry". The CVC has also desired that organizations may consider guidelines of Railway Board, vide their letter No E(D&A) 2022 RG6-12 dated 27.12.2022 (copy enclosed) regarding handling of bias petition for adoption, with suitable modifications/changes, as may be deemed appropriate.

2. In view of the above guidelines of CVC, vide circular No. 03/02/24, the following has been approved by Chairperson, SMP, Kolkata in respect of petition of bias by charge-sheeted employees of SMP, Kolkata:-

   a) Representation/petition of bias against the appointment of a person as the Inquiry officer should be made by the charge-sheeted employees immediately after receipt of the order of appointment of the Inquiry officer by the charge-sheeted employee. In case, such representation 'is made at a later stage after having participated in the Inquiry, the charge sheeted employee must disclose the reasons as to why it was not made immediately after the receipt of the order of his appointment as the Inquiry officer and a failure in such disclosure, would preclude the representation from consideration on the presumption that he has acquiesced with the appointment of the person as the Inquiry officer.

b) Representation/petition of bias against the Inquiry officer raised by the charge-sheeted employee, after having participated in the Inquiry conducted by the very same person as Inquiry officer, not only indicates acquiescence on his part with the appointment of the said person as the Inquiry officer but also reduces his allegation to a representation of convenience emerging from an after- thought arising out of an apprehension that the Inquiry is not proceeding in his favour and hence, representation/petition is not worth consideration.

c) However, in order to ensure that there is no undue delay in completion of disciplinary proceedings due to bias petition, the competent authority may dispose of the bias petition expeditiously, preferably within a period of 30 days while observing the principles of natural justice.

Encl. As stated.

Yours faithfully,

**(S. K. Dhar)**
Secretary (I/C)

Copy to OSD to Chairman for kind information of Chairman.

Copy to PS to Dy. Chairman (H)/ PS to Dy. Chairman (K) for kind information of Dy. Chairman (H)/ Dy Chairman (K).

Copy to PA to CVO for kind information of CVO. This has reference to concerned e-office note initiated by Vigilance Department on 12.03.2024

सत्यमेव जयते

केंद्रीय सतर्कता आयोग
CENTRAL VIGILANCE COMMISSION

सतर्कता भवन, जी.पी.ओ. कॉम्पलैक्स,
ब्लॉक - ए, आई.एन.ए, नई दिल्ली - 110023
Satarkta Bhawan, G.P.O. Complex,
Block A, INA, New Delhi-110023

सं./No. 023/VGL/120

दिनांक/Date. 19/02/2024

Circular No. 03/02/24

**Subject: Considering petition of bias by Charged Officers -reg.**

Central Vigilance Commission, as part of superintendence over vigilance administration of organizations covered under its jurisdiction, monitors the progress of pending disciplinary proceedings. It is seen that in many cases, there is considerable delay, beyond the prescribed time limit, in bringing the disciplinary proceedings to logical conclusion. One of the reasons noticed for such delay is that, the Charged Officers during the course of departmental inquiry, raise issues of bias against the Inquiry Officer and the inquiry proceedings are stayed till the disposal of bias petition by the Competent Authority.

2. It may be noted that D/o Personnel & Training vide their OM No. 39/40/70-Ests- A dated 09.11.1972 has issued instructions on departmental proceedings, which also deals with the procedure for handling bias petitions filed by Charged Officer. Para 4 of DOPT's OM dated 09.11.1972 provides that '*whenever an application is moved by a Government servant against whom disciplinary proceedings are initiated under the CCS (CCA) Rules against the inquiry officer on grounds of bias, the proceedings should be stayed and the application referred, along with the relevant material, to the appropriate reviewing authority for considering the application and passing appropriate orders thereon*'.

3. Further, it may also be noted that as per Rule 22 (iii) of CCS (CCA) Rules, 1965 and Rule 15 of All India Services (Discipline and Appeal) Rules, 1969 '*no appeal shall lie against any order passed by an inquiring authority in the course of inquiry.*'

4. The Commission has desired that while considering the bias petition, as per the provisions contained in DoPT's OM dated 09.11.1972, the provisions of Rule 22 (in) of CCS (CCA) Rules, 1965 and Rule 15 of All India Services (Discipline and Appeal)

Rules, 1969 may also be kept in mind. In order to ensure that there is no undue delay in completion of disciplinary proceedings due to bias petition, the Competent Authority may dispose of the bias petition expeditiously, preferably within a period of 30 days, while observing the principles of natural justice.

5. It is also seen that Railway Board, vide their letter No. E (D&A) 2022 RG6-12 dated 27.12.2022, have issued guidelines / clarifications regarding handling of bias petition, which has been found to be quite effective by Railway Board in prompt disposal of bias petition and timely completion of inquiry proceedings. A copy of the same is enclosed along with these guidelines. Respective organizations may consider the above cited guidelines of Railway Board for adoption by them, with suitable modifications/ changes as may be deemed appropriate.

6. The above guidelines may be noted for compliance. The CVOs of respective organizations may bring these guidelines to the notice of the Chief Executive Officer of their organizations, for further necessary action in this regard.

**(Rajiv Verma)**
Director

Encl:- As Above.

To

(i) The Secretaries of all Ministries/Departments of GoI

(ii) All Chief Executives of CPSUS/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.

(iii) All CVOS of Ministries/Departments of GoI/CPSUs/Public Sector Banks/Public Sector Insurance Companies/Autonomous Bodies etc.

(iv) Website of CVC

**RBE No. 167/2022**

सत्यमेव जयते

**Government of India (Bharat Sarkar)**
**Ministry of Railways(Rail Mantralaya)**
**Railway Board**

**No. E(D&A)2022 RG6-12.** **New Delhi, 27/12/2022**

The General Managers,
All Indian Railways and Production Units etc.,
(As per standard list).

**Sub : Inquiry under Railway Servants (Discipline & Appeal Rules), 1968-Appointment of Inquiring authority; clarification.**

A mechanism for review of the appointment of Inquiry Officers in a disciplinary proceeding on the grounds of bias was put in place vide this Ministry's letter No. E(D&A)70 RG6-14(1) dated 19.06.1974.

2. Of late, instances have been brought to notice suggestive of a tendency where the charged Railway servants initially participate in the proceedings conducted by the Inquiry Officers and thereafter at a subsequent stage, including the stages approaching the finalization of the Inquiry, make representations against some or other of the decisions taken or orders passed by the Inquiry Officer in the course of the Inquiry, and terming the same as an allegation of bias quoting the instructions dated 19.06.1974. The grounds raised for alleging bias Include the orders/decisions of the inquiring officers not allowing the additional documents demanded by the charged officer, not allowing the defence witnesses as requested by the charged officer, not accommodating the venue and the dates of the hearings as demanded by the charged Railway servants, disallowing the questions asked by the defence side to a witness etc., all of which stand barred from being appealed against under Rule 17 (iii) of the Railway Servants (Disciple and Appeal) Rules, 1968. Application of the instructions dated 19.06.1974 to such representations leads to undue prolongation of the proceedings besides interference of the revisionary authority on merits of the case at a wholly premature stage. There is a need to curb this tendency and concern has been expressed by the Central Vigilance Commission also in this regard.

3. To recall, the Railway Servants (Discipline and Appeal) Rules, 1968 do not contain an explicit provision for making of a representation by a charged Railway servant against the appointment of an Inquiry Officer on grounds of bias and, therefore, it was considered appropriate to issue the aforesaid instructions dated 19.06.1974 in order to ensure that a person having a cause or an interest in the case is not appointed as the inquiry officer which, if done, would not only compromise the fairness of the conduct of the Inquiry but would also amount to denial of the reasonable opportunity of being heard to the charged Railway servant. It goes without saying that these instructions were neither intended nor can be allowed to be interpreted in a manner as would render redundant the other provisions including the provision contained in Rule 17(1) of the Railway Servants (Discipline and Appeal) Rules, 1968, which, in turn, also ensure that the appellate/revisionary authorities do not intervene in the proceedings on merits until final orders are passed by the Disciplinary Authority. The statutory scheme has already provided an avenue to the charged Railway servants to make submissions on the Inquiry Officer's report under Rule 10 thereof.

4. The Instructions dated 19.06.1974 envisage that a charged Railway servant, if he has reasons to form an opinion that the person appointed as the inquiry officer is already possessed with a such a prejudiced mind that a fair conduct of inquiry cannot reasonably be expected of him in the case, would raise an allegation of bias immediately on receipt of the order of his appointment the inquiry officer. Raising of an allegation after having participated in the inquiry conducted by the very same person as inquiry officer not only indicates acquiescence on his part with the appointment of the said person as the inquiry officer but also reduces his allegation to a representation of convenience emerging from an after-thought arising out of an apprehension that the inquiry is not proceeding in his favour and thus not worth consideration.

5. In order to curb the aforementioned tendencies and to ensure that the instructions dated 19.06.1974 are invoked only for the intended purposes and not for unduly prolonging and protracting the proceedings, it is clarified that:

   (I) The said instructions would apply only to those representations of the charged Railway servants which contain the grounds of pre-existence of bias in the mind of the person at the time of his appointment as the Inquiry Officer.

   (II) The said instructions would not apply to the representations made by the charged Railway servants on grounds based on the actions and decisions taken and orders passed by the Inquiry officer during the conduct of the inquiry as it violates the provisions contained in Rule 17 (III) of the Railway Servants (discipline and Appeal) Rules, 1968 and invites the revisionary authority to intervene in the proceedings before its finalization by the disciplinary authority.

(III) Representations against the appointment of a person as the inquiry officer on grounds of bias should be made by the charged Railway servants immediately after receipt of the order of appointment of the Inquiry Officer by them. In case such representation is made at a later stage after having participated in the inquiry, the charged Railway servant must disclose the reasons as to why It was not made immediately after the receipt of the order of his appointment as the Inquiry officer and a failure in such disclosure would preclude the representation from consideration under the said instructions on the presumption that he has acquiesced with the appointment of the person as the inquiry officer.

**(Renuka Nair)**

Dy. Director/Estt.(Discipline & Appeal)

Railway Board

Copy to :

E(O)I, ERB-I, ERB-V, ERB VI, Security(E) and Vigilance -I Branches of Board's Office.

श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
SYAMA PRASAD MOOKERJEE PORT, KOLKATA

श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
**Syama Prasad Mookerjee Port, Kolkata**
15, स्ट्रैंड रोड/15, Strand Road
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वेबसाइट/Website- www.smportkolkata.shipping.gov.in
सामान्य प्रशासन विभाग/**General Administration Department**

No. Admn/6460/3/System Improvement Dated, 8th July, 2024

TM/EM (I/C)

Sub.: **System Improvement.**

In this office letter of even No. dated 02.02.2024, the following stipulations under para-4 were issued:

QUOTE

(a) Allotment of land / warehouse on license basis for a period upto 11 months within Customs bound area for cargo, cargo handling equipment / gears and other allied purposes would continue to be handled by Traffic Department.

(b) Allotment of land / warehouse within Customs bound area for all other purposes, irrespective of the mode and duration of allotment, and also allotment of license for a period beyond 11 months within Customs bound area for cargo and cargo handling equipment / gears and other allied purposes would be handled by Estate Division.

(c) However, Traffic Department would arrange and ensure to incorporate the rate of Licence Fee of land and structures within Customs bound area for all the categories mentioned in para 4(a) and 4(b) above in the Traffic Scale of Rates.

UNQUOTE

2. Traffic Department raised some observations to the above. The matter was then reviewed in consultation with Finance Department and Estate Division. The following is issued in partial supersession of para-4 of this office letter of even No. dated 02.02.2024:-

(i) Allotment of land / warehouse on license basis for a period upto 11 months within Customs bound area for cargo, cargo handling equipment / gears and other allied purposes would continue to be handled by Traffic Department.

(ii) Allotment of land / warehouse within Customs bound area for all other purposes, irrespective of the mode and duration of allotment, and also allotment of license for a period beyond 11 months within Customs bound area for cargo and cargo handling equipment / gears and other allied purposes would be handled by Estate Division.

(iii) Traffic Department would arrange and ensure to incorporate the rate of Licence Fee of land and structures within Customs bound area for the categories mentioned in para – 2(i) above in the Traffic Scale of Rates.

(iv) Estate Division would arrange and ensure to incorporate the rate of licence fee of land and structures within Customs bound area for all categories mentioned in Para-2(ii) above in the Rent Schedule of Estate Division.

(v) TM and EM (I/C) would ensure that the relevant rate is same in Scale of Rates and Schedule of Rent respectively.

3. All are requested to take necessary action accordingly.

(S. K. Dhar)
Secretary(I/C)

Copy to OSD to Chairperson for kind information of Chairperson.

Copy to PS to Dy. Chairperson(K) for kind information of Dy. Chairperson(K).

Copy to PA to CVO for kind information of CVO.

Copy to CMO/CME/ DMD/FA&CAO/CE(I/C) / CHE(I/C) / CLO/
Sr. PO/MM/Jt. Director(P&R)(I/C) for information.

श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
SYAMA PRASAD MOOKERJEE PORT, KOLKATA

श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
**Syama Prasad Mookerjee Port, Kolkata**
15, स्ट्रैंड रोड/15, Strand Road
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वेबसाइट/Website- www.smportkolkata.shipping.gov.in
सामान्य प्रशासन विभाग/**General Administration Department**

No. Admn/4598/IX Dated, 23rd September, 2024

CHE/CE/FA&CAO/GM(Fin)

Sub: **Observations of Vigilance Department for System Improvement in connection with re-building and nourishment of spurs at Nischintapur, Kulpi Reach, 24-Parganas (South).**

During the course of assessment of the works under subject above, it has been observed by Vigilance Department that there are certain areas which have room for further improvement at the stage of planning and execution of similar works in future.

