

HIGH LEVEL COMMITTEE

# First Report of HLC on Host Broadcasting

First Report

High Level Committee

2011

VIGYAN BHAWAN ANNEXE, NEW DELHI



राष्ट्रमंडल खेल, 2010 के लिए  
उच्च स्तरीय समिति  
विज्ञान भवन एनेक्सी,  
नई दिल्ली-110 011

High Level Committee  
for Commonwealth Games, 2010  
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Dated : 29<sup>th</sup> January, 2011

Government vide its OM No.294/2010-CA.V dated 25<sup>th</sup> October, 2010 constituted a High Level Committee consisting of Shri V.K. Shunglu as Chairman and Shri Shantanu Consul as Member to look into issues relating to the organizing and conduct of Commonwealth Games – Delhi 2010 and lessons to be learnt for the future.

The Committee is pleased to submit herewith its First stand alone Report on issues relating to Host Broadcasting. The main report also contains as Annexures some of the most important documents which have been relied upon. The 'other relevant documents' which have been referred to in the body of the report, are contained in Volumes I & II.

The Committee expresses its thanks to the officers of the Ministry of Information & Broadcasting, Prasar Bharati and Doordarshan who cooperated by providing the information and documents sought. The Committee also places on record its deep appreciation for the team of officers of the HLC who have worked exceedingly hard over the last two and a half months to painstakingly go through voluminous documents and extract pertinent facts which have enabled the writing of this report.

(Shantanu Consul)  
Member

  
( V.K. Shunglu )  
Chairman

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# Acronyms

AIR	All India Radio
BECIL	Broadcast Engineering Corporation India Limited
CWG	Commonwealth Games
CWYG	Commonwealth Youth Games
CGF	Commonwealth Games Federation
CEO	Chief Executive Officer
COS	Committee of Secretaries
CVC	Central Vigilance Commission
DD	Doordarshan
DG	Director General
E-in-C	Engineer in Chief
EOI	Expression of Interest
ENG	Electronic News Gathering
GOM	Group of Ministers
HB	Host Broadcaster
HBMC	Host Broadcasting Management Committee
IBC	International Broadcasting Centre
I&B	Information and Broadcasting
Member (F)	Member (Finance)
Member (P)	Member (Personnel)
OC	Organizing Committee
PIB	Press Information Bureau
PB	Prasar Bharati
RFP	Request for Proposal
RFI	Request for Information
SIS	Satellite Information Services Ltd.
SG	Solicitor General
WBM	World Broadcasting Meet

# Executive Summary

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1. Contracts were awarded by Prasar Bharati for various Host Broadcast activities without ensuring reasonableness of rates, overruling suggestions received. Prasar Bharati received and supported highly inflated bids. Most of the decisions to support and award the inflated bids were taken by Director General (Doordarshan) and the then Chief Executive Officer despite strong contrary view. The procedures and best practices in the selection of service providers were ignored or bypassed to favour certain entities. Superfluous legal advice was obtained on matters requiring management decisions and this can only be viewed as an attempt to foreclose the option of decisions based on sound financial and management principles.
2. There were deliberate delays in following schedules engendering 'emergency' situations leaving virtually no option for re- tender or exploring other competitive avenues in the face of high rates quoted. The Ministry was also presented with *fait-accompli* situations in view of the criticality of time and threat of 'no- broadcast' of Commonwealth Games situation.
3. Acts of omission and commission including *inter alia* suppression of critical information necessary for informed decisions, undue favours to service providers, inappropriate changes in contractual terms and conditions and false / incorrect recording of the minutes of meetings etc. by key functionaries of Prasar Bharati such as CEO and DG (DD) were also observed.
4. The technical staff of Doordarshan had confirmed their capacity and readiness to cover the production of 10 out of 17 events in Commonwealth Games, Delhi 2010. Coverage of the remaining 7 events and Opening and Closing ceremony, which required specialisation, was proposed to be outsourced. Despite initiation of preliminary work for covering 10 events in-house in the year 2007 with the assistance of an international consultant hired by OC, this decision was abandoned by Prasar Bharati without any recorded reasons. The High Level Committee is of the opinion that the decision to outsource entire work was motivated. This not only cost the exchequer avoidable higher expenditure but also deprived

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Doordarshan the opportunity to acquire the latest broadcasting skills and equipments for delivering in future events of similar scale.

