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PRESS NOTE

Sub: Corruption Bridge by the Steel Frame of India

(This Press Note and other related documents are available at <http://depeng.com/steelfraud.html>)

1. I have not received any response till today to my letter dated 21st Oct 2016 sent to **Sri. A.M. Naik** - Chairman, L&T Ltd, **Sri. A.C. Alimchandani** - Chairman, STUP, **Shri S C Khuntia**, Chief Secretary, **Shri Mahendra Jain**, ACS(Urban Development) and **Dr Raj Kumar Khatri**, Commissioner, BDA to clarify issues raised by me relating to the Bangalore Steel Bridge Project (**This letter was released to the Press on 22nd Oct 2016**). No public clarification has also been issued by anyone of them. Sri KG George, Minister for Urban Development who made a presentation to the elected representatives and the media did not clarify even a single point out of ten raised by me. I had sent that letter keeping in view what is being expected from the Corporates by the **Chief Vigilance Commissioner (CVC)** in his letter dated 23rd Sep 2016. I had also sent that email to the CVC to impress upon both L&T and STUP to respond to my letter as expected by the CVC in such circumstances. Incidentally, the CVC and the CBI have been suo moto made parties in a case filed by me against Government of Karnataka and others. File No DPE/MSI/10/2005 mentioned in that letter contains many cases including use/misuse of L&T's name by IAS officers to loot crores of rupees. **This file has not been put on Govt's website by the Principal Secretary, DPAR in spite of many requests.** I had also sought specifically from STUP to clarify as to what instructions it received from the government of Karnataka after its blacklisting by the Government of Kerala was upheld by the Hon'ble High Court of Kerala and the rationale behind giving option III. Even STUP have not responded.
2. In addition to facts suppressed by the BDA and by the Government of Karnataka mentioned in my 21st Oct 2016 letter to award contract to L&T, another major suppression is the 2009 recommendation of the **21 Member Karnataka State Joint Legislative Committee headed by Dr. Hemachandra Sagar**, set up exclusively in connection with lack of transparency and sub-standard work executed in the Bangalore International Airport Ltd Project (BIAL), **to blacklist M/s. L & T and other two companies for a minimum period of 5 years and I quote :**

"The central and state governments or their agencies should not consider the partners of

***the project - L&T, Siemens and Zurich - for
entrustment of any work for five years,"***

As anticipated by the Committee, the sub-standard work of the runway constructed by L&T came to light over the next two years and the **entire runway had to be resurfaced in 2012**, much before the expiry of the guarantee period forcing the BIAL to invoke the warranty clause against L & T. On the other hand, **L & T enriched itself by off-loading its stake of 17% at Rs 55 crores at Rs 686 crores in December 2009**, many months after the appointment and just before the Committee tabled its Report in the Legislature. Because of the pressure of Bangalore Vision Group, L&T was not blacklisted and the Government of Karnataka has deliberately ignored this serious fact while favouring L & T in the steel bridge project along with M/s Nagarjuna Constructions Ltd

3. It is extremely relevant to mention the fact that the **World Bank in its Order dated 7th March 2013 had barred L&T from doing any business with it or the projects funded by it for six months, after finding that a senior executive of the L & T had indulged in fraud in a Health Project in Tamil Nadu, making L&T ineligible for contracts for any World Bank-funded projects and loans.** During the debarment period, L&T as well as any of the entities controlled directly or indirectly by it was barred from being nominated even as subcontractor, consultant, manufacturer, supplier or even service provider to an otherwise eligible firm being awarded a World Bank-financed project. Understandably, the World Bank cancelled the contract given to L&T (obtained by producing fake certificates) as it would have definitely caused deaths of many seriously ill patients. It is unfortunate that the information about fraud committed by L & T available in public domain has not been acted upon by any of the authorities, that too when the World Bank had categorically rejected the 'rogue employee' defence by L&T as lacking in merit. File No DPE/MSI/10/2005, which has been suppressed from various authorities till today, contains similar fraudulent methods used by L & T and many other companies in connivance with corrupt senior IAS officers to loot crores of rupees of public money.
4. M/S Nagarjuna Constructions Ltd is the joint bidder along with M/s. L&T for the Bangalore Steel Project. M/S Nagarjuna Constructions Ltd was blacklisted by the Puducherry Govt in 2012 based on a report of the CBI. On 15th March 2016 , **there was a major leak in the Godavari water supply executed by the Nagarjuna Constructions Ltd** and Telengana Govt even contemplated blacklisting the Company (**Annexure I - Pages 9**). Serious concerns were expressed on 31st March 2016 about the extremely poor quality of work by M/S Nagarjuna Constructions Ltd at Agartala after the collapse of Kolkata Bridge. Confirming the extreme poor quality of work on account of corruption, **the bridge work taken up by M/S Nagarjuna Constructions Ltd at Agartala in Tripura State collapsed while load testing on 21st April 2016**(Document containing photos attached - **Annexure II pages 10-11**) Apart from this, the information displayed/revealed during a program in one of the Kannada TV channels aired on 25th Oct 2016 (*Nagarjuna Dhoka was one of the issues mentioned*) that BDA itself had been cheated by Nagarjuna Constructions and that as per revelations made during the program it appears that advance money has already been paid to L&T in the present steel bridge project even before communicating the Letter of Acceptance to make it easy to receive bribe. **All these serious facts establishing track record of serious frauds by**

both M/s L & T and M/s Nargarjuna Construction Ltd., are also suppressed by the Commissioners of BDA (Shri sham Bhat and Dr Raj Kumar Khatri) , Shri Mahendra Jain, ACS of Urban Development Department and Shri S C Khuntia, Chief Secretary even after repeatedly bringing it to the notice of the government and the officers concerned.