2. Accordingly, following recommendations for systemic improvement are outlined for future reference and guidance for not only spur related works but also in case of works which may involve similar issues / queries :-

   i) **Joint planning / assessment of work requirement :** Since the various types of river training works are normally conceptualized by Hydraulic Study Department and executed by Civil Engineering Department, it may be advantageous if planning / assessment of such work requirement is undertaken jointly by the said Departments right from the beginning. While selection of location as well as design of such works / structures largely lie in the domain of Hydraulic Study Department, involvement of Civil Engineering Department in the exercise may be beneficial from the execution point of view, including assessment of feasibility thereof. If felt necessary, views / inputs of outside expert(s) may also be taken, subject to approval of the Competent Authority. This is likely to eliminate future complications during execution of work.

   ii) **Stringent quality control of critical components :** As far as nourishment/ rebuilding/building of Spurs are concerned, HDPE Bags. Geo Bags, Geo Textile Filter and Polypropylene (PP) Rope Crates play a crucial role in formation of / maintaining the profile of Spurs. Hence, such items should be subjected to stringent quality control requirements. Similarly, critical components of other river training related structures may also be identified, and rigorous quality control measures should be incorporated in the bidding documents for such items.

iii) **Dumping of Laterite Boulders in Crates :** Any river training related structure (e.g. Spur) where dumping of Laterite Boulders (or equivalent similar items, if specified) is involved, feasibility of dumping such Laterite Boulders (or equivalent/similar items, if specified) after placing the same in PP Rope Crates (or equivalent/similar Crates) may be explored. Hydraulic Study Department may look into the same for possible incorporation of such conditions(s) in future tenders.

iv) **Milestone-based payment :** Suitable milestone-based terms of payment may be incorporated in the bidding documents, which may combine both the quantum of materials utilized as well as the extent of profile / parameter achieved against the same. No payment should be made to the Contractor merely based on utilization of materials, where the desired/expected profile/parameter could not be achieved. Moreover, appropriate penal provision(s) may be considered to be incorporated for utilization of materials outside the specified area zone as well as utilization of materials without achieving the desired/expected profile/parameter.

v) **Deployment of Launch/Boat by Contractor :** If deployment of Launch/Boat by Contractor is at all considered essential to be kept as separate BoQ item(s) in the tender, maximum days (including maximum hours per day) of deployment is to be determined very carefully, considering actual execution period only. Actual deployment should be strictly monitored by concerned SMPK official(s) to avoid any infructuous deployment, especially on Sundays, Holidays, other non-working days and days on which deployment of Launch/Boat is not necessary/ possible.

3. The recommendations have been approved by Chairperson for implementation.

(C. Chatterjee)
Secretary

Copy to OSD to Chairperson for kind information of Chairperson.

Copy to PS to Dy. Chairperson for kind information of Dy. Chairperson.

Copy to PA to CVO for kind information of CVO in reference to the letter No. Vig/Misc/3/2024/654 dated 28.08.2024 of Vigilance Department.

Copy to DMD / CME/CMO/ TM / GM(M&S) / GM(Traffic) / GM(Engg.) / GM(Marine) (I/C)/CLO/Sr. PO/MM/Jt. Director(P&R)(I/C) / EM(I/C) for information.

Copy to OSD(O&P) / Sr. Dy. Director(EDP) / SDS-II / Dy. TM (Admn) / DEM (Admn) / DS-II for information.

Copy to File No. Admn/6460/3/System Improvement/II

# श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
# Syama Prasad Mookerjee Port, Kolkata

सामान्य प्रशासन विभाग
**Genl. Admn. Deptt.**

No. Admn/6460/System Improvement/II                Date: 27.09.2024

CE / CMO / TM / DMD / CME /FA&CAO / CHE
GM(M&S)/GM(Fin)/GM(Engg.)/GM(Traffic )/GM(Marine )(I/C)
CLO / Sr. PO / MM I Jt. Director (P&R) (I/C) I EM (I/C)/Dy. CVO

## Office Order

It has come to the notice that in SMPK, employees who have taken advance for discharging various official functions, are not regularizing the same within reasonable time as a result of which the amount drawn is to be eventually deducted from his/her retirement dues and the account regularized.

2. This practice has been continuing for some time which is not proper and desirable.

3. Towards stopping the practice, it has been directed by the Competent Authority to strictly advise the employees who are drawing such advance, to furnish the details of expenditure and close the account positively within 2 months from the date of drawing such advance or the date of superannuation whichever is earlier, failing which the matter will be seriously viewed entailing deduction of the said amount of the salary of the respective employee as also making him liable to appropriate Disciplinary Proceedings. Also, no advance should be drawn within 3 months of date of retirement in the name of the employee

27.9.24

(C. Chatterjee)
Secretary

Copy to OSD to Chairperson for kind information of Chairperson.

Copy to PS to Dy. Chairperson for kind information of Dy. Chairperson.

Copy to PA to CVO for kind information of CVO.

Copy to OSD(O&P)/ SDS-II/ Sr. Dy. Director (EDP)/Dy. EM (Admn)/DS-II/SAS (PR)/SA(I/C) /SAS(OL)(C) for information please.

Copy to OS, GAD (Main) for information.

# श्यामा प्रसाद मुखर्जी पोर्ट, कोलकाता
# Syama Prasad Mookerjee Port, Kolkata

सामान्य प्रशासन विभाग
**Genl. Admn. Deptt.**

No. Admn/6339/I/Contract Dated: 28.08.2024

TM/CMO /DMD /CME/FA&CAO /CHE/CE
GM(M&S) / GM(Fin) / GM(Engg.) / GM(Traffic) / GM(Marine) (I/ C)
Sr. PO/CLO/MM/EM(I/C)/Jt. Director (P&R)(I/C)

## Circular

As per the existing practice followed in SMPK, the Annual Immovable Property Return is required to be submitted in hard copy under one closed cover, within the stipulated time frame.

2. As a part of HR System Improvement, it has been decided that, henceforth, Annual Immovable Property Return should be filed online to avoid delays in submission of IPRs. The necessary IPR module for filing the IPR online has since been integrated in the e-SPARROW by NIC which can be accessed by logging into https: / / saccess.nic.in, using existing NIC e-mail ID and password. In this connection, a 'User Manual' to facilitate filing of IPR online is available at the welcome page of SPARROW. The IPR for the respective year, after filing, is required to be authenticated by using the Digital Signature Certificate (DSC)/e-Hastakshar already issued under SPARROW.

3. All the officers are required to follow the below mentioned steps for filing the IPR on SPARROW Module:-

   i. Log in to Sparrow Module through WebVPN-https://saccess.nic.in, with their user id and password (same as their NIC email id and password): After generating SMS OTP/Mobile Token, the page will be redirected to NIC WebVPN Home Page.

   ii. Click on ***"Sparrow_SHIPMIN"*** on the left side of the page.Log-in to SPARROW with NIC e-mail ID and Password. Sparrow Home page will appear.

   iii. Click on ***"IPR"*** tab on the left bottom of the home page. A new window will open for IPR.

   iv. Again, click on ***"IPR"*** tab on the left side of the page

   v. Click on "Declaration" tab

   vi. Select ***"Statement as on date: 01-01-2024"***

   vii. Click on ***''Fill New Declaration"/ "Copy Data from Previous Year Declaration"/ "Nil Declaration"***

viii. After filling, select ***"Save as Draft"*** so as not to lose the data filled

ix. Click on ***''Sign and Submit''***

x. Fill in the ***AADHAR*** Details and then enter the ***OTP*** received on registered mobile number.

xi. ***SUBMIT***

xii. A unique Application No. would get generated after successfully filing of the return.

xiii. You are required to take a print out of the duly filled in IPR form and submit the same to the office of the Secretary for record purpose.

***Note-**

I. In case of retiring employees, it must be ensured that the IPR for the concerned year has been filed by such officer before the due date of retirement.

II. Those who have already submitted the physical form of IPR for the current year, are also requested to fill in the online IPR available in SPARROW Module by 30.09.2024.

III. IPR filed online is confidential in nature and is not available to public. It can only be viewed either by the person filing the AIPR or by those to whom authorization to accessis granted by the Dy. Chairperson.

4. The above instructionsmay be circulated to all concerned officers widely, for strict compliance please.
5. This issues with the approval of the Dy. Chairperson.
6. The Hindi version will follow.

28/8/24

(S.S Chatterjee)
Sr. Dy. Secretary-II
For Secretary

Copy to OSD to Chairperson for kind information of the Chairperson.
Copy to PS to Dy. Chairperson for kind information of the Dy. Chairperson.
Copy to PA to CVO for kind information of the CVO.
Copy to PA to Secretary for kind information of Secretary.
Copy to OSD (O&P)/ SA(I/C) for information.
Copy to Sr. Dy. Director (EDP)/Dy. EM (Admn)/DS-II/SAS (PR) for information.
Copy to OS (GAD)/Guard file.

# Glimpses of **VIGILANCE AWARENESS WEEK 2024**


# Glimpses of **VIGILANCE AWARENESS WEEK 2024**


**No.F.1/2/2024-PPD**
**Government of India**
**Ministry of Finance**
**Department of Expenditure**
**Procurement Policy Division**

502, Lok Nayak Bhawan,
Khan Market, New Delhi
03.06.2024

**OFFICE MEMORANDUM**

**Subject: Guidelines for Arbitration and Mediation in Contracts of Domestic PublicProcurement - reg.**

In recent decades, there has been an increasing resort to arbitration as a mean of alternative dispute resolution with a view to reducing litigation and achieving quick and efficient settlement of contractual disputes. Arbitration as a remedy is based on explicit provision in a contract and is not a judicial process. Arbitration can cover a whole range of contractual matters, including disputes between private sector parties where the Government or a public sector undertaking is not involved.

2. Arbitration is expected to provide several advantages compared to the process of litigation in the Courts:

(i) Speed: It is expected to result in quicker resolution of disputes.

(ii) Convenience and Technical Expertise: As it is not a judicial process, it provides greater convenience and less formality, enabling persons other than serving Judges (including technical experts) to act as Arbitrators. This may improve the quality of factual decision making, especially on technical issues.

(iii) Finality: Under the Arbitration and Conciliation Act, 1996, the decisions of the Arbitrators are final, and grounds for challenge in Courts are very limited. Hence, finality is an expected benefit of arbitration.

3. Recent developments, namely the enactment of the Mediation Act, 2023 and Court decisions, combined with the experience gained over many years have necessitated a re-examination of the Government's approach towards arbitration vis-a-vis other methods of dispute resolution, such as mediation and litigation.

4. The Government (or a Government entity or agency) as a disputant has certain peculiarities:

    (i) The system of decision-making in Government involves accountability to Parliament. The law requires the Government to act fairly without arbitrariness. There are multiple levels of scrutiny before and after decisions are taken. Acceptance of an adverse award when judicial avenues are not exhausted is often perceived to be improper by various authorities, despite the 'finality' envisaged in theory.

    (ii) The necessity for fairness and non-arbitrariness makes it difficult to accept arbitration awards if they vary from the practice followed for other similarly placed contractors who are not involved in the arbitration.

    (iii) Officers in Government and its undertakings are transferrable and hence the personal knowledge of an officer involved in an arbitration matter may not be as deep as of the opposing private party. This handicaps the Government when presenting its case before arbitrators.

5. Notwithstanding the expected benefits of arbitration, the actual experience of arbitration in respect of contracts where the Government (or a Government entity or agency, such as a public sector enterprise) is a party have been, in many cases, unsatisfactory in meeting the expectations:

    (i) The process of arbitration itself takes a long time and is not as quick as envisaged, besides being very expensive too.

    (ii) The reduced formality, combined with the binding nature of decisions, has often led to wrong decisions on facts and improper application of the law. The arbitral process being contractual and intended to be final with very limited further recourse, is also exposed, particularly in matters of high financial value, to perceptions of wrong-doing including collusion. It is noteworthy that arbitrators are not necessarily subject to the high standards of selection which are applied to the judiciary and to judicial conduct. Further, proceedings are conducted behind closed doors and not in open court. There have been judicial decisions regarding impropriety on the part of arbitrators and there is little accountability for such wrong decisions, if taken by arbitrators.

    (iii) The benefit of finality has also not been achieved. A large majority of arbitration decisions are being challenged in the Courts both by the Government (or its entity or agency) and by the opposite party, when the decision of the arbitrators is not to the satisfaction of either party. The expectation that challenge to arbitration award would be rare, has not been realised in practice. Therefore, instead of reducing litigation, it has become virtually an additional layer and source of more litigation, delaying final resolution. The objective of relieving the burden on Courts has generally not been achieved.

(iv) The intended finality, though often not realised in practice, also has a bearing on possible civil and criminal actions, attendant to the subject matter of the disputes.

(v) In many cases, a commercial and sensible practical approach if resorted to, may indeed amicably resolve the issues at the threshold, but the existence of an arbitration clause makes it easy for officers to avoid taking a decision by letting the dispute go to arbitration. Thereafter, in the adversarial process, realistic claims and counter-claims are often replaced by inflated claims, counter-claims or cross-claims and arbitral process many a time ends in concluding resolutions which are in-between or extreme in nature, when in reality, the intrinsic actual claims are far smaller.