5. In the Commonwealth Youth Games, Pune, 2008, efforts were made to award contract for Host Broadcasting to SIS Outside Broadcast Ltd. UK which was declared as the only technically qualified bid out of 10 responses received in the year 2008. The tender process was discharged as Central Vigilance Commission had found the eligibility criteria flawed and unduly restrictive. The CWYG were covered in-house by Doordarshan at a cost of ₹ 7.50 crore against the bid amount of ₹ 42.30 crore of SIS Outside Broadcast. Irregular award of contract at a cost of ₹ 1.6 crore to Zoom Communications, Delhi for the hiring of broadcast equipment in CWYG, Pune 2008 was also adversely commented upon by Central Vigilance Commission.

6. Prasar Bharati did not heed the lessons of the CWYG, 2008 where it had glaring evidence of a highly inflated bid by SIS LIVE which was almost six times the actual in-house cost of production and coverage by Prasar Bharati. It did not put in place systems to address the concerns voiced by the Central Vigilance Commission on the contracts for CWYG, 2008.

7. Prasar Bharati, the Host Broadcaster, could have chosen to assign all requirements (see Para 1.7.2) to a single entity. Alternatively, it could have chosen to give part of the work to Doordarshan which possessed the capability to coordinate and broadcast ten of the seventeen games. These choices did not suit SIS LIVE / Zoom Communications because they neither possessed 'turnkey' competence nor had any desire to be a junior partner of Doordarshan.

8. A clear nexus between SIS LIVE, Zoom Communications and elements of Prasar Bharati management was apparent from the sequence of events, starting from CWYG, Pune 2008.

9. Prasar Bharati informed the Ministry and Oversight Committee (Meeting of 22<sup>nd</sup> October, 2009) that the bid for Production and Coverage of SIS LIVE (₹246 crore) was 26 percent lower than the bid quoted for similar components and activities during Request for

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Information. This was a misleading, false and factually incorrect statement. Apart from the fact that the figure of 6.55 million GBP (₹52 crore) quoted by BBC Outside Broadcasts for production and coverage of 12 events was never brought on record or discussed, the offer of \$84.93 million (₹336 crore) by HBS-IMG consortium was for 'turnkey' solution (see Para 1.7.2) which included overall management, IBC, production, venue operations, other operational items and management fee. The amount quoted for Production and Coverage, as a line item, was only \$43.18 million (₹172 crore).

10. The contract for Production and Coverage of CWG, Delhi 2010 was awarded to SIS LIVE (partnership firm of SIS OB and SIS UK based firms) at a cost of ₹ 246 crore on the basis of a single bid as the other 9 responses were either rejected or entities backed out due to unduly restrictive and stringent conditions. The contract was assigned by SIS LIVE to Zoom Communications for ₹ 177 crore on the same day on which the contract was signed between Prasar Bharati and SIS LIVE. This was in gross violation of tender conditions. SIS LIVE also issued a Press Release on 8<sup>th</sup> March, 2010 announcing award of a “key and exclusive contract for Broadcast Services, including technical equipment and diversified Production & Coverage services for the 2010 Commonwealth Games in India, to South East Asia’s largest broadcast services company, ZOOM Communications Ltd. India”.

11. Based on documents made available, the High Level Committee has concluded that the actual cost of the contract awarded to SIS LIVE was at best about ₹ 111 crore; thus resulting in a profit of at least ₹135 crore for SIS LIVE and Zoom Communications.

12. The responsibility for providing ‘undue benefit’ to SIS LIVE and Zoom Communications is primarily that of the then CEO, Prasar Bharati and Director General (Doordarshan). They cannot be recused from the acts of omission and commission which facilitated this wrong doing.