5. I addressed a letter to the Director, CBI to give details as required by the CVC letter dated 19th Sep 2016 to disclose developments that have taken place after it registered the case against M/S Nagarjuna Constructions Ltd in 2012(**that letter was released through the Press Club on 24th Oct 2016 and available at <http://depenq.com/steelfraud.html>). I have not received any response.**
6. Shri T M Vijay Bhaskar was posted as Additional Chief Secretary, Urban Development Department on 1st Jan 2016. He was transferred out of Urban Development Department on 15th April 2016. **Shri T M Vijay Bhaskar sought transfer to avoid participating in the illegal activities of BDA in particular connected with the Steel Bridge Project and illegal De- notification of acquired lands. Seeking transfer and keeping quiet after transfer to cover up massive looting of public money is highly deplorable.**
7. I have attached a letter sent to DoPT by the Ministry of Law & Justice in response to my letter asking it to take action to prevent senior IAS officers forcing juniors to file false affidavits before High Courts and the Supreme Court particularly in PIL matters(**a copy of that letter attached- Annexure III- page 12**)
8. I had also sent on 25th Oct 2016 a letter to Shri S C Khuntia, Chief Secretary and others to place all my letters before the High Court Bench hearing the PIL on Bangalore Steel Project. I had also asked Shri T M Vijay Bhaskar to file a separate affidavit before the High Court Bench clearly giving illegalities noticed by him related to Bangalore Steel Bridge Project which he refused to carry out and instead sought transfer (**Annexure IV- pages 13-15**). **If what happened on 26th Oct 2016 while hearing the PIL is any indication, all the officers concerned have again deliberately suppressed all available serious facts from the Hon'ble High Court to get green signal to proceed with the Project.**
9. **If all the above facts are again suppressed from the Hon'ble High Court of Karnataka hearing the PIL relating to the Steel Bridge Project on 2nd November 2016, not only huge public money would be looted but also the lives of innocent citizens will be at risk.** None of the officers involved in suppressing the above facts from the High Court, Chief Minister Sri Siddaramaiah, Urban Development Minister Sri K.J.George, M/s. STUP, M/s L&T, M/s Nagarjuna Construction Ltd are going to be held responsible even if the matter goes to the Courts in the future. It would be extremely unfortunate if any loss happens due to the sub-standard work that would be carried out including environmental damage, especially when responsible citizens are using every means to caution the government.

10. A copy of this Press Note along with attachments **will be sent to the Registrar General of the High Court of Karnataka along with Press Reports based on this Press Note if any**, with a request to be place those before the Bench hearing the PIL related to the Steel Bridge Project. A copy of the letter written to the Registrar General would be sent to the Chief Secretary, ACS(Urban Development), Commissioner BDA, and Sri TM. Vijayabhaskar, IAS demanding them not to suppress again all facts mentioned in the letters written so far by me from the Hon'ble High Court Bench hearing the PIL. Sri TM .Vijayabhaskar should seek protection from the IAS officers Association after filing a separate affidavit before the High Court revealing the illegal acts which he was asked to carry out to push the Steel Bridge project and the fact that he was consequently transferred prematurely. I will be also requesting the Advocates' Association to bring this Press Note to the notice of the Advocates appearing on behalf of the government and the BDA as very senior IAS officers are involved in suppression of serious facts mentioned in this letter even from the State Cabinet itself.

11. **I will requesting ACB also to initiate investigation into the deliberate suppression of facts which not only causes looting of public money but has huge potential to cause other types of losses also** (Sri Siddaramaiah, Sri KJ. George and corrupt IAS officers involved are not at all ashamed of further shaming Karnataka which already has the most corrupt State tag)

12. **A copies of all my letters along with attachments are also being sent to the World Bank Integrity Vice Presidency to take appropriate action against the companies named in this letter** if they are involved in any manner in any of the World Bank Projects anywhere in the world.

13. I am appealing to IAS officers across the country to impress upon Sri SC. Khuntia, Chief Secretary, Karnataka, Sri Mahendra Jain, ACS and Dr. Rajkumar Khatri, Commissioner BDA **to stop pleasing the corrupt Chief Minister Sri.Siddaramaiah and corrupt Minister Sri. KJ. George at least now** to prevent further damage to the already low image of the IAS and more importantly not to participate in looting of public which is bound to harm innocent citizens.

It is an irony that a mega project which involves tainted participants is being launched on 1st Nov 2016 during the Vigilance Awareness Week after taking Integrity pledge as demanded by the CVC on 31st October 2016. What a memorable gift to the citizens of Karnataka on the Rajyotsava Day. In spite of all these, if the Project is thrust upon Karnataka for whatever reason, then the release of this Note should warn all concerned that citizens should watch closely each and every move of all the players who have determined to cheat the public shamelessly using every means.



MN Vijayakumar