6. Adjudication by the courts is a remedy which always exists wherever there is no arbitration clause. However, another alternative to arbitration is mediation, which is a process whereby parties attempt to reach an amicable settlement of their dispute with the assistance of a third person (mediator) who does not have the authority to impose a settlement upon the parties to a dispute. There are successful models of mediation/conciliation being practiced in certain Government entities, for example in the oil and gas sector. Section 48 of the Mediation Act, 2023 allows the Government or any Government entity or agency to frame schemes or guidelines for resolution of disputes through mediation or conciliation, and in such cases, a mediation or conciliation may be conducted in accordance with such schemes or guidelines.

7. Keeping all these factors in view, the following guidelines are issued for contracts of domestic procurement by the Government and by its entities and agencies (including Central Public Sector Enterprises [CPSEs], Public Sector Banks [PSBs] etc. and Government companies):

(i) Arbitration as a method of dispute resolution should not be routinely or automatically included in procurement contracts/ tenders, especially in large contracts.

(ii) As a norm, arbitration (if included in contracts) may be restricted to disputes with a value less than Rs. 10 crore. This figure is with reference to the value of the dispute (not the value of the contract, which may be much higher). It may be specifically mentioned in the bid conditions/conditions of contract that in all other cases, arbitration will not be a method of dispute resolution in the contract.

(iii) Inclusion of arbitration clauses covering disputes with a value exceeding the norm specified in sub-para (ii) above, should be based on careful application of mind and recording of reasons and with the approval of:

a. In respect of Government Ministries/ Departments, attached/subordinate offices and autonomous bodies, the Secretary concerned or an officer (not below the level of Joint Secretary), to whom authority is delegated by the Secretary.

b. In respect of CPSEs/ PSBs/ Financial Institutions etc., the Managing Director.

(iv) In matters where arbitration is to be resorted to, institutional arbitration may be given preference (where appropriate, after considering reasonableness of the cost of arbitration relative to the value involved).

(v) In matters covered by arbitration/ court decisions, the guidance contained in General Instructions on Procurement and Project Management dated 29.10.2021 should be kept in mind. In cases where there is a decision against the government public sector enterprise, the decision to challenge/ appeal should not be taken in a routine manner, but only when the case genuinely merits going for challenge/ appeal and there are high chances of winning in the court/ higher court.

(vi) Government departments/ entities/ agencies should avoid and/ or amicably settle as many disputes as possible using mechanisms available in the contract. Decisions should be taken in a pragmatic manner in overall long-term public interest, keeping legal and practical realities in view, without shirking or avoiding responsibility or denying genuine claims of the other party.

(vii) Government departments/ entities/ agencies are encouraged to adopt mediation under the Mediation Act, 2023 and/ or negotiated amicable settlements for resolution of disputes. Where necessary, e.g. matters of high value, they may proceed in the manner discussed below:

a. Government departments/ undertakings may, where they consider appropriate e.g. in high value matters, constitute a High-Level Committee (HLC) for dispute resolution which may include:

i. A retired judge.

ii. A retired high-ranking officer and/ or technical expert.

This composition is purely indicative and not prescriptive.

b. In cases where a HLC is constituted, the Government departmenU entity/ agency may either

   i. negotiate directly with the other party and place a tentative proposed solution before the HLC; or

   ii. conduct mediation through a mediator and then place the tentative mediated agreement before the HLC; or

   iii. use the HLC itself as the mediator.

c. This will enable decisions taken for resolving disputes in appropriate matters to be scrutinized by a high-ranking body at arms-length from the regular decision-making structure, thereby promoting fair and sound decisions in public interest, with probity.

(viii) There may be rare situations in long duration works contracts where, due to unforeseen major events, public interest may be best served by a re-negotiation of the terms. In such circumstances, the terms of the tentative re-negotiated contract may be placed before a suitably constituted High Level Committee before approval.

(ix) Approval of the appropriate authority will need to be obtained for the final accepted solution. Section 49 of the Mediation Act, 2023 is also relevant in this regard.

(x) Mediation agreements need not be routinely or automatically included in procurement contracts/ tenders. The absence of a mediation agreement in the contract does not preclude pre-litigation mediation. Such a clause may be incorporated where it is consciously decided to do so.

(xi) Disputes not covered in an arbitration clause and where the methods outlined above are not successful, should be adjudicated by the courts.

8. General or case-specific modification in the application of the above guidelines may be authorised by the Secretary concerned ( or an officer not below the level of Joint Secretary to whom the authority is delegated by him) in respect of Government Ministries/ Departments, attached/ subordinate offices and autonomous bodies, or the Managing Director in respect of Central Public Sector Enterprises including Banks and Financial Institutions etc.

03.06.24

**(Anil Kumar)**
Deputy Secretary (Procurement Policy)
Tel.24627920
email: anil.kumar14@nic.in

To

1. Secretaries of all Ministries/ Departments of Government of India for information and necessary action. They are also requested to inform these provisions to all procuring entities under their administrative control.
2. Secretary, Department of Public Enterprises with a request to reiterate these instructions in respect of all Central Public Sector Enterprises.
3. Secretary, Department of Financial Services with a request to reiterate these instructions in respect of all Public Sector Financial Institutions.
4. Financial Advisers of All Ministries /Departments of Government of India for information and necessary action.
5. Chief Secretaries of State Governments for information.

**No.F.1/1/2021-PPD**
**Government of India**
**Ministry of Finance**
**Department of Expenditure**
**Procurement Policy Division**

264-C, North Block, New Delhi.
29th October, 2021.

**Subject : General Instructions on Procurement and Project Management**

It has always been a concern and challenge for the Government and its agencies to execute public projects on time, within the approved cost and with good quality. As the Government strives to step up the pace of economic development, the role of procedure and rules, and the incentives and disincentives they create, warrants careful examination.

2. The Central Vigilance Commission (CVC) and the Comptroller & Auditor General (CAG) are among the institutions which have, at various times, had occasion to comment on procurement and project management. Taking cognizance of these issues, CVC issued a Concept Paper on Alternative Procurement Strategy suggesting various reforms. Later after elaborate consultations with various stakeholders and a reform workshop held on 18.12.2020, CVC prepared Draft Guidelines on "Reforms in Public Procurement and Project Management". The draft guidelines inter alia stated: "Endeavour should be to explore the possibility of employing alternative procurement methods and other emerging trends apart from regularly used methods of procurement".

Separately, the CAG held a workshop on 27th February, 2020, soliciting ideas to improve procurement and project management. In that workshop, the then CAG himself observed: "It is also important to examine the information available with the decision maker at the time of taking the procurement decision. Post facto wisdom is easy and costs of indecision high". He hoped that the "focus of the presentations would be on discussing the challenges faced in procurement, especially that of adhering to the L 1 requirement and related quality issues and new mechanisms/ strategies of procurement to overcome these challenges".

The National Institution for Transforming India (NITI) Aayog also prepared in August, 2020 a detailed paper entitled "Indian Public Procurement: Alternative Strategies and Way Forward" with various proposals.

3. A common theme arising in all these deliberations was a need to improve procurement and project management rules and procedures, to update them

to present day needs, and empower those implementing projects to take better decisions, while adhering to probity and fairness. The fact that two premier institutions overseeing probity and accountability and India's premier policy think-tank felt the need to improve public procurement and project management procedures indicates the importance of the issue.

4. The Draft Guidelines prepared under the aegis of the CVC provided a sound platform for initiating reforms for empowering executing agencies and officers to take effective decisions in public interest, not only without favour but also without fear. These Draft Guidelines were considered by the Committee of Secretaries, and it was decided that the Department of Expenditure (DoE) would consider and issue guidelines, after soliciting and incorporating comments from Ministries/ Departments. Comments were solicited from all Ministries/ Departments and after due and detailed consideration of the comments received, instructions as contained in the subsequent paragraphs are being issued for compliance. While the primary source of these instructions is the draft guidelines prepared by the CVC, the views expressed in the CAG's workshop, by NITI Aayog, and in other comments received have also been duly considered and incorporated wherever appropriate.

5. The instructions below are "general instructions" within the meaning of Rule 6(1) of the GFR. They shall prevail in case of any general or casespecific conflict with the existing provisions of the Manual for Procurement of Goods, 2017, Manual for Procurement of Consultancy and other Services 2017, Manual for Procurement of Works 2019 or any other instruction issued by DoE in the past. For the purpose of these instructions:

   (i) Instructions containing 'may' are to be considered desirable or good practices which procuring entities/ project executing agencies are encouraged to implement but not mandatory.

   (ii) Instructions containing 'should' are required to be followed in general. However, there may be circumstances where it may not be practical/ desirable to implement them. In such cases, the concerned officer/ agency may deviate by recording reasons in writing for not implementing the same.

   (iii) Instructions containing 'shall' are mandatory; any deviation shall require relaxation of rules from the DoE (for Ministries/ Departments etc.) or from the Board of Directors (for Central Public Sector Enterprises).

   (iv) Instructions containing "allowed" indicate an optional course of action to be decided upon on merits.

(v) "Procuring Entity" or "Project Executing Authority'' or "Project Executing Agency" means Central Government Ministries/Departments, Attached/ Subordinate bodies including Autonomous Bodies or Central Public Sector Enterprises (CPSEs) (etc) executing projects/ works.

(vi) "Public Authority'' means the client organization, which may be asking a "Procuring Entity'' or "Project Executing Authority" or "Project Executing Agency" to execute a project or work on their behalf. For example, in case a University executes the works through Central Public Works Department (CPWD), then the said university will be the Public Authority and CPWD will be the Procuring Entity or Project Executing Authority or. Project Executing Agency. (The public authority and the project executing authority may also be the same.)

6. **Feasibility Study/Ground Survey :** Before undertaking a project Feasibility study/ Preliminary Project Report (PPR) may be prepared by the Project Executing Agency as prescribed in Para 2.2.1 of the Manual for Procurement of Works 2019 *(hereinafter called Manual)*. A presentation on the findings of the feasibility study/ PPR may be made by a team (which may include engineers/ consultants/ outside experts, finance officers etc.) before the public authority/ or designated competent authority. This is to provide an opportunity to the public authority to have an overall assessment of the situation, appraisal of various options as well as likely challenges and mitigation measures. In the case of very large projects, such presentation may be made to the head of the public authority. The record of discussions during the presentation may become part of the Detailed Project Report (DPR) and tender file/ project record.

7. **Detailed Project Report (DPR) :**

7.1 As prescribed in Para 2.4 of the Manual, once the project is considered viable and the competent public authority gives approval, a DPR/ Detailed Estimate should be prepared with due care and accuracy, using latest technological tools collecting all relevant ground information including consultation with the field units, wherever applicable.

7.2 Presentation may be made about the DPR before the public authority, for projects above a threshold value, as decided by Project Executing Authorities. The presentation may include salient features of the project including general layout, architectural drawings, broad specifications, cash flow (over the life of the project), composition of the project team, quality management plan for the project, important milestones in the project execution, obligations of the authority and the contractor/ concessionaire (hereinafter referred to as "contractor'') and possible risks and mitigation measures. In the case of very large projects such presentation may be made to the head of the public authority. The record of discussions during the presentation shall become part of tender file/project record.

7.3 Wherever consultants are appointed for preparation of DPR, field units of the public authorities should also be associated with the process. The inputs from these field units can be useful in proposing best solutions for design and execution of the work as they are the custodian of legacy data, which may not be available with the consultants, as they may not be operating regularly in that geographical region.

7.4 Endeavour may be made to enlarge the base of the 'Schedule of Rates' published by various organizations to bring a maximum number of items under its ambit. For non-scheduled items, rates may be finalized by a committee constituted by the organization concerned/ consultants as the case maybe.

8. Availability of Land and Statutory Clearances :

8.1 It is desirable to have 100% of the required land in possession before award of contract; however, it may not always be possible to have the entire land due to prevailing circumstances. Also, it may not be prudent to put the entire process of award of contract on hold for want of the remaining portion of land, which in the assessment of public authority or the project executing authority, could possibly be acquired in a targeted manner after award of the contract, without affecting progress.

8.2 Minimum necessary encumbrance free land should be available before award of contract. The minimum may be determined based on the circumstances of each case or general guidelines, issued by the concerned authorities. Only such land, non availability of which, will prevent essential components of work from execution, should be insisted upon.

8.3 Time taken in grant of statutory and other clearances also contributes to the time and cost of public projects. These clearances are required to achieve specific objectives like concern for the environment, aviation safety, preservation of national heritage, conservation of forest and wildlife etc. Public Authorities/ Project Executing Authorities should plan for obtaining all necessary clearances quickly and closely monitor the progress.

**9. Pre-Tender activities :**

9.1 Architectural and structural drawings : Architectural and structural drawings (fit for construction) are among the core requirements for projects. Finalization of these drawings at the earliest, preferably at the time of preparation of the cost estimate itself, can help to determine quantities of various items of the work. Adverse consequences of not preparing these drawings before invitation of tenders may manifest in the form of delay in execution of the work and deviations in quantities of the items of work. Hence, approved architectural and structural drawings should be available before invitation of tenders. Fit for construction (sometimes called Good for construction) drawings means the architectural and structural drawings approved by the project executing authority as well as by the authority governing the extant rules/ laws, including byelaws, such as local authorities.