### Box -1 Loss to Government

Government of India / Prasar Bharati suffered a loss of at least ₹135 crore by awarding the contract for Production and Coverage of CWG, Delhi 2010 to SIS LIVE (partnership firm of SIS OB and SIS UK based firms) at a cost of ₹ 246 crore on the basis of a single bid.

# Chapter 1: Introduction

## 1.1 Introduction

1.1.1 Indian Olympic Association / Organizing Committee together with the Government of National Capital Territory of Delhi and Government of India entered into **Host City Contract** with the Commonwealth Games Federation on 13<sup>th</sup> November, 2003 for holding of XIX Commonwealth Games in Delhi during 03-14 October 2010. The Host City Contract identifies and binds the five key stakeholders: CGF, IOA, OC, GNCTD and GOI, who are responsible for the successful delivery of the XIX Commonwealth Games 2010.

1.1.2 The major responsibilities of the stakeholders were as follows:

<b>Sports Infrastructure</b>	Ministry of Youth Affairs & Sports, Govt. of Delhi; Delhi Development Authority (DDA) and New Delhi Municipal Council (NDMC)
<b>City Infrastructure</b>	City Government ; Municipal Council of Delhi (MCD) and NDMC
<b>Conduct and Delivery of Games</b>	Organizing Committee (OC)
<b>Host Broadcasting and Media Press Centre</b>	Prasar Bharati and Ministry of Information & Broadcasting
<b>Tourism and Accommodation for Tourists</b>	Ministry of Tourism
<b>Security</b>	Ministry of Home Affairs

## 1.2 Scope of this Report

1.2.1 This report contains the findings and conclusions of the High Level Committee (HLC) on the management of the responsibility relating to Host Broadcasting. The examination of performance was carried out by the HLC and its officials / experts against the Terms of Reference of the Committee, with special focus on:



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- planning and execution of Host Broadcasting functions, contracts for service delivery, with reference to time, cost and quality;
- the effectiveness of the organizational structure and governance, in particular, within Prasar Bharati;
- weaknesses in management, alleged irregularities, wasteful expenditure and wrongdoing in performance of the Host Broadcasting functions, including the issues relating to estimates of expenditure; and
- the legacy for broadcasting capacity and standards.

### 1.3 Methodology

1.3.1 The HLC carried out the examination of the management and performance of the Host Broadcasting responsibilities through review of documents in the offices of Prasar Bharati, Director General Doordarshan, Ministry of Information and Broadcasting and BECIL during 16 November 2010 to January 2011. The Committee and its officers / experts interviewed key personnel associated with the management of the Host Broadcasting functions. Digital imaging of certain computers of Doordarshan was also undertaken and the contents analysed. List of documents examined and persons interviewed are at Appendix 1 A and 1 B.

### 1.4 Criteria

1.4.1 The Committee evaluated the management and performance of the Host Broadcasting functions in the background of the reasonable timelines for initiating and completion of various milestones, Host Broadcasting standards, General Financial Rules 2005, generally accepted best practices in procurement of goods and services, conformity to delegations of financial and administrative powers and other generally accepted standards of governance.

### 1.5 Role and Responsibilities

1.5.1 The Chairman OC, CWG 2010 formally entrusted the responsibility of the Host Broadcaster to Prasar Bharati in March 2007. As per the **CGF Broadcasting Standards** and

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the **Host Broadcast Agreement** between the OC and Prasar Bharati, major responsibilities of the Host Broadcaster included:

- Complete project management for Host Broadcasting;
- Production of multilateral and intergraded feed in High Definition for each event;
- Production of daily highlights, interviews and medal ceremonies, etc.;
- Provision of complete unilateral range of services to Right Holder Broadcaster; and
- Design, construction, integration and operation of International Broadcast Centre besides complete broadcasting operations between venues and IBC

1.5.2 The OC and Prasar Bharati entered into a '*Right Holder Broadcaster Agreement*' in September, 2010<sup>1</sup> which granted Television Broadcast Rights and Radio Broadcast Rights for the Games within India to Prasar Bharati. The agreement also provided for revenue sharing between OC & Prasar Bharati of all Television Broadcast Rights. The net revenue realization arising from International Broadcast Rights sales by the OC from outside India was to be shared in the ratio of 70:30 between OC and Prasar Bharati and in the ratio of 60:40 for net revenue arising out of sale of Television and Radio Broadcast of the Games within India

1.5.3 The Ministry of Information and Broadcasting through Press Information Bureau was also responsible for the functioning of Media Press Centre for Commonwealth Games.

