
 सत्यमेव जयते	<p>भारत सरकार Government of India</p> <p>रक्षा मंत्रालय Ministry of Defence</p> <p>रक्षा लेखा महानियंत्रक Controller General of Defence Accounts</p> <p>उलान बटार रोड़, पालम, दिल्ली छावनी-110010 Ulan Batar Road, Palam, Delhi Cantt – 110010</p> <p>Ph No. 011 – 25665571, 25665572 , FAX No. 011- 25674779. (IFA WING)</p>	
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No. IFA/51/complaint

Dt 7.8.2019

To

PIFAs/IFAs/PCsDA/CsDA

(Through CGDA Website)

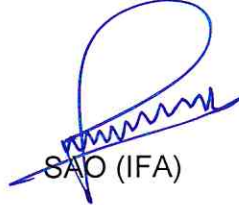
Sub:- Suspension of Business dealings with M/sPilatus Aircraft Ltd

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A copy of MoD D (Vigilance) letter no. MoD. D (Vig) ID No. 245/D (Vig.II)/2016 dated 12.7.2019 received through MoD (Fin) is enclosed for information and strict compliance.

This issues with the approval of Addl CGDA (Fin)

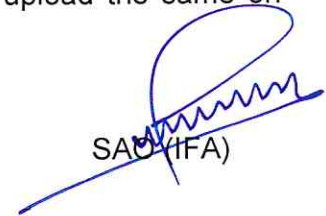
Encls : As stated above

  
SAO (IFA)

Copy to:-

IT & S Wing (Local)

With a request to upload the same on  
CGDA Website

  
SAO (IFA)

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1356/DAD(G)/119  
22/7

Government of India  
Ministry of Defence  
D (Vigilance)  
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Office of the Secy. (Def. Fin.)  
Diry No. 3527  
Date 19/7/2019

**Subject: Suspension of Business Dealings with M/s Pilatus Aircraft Ltd.**

Whereas Ministry of Defence (MoD), Govt. of India had received reports of engagement of agents by M/s. Pilatus for assistance in the sale of Basic Trainer Aircraft for the Indian Air Force on payment of a commission; and

2. Whereas M/s Pilatus had submitted a duly-signed Pre-Contract Integrity Pact (PCIP) dated November 12, 2010 in relation to the procurement case of Basic Trainer Aircraft; and

3. Whereas by Article 6.6 of the aforesaid PCIP, M/s Pilatus had undertaken that while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments they have made, have committed to or intend to make to officials of the buyer or their family members, agents, brokers or any intermediaries in connection with the contract and the details of services agreed upon such payments; and

4. Whereas, while inviting attention to the reports received by Ministry of Defence, M/s Pilatus was, inter alia, requested vide letter dated December 22, 2016 to offer their comments along with details of engagement of any agent and /or payments made; and

5. Whereas in their response dated January 11, 2017 M/s Pilatus have, inter alia, admitted engagement of M/s. OIS for the services which, inter alia, included working with Government of India and Military Services to advance successful resolution, approval, or implementation of Pilatus offset proposals, plans and obligations and have also admitted making the following payments to M/s. OIS:-

Date	Amount in CHF	Bank	Bank Account
19.08.2010	250,000.00	Standard Chartered Bank, New Delhi.	GB41 SCBL 6091 0457 0835 21
30.09.2010	750,000.00	Standard Chartered Bank, New Delhi.	GB41 SCBL 6091 0457 0835 21

6. And whereas M/s Pilatus was given a Show Cause Notice to explain within 15(fifteen) days of the receipt of the Notice as to why, in view of the position indicated above, any or all of the actions listed in Para 10 of the PCIP should not be taken against M/s Pilatus; and

7. Whereas on examination of the letter of M/s. Pilatus dated January 11, 2017, Ministry of Defence has observed violation of Article 6.6 of the Pre-

Office of Adm. Fin. (Def. Fin.)  
Diry No. 3527  
Date 19/7

19/7/19

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to all PDA's  
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Contract Integrity Pact (PCIP) dated 09.04.2010 read with Para 10 of the PCIP which makes any breach of the provisions of the integrity Pact actionable; and

8. Whereas M/s Pilatus's reply dated 13<sup>th</sup> June, 2017 to the Show-cause Notice has not been found to be satisfactory; and

9. Whereas CBI has registered FIR (regular case) on 19<sup>th</sup> June, 2019 under Sections 120-B and 420 of IPC against M/s Pilatus Aircraft Ltd., the investigations by Enforcement Directorate & Income Tax Department are also underway; and

10. Whereas Ministry of Defence had circulated detailed Guidelines for Penalties in Business Dealing with entities vide MoD ID Note No. 31013/1/2016-D(Vig) dated 21.11.2016 .

11. Now therefore, in accordance with these Guidelines, the competent authority has decided that business dealings with the said firm will remain suspended for a period of one year from the date of issue of this Order or until further orders for violation of Article 6.6 of the PCIP and ongoing investigation by CBI, Delhi Police, ED and Income Tax Department into corrupt practices, unfair means and illegal activities by M/s Pilatus Aircraft Limited.

12. It is requested that strict compliance of the above decision may be ensured by all Wings in this Ministry and Service Headquarters.

*[Handwritten Signature]*  
12.07.2019

**(B. P. Pant)**  
**Under Secretary (Vigilance)**

SA to RM	Secretary (DP)	Secretary (Def Fin)	Secretary (DRDO)
VCOAS	VCNS	VCAS	CISC
DG (Acq)	AS (SC)	AS&FA(Acq.)	DG (Coast Guard)
JS&AM(MS)	JS& AM (Air)	JS(Trg./BR) & CVO	AS(JN)
JS (Army)	JS (Navy)	JS (Air)	JS&AM (LS)
TM(MS)	TM(Air)		TM(LS)

MoD ID No. 245/D(Vig.II)/2016 dated 12.07.2019

Copy to: PS to RM PS to RRM SO to Defence Secretary

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