9.2 Pre-Notice Inviting Tender (NIT) Conference: In complex and innovative procurement cases or where the procuring entity may not have the required knowledge to formulate tender provisions, a pre-NIT conference may help the procuring entity in obtaining inputs from the industry. Such conferences should be widely publicised so that different potential suppliers can attend.

9.3 Empanelment of contractors: Public authorities may empanel/ register contractors of those specific goods and services which are required by them regularly. Performance of such empanelled contractors should be reviewed periodically. The list of registered contractors shall be updated on a regular basis. The category/ class of contractors may be upgraded/ downgraded or contractors may be de-listed based on their performance. Empanelment of contractors shall be done in a fair and equitable manner, preferably online after giving due publicity. The practice of inviting bids for works tenders only from empanelled contractors may be confined to tenders up to certain threshold value, as decided by the project executing authorities.

**10. Tender documents:**

10.1 The tender document is the fundamental document in the public procurement process as after award of the contract it becomes part of the contract agreement. All necessary provisions governing the contract should be clearly provided in the tender document. Examples are technical specifications, drawings, commercial terms and conditions including payment terms, obligations of the procuring entity and the contractor, timeframe/milestones for execution of the project, tax implications, compliance framework for statutory and other norms, reporting on progress/quality of the work, dispute resolution. Provisions/clauses in the tender document should be clear to avoid differences in interpretation and possible time overrun, cost overrun and quality compromises. Comprehensive survey & soil investigation report, area grading & mapping of underground facilities, where project is to be executed, may be made available and made part of tender document. Model Tender Documents issued by the DoE may be used, with due customisation.

10.2 In tenders containing General Conditions of Contract (GCC), additional/ special conditions to be incorporated in the tender document, shall be need based and specific. The GCCs should not be altered and changes, if any, in conditions of contract should only be made through the Special Conditions of Contract.

10.3 Identification of milestones may be done in an optimal and sequential manner and the same may be stipulated in the tender document along with enabling provisions.

10.4 Payment terms prescribed in the tender document should be such that the payment made to contractors at every stage is commensurate to quantum of work done, subject to any requirements for initial mobilisation.

10.5 Procuring entities may issue instructions regarding appropriate delegation of authority for approval of deviations, variations and changes in the scope of the contract.

10.6 Provision of price variation, wherever considered appropriate, as well as methodology for calculation of the same shall be clearly stipulated in the tender document.

10.7 Quality Assurance Plan (QAP) may be incorporated in the tender document/ contract. Schedule of visit by various levels of officials should also form part of the QAP.

10.8 Technical and Financial eligibility Criteria for the bidders are important in the public procurement process. They shall be clear and fair, having regard to the specific circumstances of the procurement. Appropriate parameters should be prescribed in the eligibility criteria for bidders, to enable selection of the right type of bidders in public interest, balancing considerations of quality, time and cost.

10.9 Open online tendering should be the default method to ensure efficiency of procurement. Public authorities should also keep the experience criteria broad based so that bidders with experience in similar nature of works in various sectors can participate.

10.10 Pre-bid conference may be conducted for large value tenders by Procuring Entities. The Place and time of pre-bid conferences should be mentioned in the tender document and/ or publicized through the website of the procuring entity and/ or through newspaper publication.

**11. Project Management**

11.1 The quality of project works significantly depends on supervision and monitoring. For completion of the projects within the stipulated time and cost and with specified quality standards, periodical review should be done by various levels of the officers.

11.2 Information Technology (IT) enabled project management systems can help in improving efficiency, transparency and aid faster decision making in execution of projects. These systems may be used for maintenance of records for the progress of work (including hindrance register), variations, etc., wherein reasons for delays are also to be captured on real time basis. Such systems may be used for capturing progress and quality of work, site records/ photographs/ videos etc. including geo tagging.

11.3 Wherever applicable, the role of the Project Management Consultant (PMC) should be clearly defined in the contracts. Deployment of the PMC does not absolve the project executing authority of the responsibility to supervise the quality and timelines of the project.

11.4 The credentials and deployment schedule of key and other technical personnel to be engaged by PMC on the work should be taken along with the bid. During execution, adherence to deployment of key and other technical personnel as per the schedule of deployment should be ensured.

11.5 Execution of the work shall primarily be the responsibility of the officials designated with such responsibility. However, for large contracts senior officers shall also review the progress and quality of the work at various stages of construction. To this effect, presentations on the project performance may be made periodically before the senior officers depending upon the value of the project and progress of the project vis-a-vis schedule. Project executing authorities should put in place detailed instructions in this regard.

11.6 Project executing authorities should put in place a system for capturing the photographs and videos of important and critical activities of construction. This may be implemented in projects above a threshold value or, if possible, in all projects. Such photos/ videos may be uploaded in IT based project monitoring system to facilitate monitoring the progress and quality of work as well as assessment of delay in execution of work by stakeholders and senior management. Apart from this, photographs and videos may serve as permanent record of the project for posterity in case needed for any eventuality including litigation or enquiry/investigation.

11.7 **Sub-contracting :** As per Para 6.1.6 of the Manual, the works contract may provide for the contractor to get specified works executed from sub-contractors included in the pre-qualification application or later agreed to by the Procuring Entity, with a caveat that the responsibility for all sub-contract work rests with the prime contractor. Sub-contracting may be for specialized items of work, such as reinforced earth retaining walls, pre-stressing works, and so on. Procurement of material, hiring of equipment or engagement of labour will not mean sub-contracting. The total value of subcontracted work should not exceed the percentage of the contract price specified in the contract (say 25%). Sub-contracting by the contractor without the approval of the Procuring Entity shall be a breach of contract, unless explicitly permitted in the contract.

11.8 **Rejection of Single Bid :** It has become a practice among some procuring entities to routinely assume that open tenders which result in single bids are not acceptable and to go for re-tender as a 'safe' course of action. This is not correct. Re-bidding has costs: firstly the actual costs of re-tendering; secondly the delay in execution of the work with consequent delay in the attainment of the purpose for which the procurement is being done; and thirdly the possibility that the re-bid may result in a higher bid.

Lack of competition shall not be determined solely on the basis of the number of Bidders. Even when only one Bid is submitted, the process should be considered valid provided following conditions are satisfied:

(i) the procurement was satisfactorily advertised and sufficient time was given for submission of bids;

(ii) the qualification criteria were not unduly restrictive; and

(iii) prices are reasonable in comparison to market values.

11.9 **Electronic-Measurement Books(e-MBs) :** Project executing authorities should, as early as possible, implement e-MBs and the same should be integrated with IT based project monitoring system, being used by the procuring entities.

11.10 **Extension of time for completion of projects :** Procuring entity may put in place a graded authority structure whereby extension of time for completion of contract, beyond a specified threshold value of contract, may be granted by the next higher authority.

11.11 **Delay in taking timely decisions :** Delay in decision making by the officials of the project executing authority on various changes in the project scheme arising out of emerging situations during execution of the work is also one of the contributors to the delay in completion of projects. Sometimes timely decisions on these changes are so crucial that the next step could only be taken after addressing the change. Delay in decisions by the project executing authority can also lead to litigation due to inadequate utilization/ idling of resources of the contractor. There is frequently a feeling among officials that indecision is safe while a decision may lead to adverse consequences for the decision maker. Therefore, there is a need for project executing authorities to put in place a system of resolution of the issues coupled with timelines for various levels to take decisions.

11.12 Project executing authorities may review the flow chart of decision making and remove redundancies for faster decision making. They may also fix timelines for taking decisions on variations, extra items and changes in scope and specifications, etc. to avoid delay and litigation arising out of delayed decisions.

11.13 **Awarding of works in stalled contracts :** It is noted that in cases, where a contractor abandons or stops the work mid-way, either due to insolvency or a dispute or other reason, engagement of the new contractor takes considerable time and in the meanwhile public money is locked up in assets which cannot be utilized, apart from inconvenience and loss of amenities to the general public due to such half completed works. Notwithstanding anything in the GFR or the Manual, procuring entities should devise methods (including limited/ single tenders) to deal with part completed contracts, wherever the work is abandoned by the contractor mid-way. However, for issuance of limited/ single tenders in such cases, at least 20%, of work should have been billed by the contractor who has abandoned the work. Procurement approval of such limited/ single tender should be at the next higher level or such level as may be prescribed.

## 12. Delay in payment to the contractors :

12.1 Delay in eligible payments to contractors leads to delay in execution of projects, cost overruns and disputes. Hence, ad-hoc payments of not less than 75% of eligible running account bill/ due stage payment, shall be made within 1 0 working days of the submission of the bill. This period of 10 days is for completion of all processes including prima facie scrutiny and certification by the engineer in-charge (as declared by procuring entities). The remaining payment is also to be made after final checking of the bill within 28 working days of submission of bill by the contractor. In case the payment has not been released within 10 working days as prescribed above, it shall be made as soon as possible, and after payment a written explanation for the delay shall be submitted to the next higher authority within three working days.

12.2 Public authorities may put in place a provision for payment of interest in case of delayed payment of bills by more than 30 working days after submission of bill by the contractor. Where interest is to be paid, the rate of interest should be the rate of interest on General Provident Fund.

12.3 In case of unwarranted discretionary delays in payments, including failure to authorise / make ad hoc payments as prescribed in para 12.1 above, responsibility shall be fixed on the concerned officers. Project executing authorities should have a system to monitor delays in payments and to identify such unwarranted delays.

12.4 The Final bill should also be paid to the contractor within three months after completion of work.

12.5 All project executing authorities implementing works contracts involving aggregate payments of more than Rs.100 crore per annum shall have an online system for monitoring of the bills submitted by contractors. Such system shall have the facility for contractors to track the status of their bills. It shall be mandatory for all contractors' bills to be entered into the system with date of submission and date of payment. Such system shall be put in place within one year of issue of these instructions.

**13. Engineering, Procurement and Construction (EPC) contracts :**

13.1 In EPC contracts, since primary responsibility to execute the work lies with the EPC contractor, success of the project also depends upon the quality of the tender document wherein enough clarity on the broad framework for execution of the work and the obligations of the contractor needs to be built in.

13.2 Milestones for payment to the contractor should be fixed in a manner that facilitates smooth cash flow for the contractor as well as for progress of the work. Milestones fixed should avoid excessive front loading or back loading, i.e., amount of payment should be commensurate with stage-wise quantum of work/ cost incurred. Milestones for payment to the contractor should also be linked with the deliverables.

13.3 In case of EPC contracts, only general arrangement drawings and architectural control parameters should be part of the EPC tender document. In case of EPC contracts, timelines for submission of drawings by the contractors and approval thereof by the competent authority should be clearly prescribed in the tender document, wherein, damages for non-adherence of such timelines in this regard may also be incorporated.

13.4 EPC contracts shall specify broad technical specifications and key output parameters. Over-specification of design may lead to increase in cost. Technical specifications shall be framed in such a manner to allow sufficient freedom to the contractor to optimize design. Provisions on the following should be included in commercial conditions:

(i) Limitation of liability for procuring entity as well as contractor.

(ii) Deviation limits and procedure for change of scope.

(iii) Contract closing timelines and procedure to ensure timely closing of the contract.

(iv) Performance parameters and liquidated damages for shortfall in performance.

(v) Risk matrix and responsibilities of the contractor and the procuring entity.

In addition, a latent defect period beyond the defect liability period may be included to protect the procuring entity and public authority interest in case of any design/ engineering defect after the defect liability period is over, wherever appropriate.

13.5 To mitigate the risk involved in the methodology proposed by the contractor, the project executing authority shall either have an in-house engineering, quality assurance and project management expert or alternatively hire an experienced engineer to intensively examine the proposal submitted by the contractor. Project executing authorities are to ensure that optimal technological solutions are provided by the contractor.

13.6 To ensure quality, regular inspection and quality checks must be carried out. The Project executing authority shall carry out stage inspections in manufacturing of critical equipment/ critical activities of the project.

**14. Substitution of key personnel during execution of consultancy contract :**

(i) Quality in consultancy contracts is largely dependent upon deployment and performance of key personnel, during execution of the contract.

(ii) The following conditions should be incorporated in Tender Documents for procurement of Consultancy Services:

a) Substitution of key personnel can be allowed in compelling or unavoidable situations only and the substitute shall be of equivalent or higher credentials. Such substitution may ordinarily be limited to not more than 30% of total key personnel, subject to equally, or better, qualified and experienced personnel being provided to the satisfaction of the procuring entity.

b) Replacement of first 10% of key personnel will be subject to reduction of remuneration. The remuneration is to be reduced, say, by 5% of the remuneration which would have been paid to the original personnel, from the date of the replacement till completion of contract.

c) In case of the next 10% replacement, the reduction in remuneration may be equal to (say) 10% (ten per cent) and for the third 10% replacement such reduction may be equal to (say) 15% (fifteen per cent). In case such percentages are not relevant, or for some other practical considerations, for a particular contract, the procuring entity may formulate a suitable mechanism following the above logic, which should be specified in the tender documents.

(iii) Public authorities may make use of IT enabled systems at the designated place of deployment to ensure presence of key personnel as per the schedule of deployment.