## 1.6 Approved Expenditure

1.6.1 The total approved expenditure for Host Broadcasting, setting up of International Broadcasting Centre and Media Press Centre was ₹482.57 crore. This included a loan of ₹187 crore to Prasar Bharati<sup>2</sup>.

1.6.2 The details of funds released by Ministry of Information & Broadcasting to Prasar Bharati, Press Information Bureau and India Trade Promotion Organization are as under:

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<sup>1</sup> For details refer Relevant Documents, Vol.I

<sup>2</sup> Source: Booklet printed by Ministry of Youth Affairs & Sports providing information relating to XIX Commonwealth Games, 2010.

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Name of Organization	Date of Sanction	Amount Released (₹ in crore)
Prasar Bharati	03.03.2009	10.66*
Prasar Bharati	23.10.2009	25.00
Prasar Bharati	26.02.2010	109.00
Prasar Bharati	14.09.2010	208.00
<b>Sub Total</b>		<b>342.00</b>
Released to Prasar Bharati for <b>India Trade Promotion Centre (ITPO)</b>	23.10.2009	11.00
Released to Prasar Bharati for <b>India Trade Promotion Centre (ITPO)</b>	14.09.2010	64.77
<b>Sub Total</b>		<b>75.77</b>
<b>Press Information Bureau (PIB)</b>		<b>30.84</b>

\* A total of ₹ 10.66 crore was released out of which ₹8.16 crore was earmarked for Commonwealth Youth Games, Pune, 2008 & remaining ₹2.50 crore for CWG, Delhi, 2010. However, an amount of ₹2.81 crore (₹2.50 crore for CWG 2010 & ₹0.31 crore for CWYG, Pune 2008) were unutilized and refunded by Prasar Bharati through cheque dated 30.07.2009).

### 1.7 Services and infrastructure contracts

1.7.1 Prasar Bharati in its role as Host Broadcaster of Commonwealth Games, Delhi 2010 was expected to plan extensively and vigorously for capturing the essence of Games on Television and Radio. It was expected to adopt methodology, procedures and industry best practices that had earlier been successfully tried and tested and also tap the existing pool of talent available to it. While few Broadcasters have internal resources or personnel to cover International Sports events entirely on their own<sup>3</sup>, it was necessary to select a Service provider with the right skills, experience and reputation to advise and provide the required services and facilities under the overall management and direction of Prasar Bharati.

1.7.2 Prasar Bharati awarded the following contracts in connection with Host Broadcasting operations:

<sup>3</sup> In major international sports events, the games had been covered by a consortium of Broadcasters (see Para 3.3.4 of this report).

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Activity	Entity / Service Provider	L.O.A / Date of Contracts	Value of Contracts in (₹) crore
<b>Production &amp; Coverage of CWG 2010</b>	Satellite Information Service (SIS LIVE)-UK	22 <sup>nd</sup> Oct., 2009/ 05 <sup>th</sup> March, 2010	246.00
<b>Design, Installation &amp; Operation of IBC</b>	Global Television & SHAF Broadcast	12 <sup>th</sup> Jan., 2010 / 08 <sup>th</sup> March, 2010	65.91
<b>Customization of Venues</b> and additional items of works including supply of furniture, power supply at venues for Broadcasting Compounds.	BECIL	27 <sup>th</sup> April, 2010 / 12 <sup>th</sup> May, 2010	27.00
Event Management (WBMs)	Wizcraft International Pvt. Ltd. (Mumbai)	21 <sup>st</sup> Oct., 2009	2.71
<b>Booking-cum Information Centre</b>	NIC	26 <sup>th</sup> March, 2010	2.16
<b>Content / Tape transfer facility</b>	Zoom Communications, Delhi	31 <sup>st</sup> March, 2010	0.90
<b>Synchronized camera rising</b>	SIS LIVE, UK	-	1.71
<b>Prasar Bharati's expenditure on contingencies etc. up to December 2010 (excluding pending liabilities)</b>			12.62
<b>TOTAL</b>			<b>359.01</b>

1.7.3 In addition, Ministry of Information & Broadcasting through PIB awarded deposit works to BECIL for setting up of **Media Press Centre** at an estimated cost of ₹ 31.75 crore, including BECIL margin. Government released ₹30.84 crore to BECIL out of which, ₹5.93 crore has been refunded by BECIL as unspent amount, as the contract was based on actuals.

## 1.8 Organization

1.8.1 Ministry of Information and Broadcasting and Prasar Bharati established the following organizational structure for monitoring and execution of the Host Broadcasting responsibilities.

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<b>Oversight Committee</b>	<i>Chairperson:</i> Minister (I&B) <i>Members:</i> Minister (Law & Justice); Secretary I&B; Secretary Legal Affairs; Additional Secretary I&B; Additional Secretary & FA, Ministry of I&B; Law Officer nominated by Ministry of Law and Justice.
<b>Host Broadcasting Monitoring Committee (HBMC)</b>	<i>Chairperson:</i> CEO, Prasar Bharati <i>Members:</i> Member (Finance), Prasar Bharati; Member (Personnel), Prasar Bharati; DG (Doordarshan); DG (AIR); E-in-C (Doordarshan); and E-in-C (AIR)
<b>HB Project Implementation cell</b>	Consisting of Project Director, Director (Finance), Director (Admin.) and Engineers

1.8.2 In addition, Government of India set up a **Group of Ministers (GOM)**, initially under the chairmanship of Shri Arjun Singh, Minister for Human Resource Development and later Shri S. Jaipal Reddy, Minister for Urban Development, to review progress and take decisions required to facilitate all activities concerning the Games. There was also a **Committee of Secretaries (COS)** chaired by the Cabinet Secretary to review and coordinate all activities related to the organization of the Commonwealth Games.

## Chapter 2: Governance Issues

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### 2.1 Organization structure

2.1.1 The Ministry constituted an **Oversight Committee** headed by Minister, I & B to monitor the progress for performing Host Broadcasting functions. The Oversight Committee met on six occasions till September 2010<sup>4</sup>. Critical timelines imposed on operations relating to development of infrastructure and procurement of services put a severe restriction on the ability of the Oversight Committee to monitor and ensure completion of all milestones of the prescribed standards at the minimum cost. In its meetings, the Oversight Committee had expressed concerns over selection of service provider for Production and Coverage Operations on the basis of a single bid, persistent instances of sending recommendations and minutes of HBMC meetings not signed by all members particularly Member (F) and Member (P), proposed changes in payment schedule and waiver of Bank Guarantee etc.

2.1.2 The powers of the Oversight Committee do not seem to have extended to securing compliance where serious deviations emerged in the tender process. In other words, it could approve / disapprove recommendations but could not ensure that the process for arriving at the recommendation by Prasar Bharati was proper and competitive.

2.1.3 Prasar Bharati takes major decisions with the approval of **Prasar Bharati Board**. The Board is vested with the responsibility of general superintendence, direction and management of the affairs of the Prasar Bharati Broadcasting Corporation. Approval of the Board was not taken for many major financial and management issues relating to Host Broadcasting operations. Documents relating to Board meetings, such as Register, Agenda Items and Minutes etc. were not maintained in a systematic manner. Confirmation and issue of the Minutes of the Meetings of Prasar Bharati Board held from August, 2009 to October, 2010 was still pending.