**15. Additional Methods of Procurement :**

**15.1 Fixed Budget - based Selection (FBS) for consultancy services :**

15.1.1 GFRs 2017 provide three methods for selection/evaluation of consultancy proposals viz. Quality and Cost Based Selection (QCBS), Least Cost System (LCS) and Single Source Selection (SSS). The Fixed Budgetbased Selection (FBS) method is hereby also allowed for selection of consultants Under this method, cost of the consulting services shall be specified as a fixed budget in the tender document itself. FBS may be used when:

(i) the type of consulting service required is simple and/or repetitive and can be precisely defined; and

(ii) the budget can be reasonably estimated and set based on credible cost estimates and/ or previous selections which have been successfully executed; and

(iii) the budget is sufficient for the consultant to perform the assignment.

15.1.2 Under FBS, the selection of the consultant shall be made by one of the following two methods:-

(i) By a competitive selection process, based only on quality, using specific marking criteria for quality in the manner indicated in Rule 192(i) of the GFR. The proposal with the highest technical score that meets the fixed budget requirement shall be considered for placement of contract.

(ii) In cases of repetitive or multiple assignments, by empanelling suitable consultants, through an open advertised process with specified quality criteria. Thereafter, selection of a specific consultant for a specific assignment from such panel shall be based on overall considerations of public interest including timeliness, practicability, number of other assignments already given to that consultant in the past, etc. In such cases the budget for each assignment shall also be fixed by the procuring entity.

**15.2 Quality-cum-Cost based Selection (QCBS) for Works and Non-Consultancy Services:-**

15.2.1 Procuring entities are hereby allowed to use QCBS for procurement of works and non-consultancy services in the following cases:

(i) where the procurement has been declared to be a Quality Oriented Procurement (QOP) by the competent authority or

(ii) for procurement of Non-Consulting Services, where estimated value of procurement (including all taxes and option clause) does not exceed Rs 10 crore.

Note: In cases where estimated value was less than Rs 10 crore, but on tendering, following QCBS process, it is proposed to place contract for more than Rs 10 crore, the following procedure shall be adopted:

(a) In case the difference between estimated value (including taxes etc as above) and value of the proposed contract (including taxes etc) is less than 10% of the estimated value, there will be no bar on placement of contract.

(b) In all other cases, the procurement process is to be scrapped and restarted either as QOP or on non QCBS basis.

The principles of QCBS shall be as provided in Rule 192(i), (ii) and (iii) of the GFR. However, the maximum weight of the non-financial parameters shall in no case exceed 30%.

15.2.2 The Competent Authority for allowing QCBS shall be as follows:-

(i) For declaring a procurement as QOP:

a) Where the procuring entity/ project executing authority is covered by Rule 1 of GFR, the Secretary of the Ministry/Department, to which the procuring entity belongs.

b) Where the procuring entity is a CPSE, the Board of Directors of the CPSE.

(ii) For Non-consulting Services not exceeding Rs.10 crore in value:

a) Where the procuring entity is covered by Rule 1 of GFR, by the officer or authority two levels above the officer/ authority competent to finalize the particular procurement, or the Secretary of the Ministry/ Department whichever is lower.

b) Where the procuring entity is a CPSE, the authority or officer two levels above the officer competent to finalize the particular procurement, or the Board of Directors of the CPSE whichever is lower.

15.2.3 In all cases of QOP, a Special Technical Committee (STC) shall be constituted with the following composition:-

(i) Two or more persons who have expert knowledge and/or long experience relevant to the procurement in question;

(ii) One or more persons with extensive experience in handling public projects and/or public finance in the Government or State/Central Public Sector;

(iii) One or more persons with experience in financial management/financial administration/ audit/ accountancy;

(iv) Not more than one member representing the procuring entity who may inter alia provide administrative support to the Committee.

(v) Any person who is a member of the STC shall not associate himself in any manner with any bidder for the procurement concerned.

(vi) The persons referred to in sub paras (i) to (iii) shall be persons not working under the Competent Authority specified in para 15.2.2 and shall not belong to any organization under the control of, or receiving funding from, the procuring entity or the Ministry/ Department to which such procuring entity belongs.

15.2.4 The names of members of the Special Technical Committee shall be decided either by the Competent Authority specified in para 15.2.2 above or by any other authority to whom such power is delegated by the competent authority; however, powers shall not be delegated to the officer or authority competent to finalize the particular procurement. Sitting fee may be paid to the members of the STC. Incidental costs including travel shall be paid by the procuring entity.

15.2.5 The STC shall make specific recommendations on the following matters:-

(i) The weight to be given to non-financial parameters (not exceeding 30%).

(ii) The specific quality/ technical parameters, their weights, their scoring methodology, the minimum qualification score etc. and other relevant criteria necessary for ensuring fair and transparent quality/ technical evaluation of the bids.

The recommendations of the STC shall be followed except where there are special grounds in public interest for deviating from them. However, every case of deviation from the recommendations of the STC shall require approval of the Competent Authority specified in para 15.2.2 (i) above who approved the declaration of the procurement as QOP.

15.2.6 In respect of QCBS for Non-Consultancy Services not exceeding Rs.10 crore, a Technical Committee shall be constituted to carry out functions mentioned in para 15.2.5 in lieu of the STC. The composition of the Technical Committee shall follow the provisions of para 15.2.3 (i) to (v). The provisions of 15.2.3 (vi) shall however not be applicable in such cases.

15.2.7 *Grounds for Declaring a Procurement to be Quality Oriented Procurement :* A procurement should be declared as a QOP only if there is enough justification in terms of value addition or enhancement of delivery or paramount importance of quality. Reasons for not adopting two cover/ pre-qualification-based/ least cost system shall be documented.

15.2.8 Tender Documents - Fixing/ Selection of the Evaluation/ Qualification Criteria

(i) To ensure quality, some of the criteria used in marking may be made mandatory and if a bidder does not meet those, then bids shall not be evaluated further.

(ii) Weightage may also be given for timely completion of past projects of similar nature by the bidder.

(iii) In all cases of QOP, a pre-bid meeting shall be held in which the technical criteria including the marking scheme shall be discussed with the potential bidders. If any changes in the criteria are necessitated by such consultation, such changes shall require the recommendation of the STC. In Non Consultancy Services, pre-bid meetings may be held at the discretion of the public authority.

15.2.9 Fixing of Scoring/ Marking Criteria:

(i) The scoring should not be a variable that relies on the subjective opinion of the evaluating panel. The marking scheme should enable achievement of almost similar scores irrespective of the persons/ experts being involved in the evaluation process. When the outcomes are consistent for the available information, the QCBS parameters are more reliable. Unambiguous description and criteria help to avoid grey areas so as to ensure that there is only one possible score for the item. As far as possible, the criteria should be so specific and clear that bidders can self-mark their own bids.

(ii) It is better to specify minimum marks for meeting the qualifying criteria specified.

(iii) Examples of fixed quality parameters that ought not to be considered for relative scoring include organizations' ISO/standards' accreditation, etc. These are required to establish the credentials of the service provider but cannot be used for relative comparison between various bidders.

(iv) Bidders should be asked to produce certificates for the past performance. A format may be given in the tender itself outlining the contract details, completion, sustainability of service etc and bidders may be asked to fill it and give evidence to that effect.

(v) Bidders may be asked to submit a detailed presentation on their proposals in the form of soft copy along with the bid so as to facilitate better understanding of their proposal and to ensure commitment.

(vi) Besides the Bill of Quantity (BOQ) output criteria for payment, Key Performance Indicators (KPIs) may be specified with minimum achievement levels for payment so as to ensure quality compliance.

15.2.10 Evaluation of QCBS Bids: For evaluation, a suitable committee shall be constituted. However, members of the STC shall not be involved.

15.2.11 Joint ventures in QCBS:

(i) In conventional tenders, some bidders adopt "name borrowing" and Joint Ventures (JV) often do not function in letter and spirit. This results in lack of quality and accountability. JVs often end in one-sided participation, diluting the essence of the tender evaluation during its performance. Since quality is given weightage in the evaluation itself, in QCBS procurement, it is even more important to guard against such tendencies. Therefore, Joint Ventures may be avoided in QCBS procurements as far as possible. Joint Ventures could, however, become necessary in high technology or innovative projects where a single entity may not be able to execute the work alone.

(ii) If JVs are allowed, adequate safeguards should be provided. Since weightage for quality/ experience influences the award itself, measures should be taken to ensure that all the JV partners are present and deliver services all through the contract period. An Implementation Board with participation of all JV partners may be provided for wherein the Project Manager from the procuring entity shall also be allowed audience when required. Meeting of JV partners with the project executing authority for quarterly progress review may be made as a criterion linked to achievement of key dates or even payment.

**16. Arbitration and dispute resolution :**

16.1 During operation of the contracts, issues and disputes arising due to lack of clarity in the contract become the root cause for litigation. Litigation has adverse implications on the timelines and overall cost of the project. Before resorting to arbitration/ litigation, the parties may opt for mutual discussion, mediation, and conciliation for the resolution of disputes.

16.2 Arbitration/ Court awards should be critically reviewed. In cases where there is a decision against Government/Public Sector Enterprise (PSE), the decision to appeal should not be taken in a routine manner but only when the case genuinely merits going for the appeal and there are high chances of winning in the court/ higher court. There is a perception that such appeals etc. are sometimes resorted to postpone the problem and defer personal accountability. Casual appealing in arbitration/court cases has resulted in payment of heavy damages/ compensation/ additional interest cost, thereby causing more harm to the exchequer, in addition to tarnishing the image of the Government.

16.3 The procuring entity should monitor the success rate of appealing against arbitration awards. There should be a clear delegation to empower officials to accept arbitration/ court orders. A special board/committee may be set up to review the case before an appeal is filed against an order. Arbitration/Court awards should not be routinely appealed without due application of mind on all facts and circumstances including realistic probability of success. The Board/Committee or other authority deciding on the matter shall clarify that it has considered both legal merits and the practical chances of success and after considering the cost of, and arising through, litigation/appeal/further litigation as the case may be, it is satisfied that such litigation/appeal/further litigation cost is likely to be financially beneficial compared to accepting the arbitration/court award.

16.4 Statistics have shown that in cases where the arbitration award is challenged, a large majority of cases are decided in favour of the contractor. In such cases, the amount becomes payable with interest, at a rate which is often far higher than the Government's cost of funds. This results in huge financial losses to the Government. Hence, in aggregate, it is in public interest to take the risk of paying a substantial part of the award amount subject to the result of the litigation, even if in some rare cases of insolvency etc. recovery of the amount in case of success may become difficult. Instructions have been issued in this matter in the past but have not been fully complied with. The GFRs have now been amended accordingly.

16.5 All procuring entities and public authorities are required to comply with Rule 227 A of GFRs. The only circumstances in which such payment need not be made is where the contractor declines, or is unable, to provide the requisite Bank Guarantee and /or fails to open escrow account as required. Persons responsible for not adhering to the Rule 227A of the GFRs are liable to be held personally accountable for the additional interest arising, in the event of the final court order going against the procuring entity.

**17. Aligning the interest of stakeholders**

17.1 The incentive structure for all the key stakeholders of public procurement ought to be such that the system itself will ensure timely delivery of the projects/works in a qualitative manner within approved cost. A balanced framework and work culture, where risks and rewards are properly shared amongst stakeholders and timely completion of quality projects is the common goal, can be the bedrock of efficient project management. An incentive structure, which may include pecuniary as well as non-pecuniary aspects (including public recognition), linked with measurable parameters of outcome/output, can help align the interests of stakeholders. An ethics-based regime, wherein integrity of all the stakeholders is nurtured, can help increase efficiency in all aspects of project management.

17.2 Public authorities may devise strategies to provide incentives to contractors/ concessionaires/ consultants/ architects/ other stakeholders by various means, including bonus, better rating and recognition for early/ timely and quality completion of projects. Similar strategies may be devised for recognition of engineers/ officers/ other team members for early/ timely and quality completion of the projects. The practice of mentioning the names of contractor and the project in-charge publicly at work sites may be implemented. Such recognition may be in a form which has long shelf life so as to associate the contractor and project in-charge with the life of the project.

17.3 "Coming together is a beginning; keeping together is progress; working together is success." It is an accepted fact that the success of any project is dependent on a well-co-ordinated team working towards a common goal. For successful execution of any project within specified time, cost and quality, the interest of all the stakeholders needs to be aligned. Coordinated efforts of all stakeholders such as contractors, consultants, public authority and project executing authority and public representatives will bring about the best possible outcome.

29.10.2021

(Kanwalpreet)
Director (Procurement Policy)
Tel.:23093811
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To
(i) Secretaries to All Central Government Ministries/ Departments
(ii) Secretary, Department of Public Enterprises with a request for reiterating these instructions to all Central Public Sector Enterprises

**Copy to:**
(i) Cabinet Secretary
(ii) Secretary, Central Vigilance Commission.

## ACKNOWLEDGEMENTS

The valuable contribution of the following persons at various stages and/ or different aspects of preparation of these instructions are gratefully acknowledged:-

1. Shri Rajiv Mehrishi, formerly Comptroller & Auditor General of India
2. Shri Sanjay Kothari, formerly Central Vigilance Commissioner
3. Shri Rajeev Kumar, Vice Chairman, NITI Aayog
4. Shri Suresh N Patel, Vigilance Commissioner, CVC
5. Shri Amitabh Kant, CEO, NITI Aayog
6. Shri Otem Dai, Secretary, CVC
7. Smt. Mahua Pal, Deputy CAG
8. Shri P Daniel, Additional Secretary, CVC
9. Shri Sudhir Kumar, Additional Secretary, CVC
10. Shri Shailendra Kumar, Chief Technical Examiner, CVC
11. Ms. M. Janaki, Director, CVC
12. Ms. Wormila Jasmine Keishing, Deputy Secretary, CVC
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18. Shri Sanjay Aggarwal, Adviser, DoE
19. Shri Kanwalpreet, Director, DoE
20. Shri Girish Bhatnagar, Consultant, DoE
21. Shri Shanker Lal, World Bank

No.F.1/1/2021-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

502, Lok Nayak Bhawan, New Delhi
08.03.2024

## OFFICE MEMORANDUM

**Subject:** **Amendment in General Instructions on Procurement and Project Management**

Reference: OM No. 1/1/2021-PPD dated 29.10.2021 regarding General Instructions on Procurement and Project Management

In reference to OM referred above, based on suggestions received, the following amendments have been made in para 15.2.2 (i):

| Para No. | Existing provision | Amended provision |
|---|---|---|
| 15.2.2. (i) a) regarding competent authority to declare procurement as Quality Oriented Procurement (Q.O.P.) | Where the procuring entity/ project executing authority is covered by Rule 1 of GFR, the Secretary of the Ministry/ Department, to which the procuring entity belongs. | Where the procuring entity/ project executing authority is covered by Rule 1 of GFR:<br>• Secretary of the Ministry/ Department, to which the procuring entity belongs or<br>• *Secretary of Public Authority as defined in Para 5(vi) with the concurrence of the procuring entity/ project executing authority as defined in para 5(v) or*<br>Note: Procuring entity/ project executing authority will themselves decide the level at which such concurrence is to be given. Such concurrence need not be obtained at the level of Secretary in charge of Procuring entity/ project executing authority.<br>• Where public authority is any Indian Institute of Technology (IIT) or Indian Institute of Science (IISc), Director of such IIT/ IISc (IIT/ IISc provision is applicable for Procurement declared as Q.O.P. on or before 31.03.2027 and will be reviewed thereafter). |
| 15.2.3 (vi) regarding composition of Special Technical Committee | The persons referred to in sub paras (i) to (iii) shall be persons not working under the Competent Authority specified in | Deleted. |

| Para No. | Existing provision | Amended provision |
|---|---|---|
| (STC) | para 15.2.2 and shall not belong to any organization under the control of, or receiving funding from, the procuring entity or the Ministry/ Department to which such procuring entity belongs. | |

(Anil Kumar)
Deputy Secretary (Procurement Policy)
Tel. 24627920
Email: anil.kumar14@nic.in

To,

All the Secretaries and Financial Advisors to Government of India.

No. F .3/26/2023-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division

502, LokNayakBhawan,
han Market, New Delhi.
01.11.2023

**OFFICE MEMORANDUM**

**Subject : Quality-cum-Cost Based Selection (QCBS) Method in Procurement of Works and Non-Consultancy Services (NCS).**

Reference: Department of Expenditure (DoE) General Instructions on Procurement and Project Management issued vide OM No. F.1/1/2021-PPD dated 29.10.2021.

DoE vide reference above had issued general instructions which inter alia provided for use of QCBS method in procurement of works and NCS. Para 15.2 of the said general instructions may be specifically referred.

2. The general instructions classify procurement of works and NCS where QCBS method has been allowed in following two cases:

   i. where the procurement has been declared to be a Quality Oriented Procurement (QOP) by the competent authority.

   ii. for procurement of Non-Consulting Services, where estimated value of procurement (including all taxes and option clause) does not exceed Rs 10 Crore.

Different procedures have been detailed in the general instructions for procurement of the above two categories of requirements using QCBS method.

3. A doubt has arisen as to the extent of procurements where the QCBS method has been permitted for NCS. In this regard, following is clarified:

   A. **Procurement of Works :** Procurement of any value of works is permitted to be procured using QCBS by following the procedure mandated for QOP.

   B. **Procurement of NCS** : Procurement of NCS of any value can be done using QCBS method. However, depending on value of procurement, the procedure may vary as follows:

      i. **Procurement of NCS of value of more than Rs. 10 crore:** Procurement of such NCS can be done using QCBS method by following the procedure mandated for QOP.

ii. **Procurement of NCS of value not exceeding Rs. 10 crore:**
Procurement of NCS using QCBS can be done following the procedure as indicated in general instructions dated 29.10.2021 for NCS not exceeding Rs. 10 crore.

(Anil Kumar)
Deputy Secretary (Procurement Policy)
Tel. No. 24627920
Email: anil .kumar14@nic.in

To

i. Secretaries to All Central Government Ministries/ Departments

ii. Secretary, Department of Public Enterprises with a request for reiterating these instructions to all Central Public Sector Enterprises.

No. P-45021/2/2017-PP (BE-II)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan, New Delhi
Dated: 16th September, 2020

To

All Central Ministries/Departments/CPSUs/All concerned

**ORDER**

**Subject: Public Procurement (Preference to Make in India), Order 2017- Revision; regarding.**

**Department for Promotion of Industry and Internal Trade, in partial modification [Paras 2, 3, 5, 10 & 13] of Order No.P-45021/2/2017-B.E.-II dated 15.6.2017 as amended by Order No.P-45021/2/2017-B.E.-II dated 28.05.2018, Order No.P-45021/2/2017-B.E.-II dated 29.05.2019 and Order No.P-45021/2/2017-B.E.-II dated 04.06.2020, hereby issues the revised 'Public Procurement (Preference to Make in India), Order 2017" dated 16.09.2020 effective with immediate effect.**

**Whereas** it is the policy of the Government of India to encourage 'Make in India' and promote manufacturing and production of goods and services in India with a view to enhancing income and employment, and

**Whereas** procurement by the Government Is substantial in amount and can contribute towards this policy objective, and

**Whereas** local content can be increased through partnerships, cooperation with local companies, establishing production units in India or Joint Ventures (JV) with Indian suppliers, increasing the participation of local employees in services and training them,

**Now therefore the following Order is issued:**

1. This Order is issued pursuant to Rule 153 (iii) of the General Financial Rules 2017.

2. **Definitions:** For the purposes of this Order:

   '*Local content*' means the amount of value added in India which shall, unless otherwise prescribed by the Nodal Ministry, be the total value of the item procured (excluding net domestic indirect taxes) minus the value of imported content in the item (including all customs duties) as a proportion of the total value, in percent.

   '*Class-I local supplier*' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-I local supplier' under this Order.

'Class-II local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, meets the minimum local content as prescribed for 'Class-II local supplier' but less than that prescribed for 'Class-I local supplier' under this Order.

'Non - Local supplier' means a supplier or service provider, whose goods, services or works offered for procurement, has local content less than that prescribed for 'Class-II local supplier' under this Order.

'L 1' means the lowest tender or lowest bid or the lowest quotation received in a tender, bidding process or other procurement solicitation as adjudged in the evaluation process as per the tender or other procurement solicitation.

'Margin of purchase preference' means the maximum extent to which the price quoted by a "Class-I local supplier" may be above the L 1 for the purpose of purchase preference.

'Nodal Ministry' means the Ministry or Department identified pursuant to this order in respect of a particular item of goods or services or works.

'Procuring entity' means a Ministry or department or attached or subordinate office of, or autonomous body controlled by, the Government of India and includes Government companies as defined in the Companies Act.

'Works' means all works as per Rule 130 of GFR- 2017, and will also include 'turnkey works'.

3. **Eligibility of 'Class-I local supplier'/ 'Class-II local supplier'/ 'Non-local suppliers' for different types of procurement**

(a) In procurement of all goods, services or works in respect of which the Nodal Ministry / Department has communicated that there is sufficient local capacity and local competition, only 'Class-I local supplier', as defined under the Order, shall be eligible to bid irrespective of purchase value.

(b) Only 'Class-I local supplier' and 'Class-II local supplier', as defined under the Order, shall be eligible to bid in procurements undertaken by procuring entities, except when Global tender enquiry has been issued. In global tender enquiries, 'Non-local suppliers' shall also be eligible to bid along with 'Class-I local suppliers' and 'Class-II local suppliers'. In procurement of all goods, services or works, not covered by sub-para 3(a) above, and with estimated value of purchases less than Rs. 200 Crore, in accordance with Rule 161(iv) of GFR, 2017, Global tender enquiry shall not be issued except with the approval of competent authority as designated by Department of Expenditure.

(c) For the purpose of this Order, works includes Engineering, Procurement and Construction (EPC) contracts and services include System Integrator (SI) contracts.

**3A. Purchase Preference**

(a) Subject to the provisions of this Order and to any specific instructions issued by the Nodal Ministry or in pursuance of this Order, purchase preference shall be given to 'Class-I local supplier' in procurements undertaken by procuring entities in the manner specified here under.

(b) In the procurements of goods or works, which are covered by para 3(b) above and which are divisible in nature, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

i. Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract for full quantity will be awarded to L 1.

ii. If L 1 bid is not a 'Class-I local supplier', 50% of the order quantity shall be awarded to L 1. Thereafter, the lowest bidder among the 'Class-I local supplier' will be invited to match the L 1 price for the remaining 50% quantity subject to the Class-I local supplier's quoted price falling within the margin of purchase preference, and contract for that quantity shall be awarded to such 'Class-I local supplier' subject to matching the L 1 price. In case such lowest eligible 'Class-I local supplier' fails to match the L 1 price or accepts less than the offered quantity, the next higher 'Class-I local supplier' within the margin of purchase preference shall be invited to match the L 1 price for remaining quantity and so on, and contract shall be awarded accordingly. In case some quantity is still left uncovered on Class-I local suppliers, then such balance quantity may also be ordered on the L 1 bidder.

(c) In the procurements of goods or works, which are covered by para 3(b) . above and which are not divisible in nature, and in procurement of services where the bid is evaluated on price alone, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

i.Among all qualified bids, the lowest bid will be termed as L 1. If L 1 is 'Class-I local supplier', the contract will be awarded to L 1.

ii. If L 1 is not 'Class-I local supplier', the lowest bidder among the 'Class-I local supplier', will be invited to match the L 1 price subject to Class-I local supplier's quoted price falling within the margin of purchase preference, and the contract shall be awarded to such 'Class-I local supplier' subject to matching the L 1 price.

iii. In case such lowest eligible 'Class-I local supplier' fails to match the L 1 price, the 'Class-I local supplier' with the next higher bid within the margin of purchase preference shall be invited to match the L 1 price and so on and contract shall be awarded accordingly. In case none of the 'Class-I local supplier' within the margin of purchase preference matches the L 1 price, the contract may be awarded to the L 1 bidder.

(d) “Class-II local supplier” will not get purchase preference in any procurement, undertaken by procuring entities.

**3B.Applicability in tenders where contract is to be awarded to multiple bidders -** In tenders where contract is awarded to multiple bidders subject to matching of L 1 rates or otherwise, the 'Class-I local supplier' shall get purchase preference over 'Class-II local supplier' as well as 'Non-local supplier', as per following procedure:

a) In case there is sufficient local capacity and competition for the item to be procured, as notified by the nodal Ministry, only Class I local suppliers shall be eligible to bid. As such, the multiple suppliers, who would be awarded the contract, should be all and only 'Class I Local suppliers'.

b) In other cases, 'Class II local suppliers' and 'Non local suppliers' may also participate in the bidding process along with 'Class I Local suppliers' as per provisions of this Order.

c) If 'Class I Local suppliers' qualify for award of contract for at least 50% of the tendered quantity in any tender, the contract may be awarded to all the qualified bidders as per award criteria stipulated in the bid documents. However, in case 'Class I Local suppliers' do not qualify for award of contract for at least 50% of the tendered quantity, purchase preference should be given to the 'Class I local supplier' over 'Class II local suppliers'/ 'Non local suppliers' provided that their quoted rate falls within 20%margin of purchase preference of the highest quoted bidder considered for award of contract so as to ensure that the 'Class I Local suppliers' taken in totality are considered for award of contract for at least 50% of the tendered quantity.

d) First purchase preference has to be given to the lowest quoting 'Class-I local supplier', whose quoted rates fall within 20% margin of purchase preference, subject to its meeting the prescribed criteria for award of contract as also the constraint of maximum quantity that can be sourced from any single supplier. If the lowest quoting 'Class-I local supplier', does not qualify for purchase preference because of aforesaid constraints or does not accept the offered quantity, an opportunity may be given to next higher 'Class-I local supplier', falling within 20% margin of purchase preference, and so on.

e) To avoid any ambiguity during bid evaluation process, the procuring entities may stipulate its own tender specific criteria for award of contract amongst different bidders including the procedure for purchase preference to 'Class-I local supplier' within the broad policy guidelines stipulated in sub-paras above.

4. **Exemption of small purchases :** Notwithstanding anything contained in paragraph 3, procurements where the estimated value to be procured is less than Rs. 5 lakhs shall be exempt from this Order. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this Order.

5. **Minimum local content :** The 'local content' requirement to categorize a supplier as 'Class-I local supplier' is minimum 50%. For 'Class-II local supplier', the 'local content' requirement is minimum 20%. Nodal Ministry/ Department may

prescribe only a higher percentage of minimum local content requirement to categorize a supplier as 'Class-I local supplier'/ 'Class-II local supplier'. For the items, for which Nodal Ministry/ Department has not prescribed higher minimum local content notification under the Order, it shall be 50% and 20% for 'Class-I local supplier'/ 'Class-II local supplier' respectively.

6. **Margin of Purchase Preference :** The margin of purchase preference shall be 20%.

7. **Requirement for specification in advance :** The minimum local content, the margin of purchase preference and the procedure for preference to Make in India shall be specified in the notice inviting tenders or other form of procurement solicitation and shall not be varied during a particular procurement transaction.

8. **Government E-marketplace :** In respect of procurement through the Government Emarketplace (GeM) shall, as far as possible, specifically mark the items which meet the minimum local content while registering the item for display, and shall, wherever feasible, make provision for automated comparison with purchase preference and without purchase preference and for obtaining consent of the local supplier in those cases where purchase preference is to be exercised.

9. **Verification of local content :**

   a. The 'Class-I local supplier'/ 'Class-II local supplier' at the time of tender, bidding or solicitation shall be required to indicate percentage of local content and provide self-certification that the item offered meets the local content requirement for 'Class-I local supplier'/ 'Class-II local supplier', as the case may be. They shall also give details of the location(s) at which the local value addition is made.

   b. In cases of procurement for a value in excess of Rs. 10 crores, the 'Class-I local supplier'/ 'Class-II local supplier' shall be required to provide a certificate from the statutory auditor or cost auditor of the company (in the case of companies) or from a practicing cost accountant or practicing chartered accountant (in respect of suppliers other than companies) giving the percentage of local content.

   c. Decisions on complaints relating to implementation of this Order shall be taken by the competent authority which is empowered to look into procurement-related complaints relating to the procuring entity.

   d. Nodal Ministries may constitute committees with internal and external experts for independent verification of self-declarations and auditor's/ accountant's certificates on random basis and in the case of complaints.

   e. Nodal Ministries and procuring entities may prescribe fees for such complaints.

   f. False declarations will be in breach of the Code of Integrity under Rule 175(1)(i)(h) of the General Financial Rules for which a bidder or its successors can be debarred for up to two years as per Rule 151 (iii) of the General Financial Rules along with such other actions as may be permissible under law.

g. A supplier who has been debarred by any procuring entity for violation of this Order shall not be eligible for preference under this Order for procurement by any other procuring entity for the duration of the debarment. The debarment for such other procuring entities shall take effect prospectively from the date on which it comes to the notice of other procurement entities, in the manner prescribed under paragraph 9h below.

h. The Department of Expenditure shall issue suitable instructions for the effective and smooth operation of this process, so that:

   i. The fact and duration of debarment for violation of this Order by any procuring entity are promptly brought to the notice of the Member-Convenor of the Standing Committee and the Department of Expenditure through the concerned Ministry /Department or in some other manner;

   ii. on a periodical basis such cases are consolidated and a centralized list or decentralized lists of such suppliers with the period of debarment is maintained and displayed on website(s);

   iii. in respect of procuring entities other than the one which has carried out the debarment, the debarment takes effect prospectively from the date of uploading on the website(s) in such a manner that ongoing procurements are not disrupted.

**10. Specifications in Tenders and other procurement solicitations:**

a. Every procuring entity shall ensure that the eligibility conditions in respect of previous experience fixed in any tender or solicitation do not require proof of supply in other countries or proof of exports.

b. Procuring entities shall endeavour to see that eligibility conditions, including on matters like turnover, production capability and financial strength do not result in unreasonable exclusion of 'Class-I local supplier'/ 'Class-II local supplier' who would otherwise be eligible, beyond what is essential for ensuring quality or creditworthiness of the supplier.

c. Procuring entities shall, within 2 months of the issue of this Order review all existing eligibility norms and conditions with reference to sub-paragraphs 'a' and 'b' above.

**d. Reciprocity Clause**

   i. When a Nodal Ministry/Department identifies that Indian suppliers of an item are not allowed to participate and/ or compete in procurement by any foreign government, due to restrictive tender conditions which have direct or indirect effect of barring Indian companies such as registration in the procuring country, execution of projects of specific value in the procuring country etc., it shall provide such details to all its procuring entities including CMDs/CEOs of PSEs/PSUs, State Governments and other procurement agencies under their administrative control and GeM for appropriate reciprocal action.

ii. Entities of countries which have been identified by the nodal Ministry/Department as not allowing Indian companies to participate in their Government procurement for any item related to that nodal Ministry shall not be allowed to participate in Government procurement in India for all items related to that nodal Ministry/ Department, except for the list of items published by the Ministry/ Department permitting their participation.

iii. The stipulation in (ii) above shall be part of all tenders invited by the Central Government procuring entities stated in (i) above. All purchases on GeM shall also necessarily have the above provisions for items identified by nodal Ministry/ Department.

iv. State Governments should be encouraged to incorporate similar provisions in their respective tenders.

v. The term 'entity' of a country shall have the same meaning as under the FDI Policy of DPI IT as amended from time to time.

e. Specifying foreign certifications/ unreasonable technical specifications/ brands/models in the bid document is restrictive and discriminatory practice against local suppliers. If foreign certification is required to be stipulated because of nonavailability of Indian Standards and/or for any other reason, the same shall be done only after written approval of Secretary of the Department concerned or any other Authority having been designated such power by the Secretary of the Department concerned.

f. "All administrative Ministries/Departments whose procurement exceeds Rs. 1000 Crore per annum shall notify/ update their procurement projections every year, including those of the PSEs/PSUs, for the next 5 years on their respective website."

10A. **Action for non-compliance of the Provisions of the Order :** In case restrictive or discriminatory conditions against domestic suppliers are included in bid documents, an inquiry shall be conducted by the Administrative Department undertaking the procurement (including procurement by any entity under its administrative control) to fix responsibility for the same. Thereafter, appropriate action, administrative or otherwise, shall be taken against erring officials of procurement entities under relevant provisions. Intimation on all such actions shall be sent to the Standing Committee.

11. **Assessment of supply base by Nodal Ministries :** The Nodal Ministry shall keep in view the domestic manufacturing / supply base and assess the available capacity and the extent of local competition while identifying items and prescribing the higher minimum local content or the manner of its calculation, with a view to avoiding cost increase from the operation of this Order.

12. **Increase in minimum local content :** The Nodal Ministry may annually review the local content requirements with a view to increasing them, subject to availability of sufficient local competition with adequate quality.

13. **Manufacture under license/ technology collaboration agreements with phased indigenization :** While notifying the minimum local content, Nodal Ministries may make special provisions for exempting suppliers from meeting the stipulated local content if the product is being manufactured in India under a license from a foreign manufacturer who holds intellectual property rights and where there is a technology collaboration agreement / transfer of technology agreement for indigenous manufacture of a product developed abroad with clear phasing of increase in local content.

13A. In procurement of all goods, services or works in respect of which there is substantial quantity of public procurement and for which the nodal ministry has not notified that there is sufficient local capacity and local competition, the concerned nodal ministry shall notify an upper threshold value of procurement beyond which foreign companies shall enter into a joint venture with an Indian company to participate in the tender. Procuring entities, while procuring such items beyond the notified threshold value, shall prescribe in their respective tenders that foreign companies may enter into a joint venture with an Indian company to participate in the tender. The procuring Ministries/Departments shall also make special provisions for exempting such joint ventures from meeting the stipulated minimum local content requirement, which shall be increased in a phased manner.

14. Powers to grant exemption and to reduce minimum local content: The administrative Department undertaking the procurement (including procurement by any entity under its administrative control), with the approval of their Minister-in-charge, may by written order, for reasons to be recorded in writing,

a. reduce the minimum local content below the prescribed level; or

b. reduce the margin of purchase preference below 20%; or

c. exempt any particular item or supplying entities from the operation of this Order or any part of the Order.

A copy of every such order shall be provided to the Standing Committee and concerned Nodal Ministry / Department. The Nodal Ministry / Department concerned will continue to have the power to vary its notification on Minimum Local Content.

15. **Directions to Government companies :** In respect of Government companies and other procuring entities not governed by the General Financial Rules, the administrative Ministry or Department shall issue policy directions requiring compliance with this Order.

16. **Standing Committee :** A standing committee is hereby constituted with the following membership:

Secretary, Department for Promotion of Industry and Internal Trade-Chairman
Secretary, Commerce-Member
Secretary, Ministry of Electronics and Information Technology-Member
Joint Secretary (Public Procurement), Department of Expenditure-Member
Joint Secretary (DPIIT)-Member-Convenor

The Secretary of the Department concerned with a particular item shall be a member in respect of issues relating to such item. The Chairman of the Committee may co-opt technical experts as relevant to any issue or class of issues under its consideration.

17. **Functions of the Standing Committee :** The Standing Committee shall meet as often as necessary, but not less than once in six months. The Committee

a. shall oversee the implementation of this order and issues arising therefrom, and make recommendations to Nodal Ministries and procuring entities.

b. shall annually assess and periodically monitor compliance with this Order

c. shall identify Nodal Ministries and the allocation of items among them for issue of notifications on minimum local content

d. may require furnishing of details or returns regarding compliance with this Order and related matters

e. may, during the annual review or otherwise, assess issues, if any, where it is felt that the manner of implementation of the order results in any restrictive practices, cartelization or increase in public expenditure and suggest remedial measures

f. may examine cases covered by paragraph 13 above relating to manufacture under license/ technology transfer agreements with a view to satisfying itself that adequate mechanisms exist for enforcement of such agreements and for attaining the underlying objective of progressive indigenization

g. may consider any other issue relating to this Order which may arise.

18. **Removal of difficulties :** Ministries/Departments and the Boards of Directors of Government companies may issue such clarifications and instructions as may be necessary for the removal of any difficulties arising in the implementation of this Order.

19. **Ministries having existing policies :** Where any Ministry or Department has its own policy for preference to local content approved by the Cabinet after 1st January 2015, such policies will prevail over the provisions of this Order. All other existing orders on preference to local content shall be reviewed by the Nodal Ministries and revised as needed to conform to this Order, within two months of the issue of this Order.

20. **Transitional provision :** This Order shall not apply to any tender or procurement for which notice inviting tender or other form of procurement solicitation has been issued before the issue of this Order.

(Rajesh Gupta)
Director Tel: 23063211
rajesh.gupta66@gov.in

**File No: P-20028/19/2018-PAPER**
**Government of India**
**Ministry of Commerce & Industry**
**Department for Promotion of Industry & Internal Trade**
**(Paper Section)**

Udyog Bhawan, New Delhi
Dated: 04th February 2021

**ORDER**

**Subject: Public Procurement (Preference to Make in India), Order 2017-Notifying Paper in furtherance of the Order.**

The Government of India has issued Public Procurement (Preference to Make in India), Order 2017 vide the Department for Promotion of Industry & Internal Trade (DPIIT) Notification no. P-45021/2/2017-B.E.-II dated 15.06.2017 (as amended on 16/09/2020) to encourage 'Make in India' and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment.

2. In reference to clause 3(a) of Public Procurement (Preference to Make in India), Order 2017 (as amended on 16/09/2020), it is hereby notified that there exists sufficient local capacity and local competition in respect of following types of paper and only Class-I Local Suppliers shall be eligible to bid for all public procurement irrespective of purchase value:

| Sl. No. | Type of Paper | Relevant BIS Standard | Minimum Local Content for Class-I Supplier (%) |
|---|---|---|---|
| 1. | Writing & Printing Paper (WPP) | IS 1848:2018 | 80 |
| 2. | Copier paper (cut size) | IS 14490:2018 | 75 |
| 3. | Art Paper | IS 4658:20 I 9 | 50 |
| 4. | Art Card | IS 4658:2019 | 50 |
| 5. | Kraft Paper | IS 1397:2020 | 60 |
| 6. | Newsprint | IS 11688:2016 | 50 |
| 7. | Security Paper (MICR, Check Paper | IS: 11087:2016 | 70 |

3. This Order shall come into effect immediately.

4. DPIIT shall be the Nodal Ministry to monitor the implementation of Order on Paper.

(Anil Agrawal)
Joint Secretary to Government of India
Tele: 23063838

**Copy to :**

1. All Ministries/Departments of Government of India
2. Cabinet Secretariat
3. Prime Minister Office
4. NITI Aayog, New Delhi
5. Joint Secretary (DPIIT), Member-Convenor of Standing Committee of Public Procurement(Preference to Make in India), Order,2017
6. Comptroller and Auditor General of India
7. AS & FA, Department for Promotion of Industry & Internal Trade
8. Internal Distribution

(Anil Agrawal)
Joint Secretary to Government of India
Tele: 23063838

P-45021/102/2019-BE-II-Part(1) (E- 50310)
Government of India
Ministry of Commerce and Industry
Department for Promotion of Industry and Internal Trade
(Public Procurement Section)

Udyog Bhawan Delhi-110011
Dated March 4, 2021

## OFFICE MEMORANDUM

**Subject :** Clarification for local content calculation PPP-MII Order -reg.

The undersigned is directed to refer Public Procurement (Preference to Make in India) Order dated 2017, as amended on 16.09.2020 regarding purchase preference for local manufactured items in Public Procurement.

2. References have been received in this department from various procuring entities wherein procuring entities have sought clarification as to whether the bidders offering imported content can claim themselves as Class-I local/Class-II local suppliers claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.

3. In this regard it is clarified that the bidders offering imported products will fall under the category of Non- local suppliers. They can't claim themselves as Class-I local suppliers/Class-II local suppliers by claiming the services such as transportation, insurance, installation, commissioning, training and after sales service support like AMC/CMC etc. as local value addition.

4. This issues with the approval of competent authority.

(Pritam Kumar)
Under Secretary to Government of India
E-mail: pritam.k@gov.in
Ph :- 011-23601306

To

All Ministries/Departments of Government of India

No.F.1/3/2024-PPD
Government of India
Ministry of Finance
Department of Expenditure
Procurement Policy Division
****

502, Lok Nayak Bhavan,
Khan Market, New Delhi,
10.07.2024

**OFFICE MEMORANDUM**

**Subject: - Amendment In General Financial Rules, 2017.**

It has been decided with the approval of Finance Minister to make following amendments in the General Financial Rules, 2017:

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| 1. | **Rule133(1)**<br>A Ministry or Department at its discretion may directly execute repair works estimated to cost up to Rupess **Thirty Lakhs** after following due procedure indicated in Rule139.159 & 160. | **Rule133(1)**<br>A Ministry or Department at its discretion may directly execute repair works estimated to cost up to **Rupees Sixty Lakhs** after following due procedure indicated in Rule 139, 159 & 160. |
| 2. | **Rule 133 (2)**<br>A Ministry or Department may, at its discretion, assign repair works estimated to cost above **Rupees thirty Lakhs** and original/ minor works of any value to any Public Works Organisation (PWO) such as Central Public Works Department (CPWD), State Public Works Department, others Central Government organisations authorised to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO), etc. or Ministry/ Department's construction wings of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, and Space etc. | **Rule 133 (2)**<br>A Ministry or Department may, at its discretion, assign repair works estimated to cost above **Rupees Sixty Lakhs** and original/ minor works of any value to any Public Works Organisation (PWO) such as Central Public Works Department (CPWD), State Public Works Department, others Central Government organisations authorised to carry out civil or electrical works such as Military Engineering Service (MES), Border Roads Organisation (BRO), etc. or Ministry/ Department's construction wings of Ministries of Railways, Defence, Environment & Forests, Information & Broadcasting and Departments of Posts, and Space |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | | etc. |
| 3. | **Rule 133 (3)**<br>As an alternative to 133(2), a Ministry or Department may award repair works estimated to cost above **Rupees thirty Lakhs** and original works of any value to:<br><br>(i) any Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or<br><br>(ii) to any other Central/ State Government organisation/ PSU which may be notified by the Ministry of Housing and Urban Affairs (MoHUA) for such purpose after evaluating their financial strength and technical competence.<br><br>For the award of work under this sub-rule, the Ministry/ Department shall ensure competition among such PSUs/ Organisations. This competition shall be essentially on the lump sum service charges to be claimed for execution of work.<br><br>In exceptional cases, for award of work under (i) and (ii) above, on nomination basis, the conditions contained in Rule 194 would apply. The work under these circumstances shall also be awarded only on the basis of lump sum service charge. | **Rule 133 (3)**<br>As an alternative to 133(2), a Ministry or Department may award repair works estimated to cost above **Rupees Sixty Lakhs** and original works of any value to:<br><br>(i) any Public Sector Undertaking set up by the Central or State Government to carry out civil or electrical works or<br><br>(ii) to any other Central/ State Government organisation/ PSU which may be notified by the Ministry of Housing and Urban Affairs (MoHUA) for such purpose after evaluating their financial strength and technical competence.<br><br>For the award of work under this sub-rule, the Ministry/ Department shall ensure competition among such PSUs/ Organisations. This competition shall be essentially on the lump sum service charges to be claimed for execution of work.<br><br>In exceptional cases, for award of work under (i) and (ii) above, on nomination basis, the conditions contained in Rule 194 would apply. The work under these circumstances shall also be awarded only on the basis of lump sum service charge |
| 4. | **Rule 139:**<br>**Procedure for Execution of Works.**<br>The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under: - | **Rule 139:**<br>**Procedure for Execution of Works.**<br>The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under: - |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | (iv) Open tenders will be called for works costing Rs. **Five lakh** to **Rs.Thirty lakh;** | (iv) Open tenders will be called for works costing **Rs.** Ten **lakh** to **Rs. Sixty** lakh; |
| | (v) limited tenders will be called for works costing less than Rupees **five lakhs** | (v) Limited tenders will be called for works costing less than **Rupees Ten lakhs** |
| 5. | **Rule 149:**<br>**Government e-Marketplace (GeM).**<br>Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under: | **Rule 149:**<br>**Government e-Marketplace (GeM).**<br>Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under: |
| | (i) Up to Rs.**25,000/-** through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.<br><br>*Note: In case of automobiles, procurement under this sub-rule is permitted without any ceiling limit.* | (i) Up to **Rs.50,000/-** through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.<br><br>*Note: In case of automobiles, procurement under this sub-rule is permitted without any ceiling limit.* |
| | (ii) Above Rs.**25,000/- and up to Rs.5,00,000/-** through the GeM | (ii) Above **Rs.50,000/- and** up to **Rs.10,00,000/-** through the |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM; meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs. **5,00,000.** | GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs. **10,00,000/-.** |
| | (iii) Above **Rs.5,00,000/-** through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM. | (iii) Above **Rs. 10,00,000/-** through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM. |
| 6. | **Rule 154 :**<br>**Purchase of goods without quotation**<br>Purchase of goods upto the value of Rs. **25,000 (Rupees twenty five thousand) only**] only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.<br><br>"**I**, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price." | **Rule 154 :**<br>**Purchase of goods without quotation**<br>Purchase of goods upto the value of **Rs. 50,000/- (Rupees fifty thousand)** only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.<br><br>"I, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price." |
| 7. | **Rule 155:**<br>**Purchase of goods by Purchase Committee.**<br>[In case a certain Item is not available on the GeM portal,] Purchase of goods costing above **[Rs.25,000** | **Rule 155 :**<br>**Purchase of goods by Purchase Committee.**<br>[In case a certain Item is not available on the GeM portal,] Purchase of goods costing above |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | **(Rupees twenty five thousand only) and upto Rs.2,50,000/-** (Rupees two lakh and fifty thousand only)] on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:<br><br>"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Expenditure or Ministry/ Department concerned." | [**Rs.50,000/- (Rupees Fifty thousand only**) and upto **Rs. 5,00,000/- (Rupees Five lakh only)**] on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:<br><br>"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Expenditure or Ministry/ Department concerned." |
| 8. | **Rule 161 :**<br>**Advertised Tender Enquiry**<br>(i) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of **Rs. 25 lakhs** (Rupees Twenty Five Lakh) and above. Advertisement in such cases should be given on *Central Public Procurement Portal (CPPP) at* | **Rule 161 :**<br>**Advertised Tender Enquiry**<br>(i) Subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tenders by advertisement should be used for procurement of goods of estimated value of **Rs. 50 lakhs (Rupees Fifty Lakh)** and above. Advertisement in such cases should be given on GeM as well as on GeM- Central |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | *www.eprocure.gov.in* and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. | Public Procurement Portal (CPPP). An organisation having its own website should also publish all its advertised tender enquiries on the website. |
| 9. | **Rule 162 :**<br>**Limited Tender Enquiry**<br>(i) This method may be adopted when estimated value of the goods to be procured is up to Rupees **Twenty five Lakhs.** Copies of the bidding document should be sent directly by speed post/ registered post/ courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. Further, an organisation should publish its limited tender enquiries on *Central Public Procurement Portal (CPPP) as per Rule 159. Apart from CPPP,* the organisations should publish the tender enquiries on the Department's or Ministry's website.<br><br>(iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees **twenty-five Lakhs**, in the following circumstances. | **Rule 162**<br>**Limited Tender Enquiry (LTE)**<br>(i) This method may be adopted when estimated value of the goods to be procured is up to **Rupees Fifty** Lakhs. Copies of the bidding document should be sent directly by speed post/ registered post/ courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. Further, an organisation should publish its limited tender enquiries on GeM as well as on GeM- CPPP. Apart from GeM, the organisations should publish the tender enquiries on the Department's or Ministry's web site.<br><br>(iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than **Rupees Fifty** Lakhs, in the following circumstances. |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | (a) The competent authority In the Ministry or Department certifies that the demand Is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Departments should also put on record the nature of the urgency and reasons why the procurement could not be anticipated. | (a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated. |
| | (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry. | (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry. |
| | (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote | (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote. |
| 10. | Rule173 :<br>**Transparency, competition, fairness and elimination of arbitrariness in the procurement process**<br>(xxii) In case a purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement **exceeds Rs. 25** lakhs. | **Rule 173 :**<br>**Transparency, competition, fairness and elimination of arbitrariness in the procurement process**<br>(xxii) In case a purchase Committee is constituted to purchase or recommend the procurement, no member of the purchase Committee should be reporting directly to any other member of such Committee in case estimated value of procurement **exceeds Rs. 50 lakhs.** |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| 11. | **Rule 183**<br>**Identification of likely sources.**<br>(i) Where the estimated cost of the consulting service is up to [Rupees **twenty-five** lakhs], preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc.<br><br>(ii) Where the estimated cost of the consulting services is above Rupees **twenty-five lakhs**, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on *Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on* GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should | **Rule 183**<br>**Identification of likely sources.**<br>(i) Where the estimated cost of the consulting service is up to **[Rupees Fifty lakhs]**, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc.<br><br>(ii) Where the estimated cost of the consulting services is above **Rupees Fifty lakhs**, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published on GeM as well as on GeM-CPPP. An organisation having its own website should also publish all its advertised tender enquiries on the website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting |

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | be allowed for getting responses from interested consultants. | responses from interested consultants. |
| 12. | **Rule 201:**<br>**Invitation of Bids.**<br>(i) For estimated value of the non-consulting service up to Rupees **ten lakhs** or less: The Ministry or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 199 above, decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three.<br><br>(ii) For estimated value of the non-consulting service above **Rs.10 lakhs**: The Ministry or Department should issue advertisement in such case should be given on *Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on* GeM. An organization having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. | **Rule 201:**<br>**Invitation of Bids.**<br>(i) For estimated value of the non-consulting service up to **Rupees Fifty lakhs** or less: The Ministry or Department should scrutinise the preliminary list of likely contractors as identified as per Rule 199 above, decide the prima facie Eligible and capable contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should be more than three.<br><br>(ii) For estimated value of the non-consulting service above Rs. **50 lakhs:** The Ministry or Department should issue advertisement in such cases on GeM as well as on GeM-CPPP. An organisation having its own website should also publish all its advertised tender enquiries on the website. The advertisements for invitation of tenders should give the complete web address from where the bidding documents can be downloaded. |
| 13. | **Rule 218:**<br>**Modes of Disposal.**<br>(i) Surplus or obsolete or unserviceable goods of assessed residual value above **Rupees Two Lakh** should be | **Rule 218:**<br>**Modes of Disposal.**<br>(i) Surplus or obsolete or unserviceable goods of assessed residual value above **Rupees Four Lakh** should be |

Page 9 of 10

| S. No. | Existing Rule | Amended Rule |
|---|---|---|
| | disposed of by:<br>(a) obtaining bids through advertised tender or<br>(b) public auction. For surplus or obsolete or unserviceable goods with residual valueless than **Rupees Two Lakh**, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. Ministries/ Departments should, as far as possible prepare a list of such goods. | disposed of by:<br>(a) obtaining bids through advertised tender or<br>(b) public auction. For surplus or obsolete or unserviceable goods with residual value less than **Rupees Four Lakh**, the mode of disposal will be determined by the competent authority, keeping in view the necessity to avoid accumulation of such goods and consequential blockage of space and, also, deterioration in value of goods to be disposed of. Ministries/ Departments should, as far as possible prepare a list of such goods. |

2. It is clarified that the specific relaxation in the GFRs already provided to Scientific Ministries etc. vide OM No. 20/42/2021-PPD dated 20.05.2021 will continue to be available to them.

3. This OM is also available on website of Department of Expenditure; www.coe.gov.in - > Notification -> Circular -> Procurement Policy OM.

(Anil Kumar)
Deputy Secretary (Procurement Policy)
Tel.24027920
email: anil.kumar14@nic.in

To,

All the Secretaries and Financial Advisors to Government of India.

## Integrity Pledge for Organizations

We believe that corruption has been one of the major obstacles to economic, political and social progress of our country.

We believe that all stakeholders such as Government, citizens and private sector need to work together to eradicate corruption.

We acknowledge our responsibility to lead by example and the need to put in place safeguards, integrity frameworks and code of ethics to ensure that we are not part of any corrupt practice and we tackle instances of corruption with utmost strictness.

We realize that as an Organization, we need to lead from the front in eradicating corruption and in maintaining highest standards of integrity, transparency and good governance in all aspects of our operations.

We, therefore, pledge that:

- We shall promote ethical business practices and foster a culture of honesty and integrity;
- We shall not offer or accept bribes;
- We commit to good corporate governance based on transparency, accountability and fairness;
- We shall adhere to relevant laws, rules and compliance mechanisms in the conduct of business;
- We shall adopt a code of ethics for all our employees;
- We shall sensitize our employees of laws, regulations, etc. relevant to their work for honest discharge of their duties;
- We shall provide grievance redressal and Whistle Blower mechanism for reporting grievances and fraudulent activities;
- We shall protect the rights and interests of stakeholders and the society at large.

**Vigilance Department**
**Syama Prasad Mookerjee Port, Kolkata**
6, Fairlie Warehouse Building (Ground floor)
Strand Road, Kolkata - 700 001