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<sup>4</sup> Minutes of Meetings of Oversight Committee can be referred to in Relevant Documents, Vol. I

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2.1.4 In the meetings of January and February, 2009<sup>5</sup> members of Prasar Bharati Board had observed that-

- Process of planning and executing Commonwealth Games, Delhi 2010 had been kept outside the purview of Board and financial details had not been shared with it.
- That EOI was issued for Production and Coverage activity without the approval of Board and that EOI appeared prima facie faulty which could restrict competition.
- Serious financial irregularities had been noticed in expenditure on Commonwealth Youth Games, Pune 2008 and schemes under north-east package.
- That entire work in Doordarshan was being carried out in a highly unprofessional manner with complete lack of transparency.
- Minutes of Board meetings were either inaccurate or issued after delays.
- Outsourcing of HB activities was done without seeking approval of the Board.
- Decision to Telecast Games in India on HD format was questionable.

Prasar Bharati Board was unable to do anything about these serious lapses.

### Box- 2: **Discord within Prasar Bharati**

Prasar Bharati was the Host Broadcaster for Commonwealth Games, Delhi 2010 but progress of discharge of this responsibility became the concern of Committee of Secretaries (COS) as well as that of the Group of Ministers (GOM). Discord within Prasar Bharati was discussed and inability to resolve problems and accelerate decision making was noted. Secretary, I & B informed the GOM that 'in respect of engagement of Consultant for Production and Coverage of Commonwealth Games, Delhi 2010 the Host Broadcasting Management Committee of Prasar Bharati was not unanimous in their recommendations to the Government. He stated that two sets of minutes / recommendations had been received as a result of which it was not possible for the Ministry to take a decision in the matter" (Para 08, 4<sup>th</sup> Meeting of GOM, 20<sup>th</sup> October, 2009).

2.1.5 Prasar Bharati Board constituted **Host Broadcasting Management Committee** (HBMC) for approval of the contracts and monitoring various matters relating to Host Broadcasting functions. It consisted of CEO Prasar Bharati as chairperson, Member (Finance), Member (Personnel), DG (Doordarshan), DG (AIR), E-in-C Doordarshan and E-in-C (AIR). The Minutes of the meetings of HBMC were either not issued in time or, in many

<sup>5</sup> Minutes of the Meetings can be seen at [Annexure 1](#)

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cases, not issued at all. In a number of cases it was alleged that minutes recorded were false / incorrect or distorted to favour a particular entity. Many meetings were not attended by Member (Finance) and Member (Personnel) of Prasar Bharati due to short notice period and other reasons. Worse still, the opinion of Member (Finance) and Member (Personnel) was not included in the minutes of the meetings attended by them.

2.1.6 In one case, the minutes of the meeting of HBMC held on 26<sup>th</sup> August, 2010 were stated to have been issued but were not placed on record, despite repeated noting to this effect by HB Project Cell. Decision on extending certain benefits to SIS LIVE was stated to have been taken in this meeting. SIS (Live) was informed by DG (DD) on 27<sup>th</sup> August, 2010 about acceptance by Prasar Bharati of their additional demands. In fact, HB Project Cell went on record to highlight that the Project Director was present in the said meeting and the request from SIS LIVE was neither discussed item-by item in the meeting nor was any decision taken. Much after the meeting, minutes were brought on record which contained the signatures of DG (DD), DG (AIR), E-in-C Doordarshan and E-in-C (AIR). The minutes were not endorsed by three members of Prasar Bharati, namely, the CEO, Member (Finance), Member (Personnel)<sup>6</sup>.

2.1.7 The HLC has come across instances where the HB Project Cell was repeatedly obstructed and overruled by the CEO / DG (DD) on matters of contract performance and additional benefits to the contractor, in particular, SIS LIVE.

2.1.8 Review of documents and interviews with key personnel reveal the following:

- severe deficit in confidence among the top management;
- major difference of opinion between CEO and DG (DD) on one hand and Member (Finance) and Member (Personnel) on the other; and
- lack of support from the top management to the HB project staff.

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<sup>6</sup> Minutes of the meeting reproduce at [Annexure 2](#)



### 2.2 Transparency

2.2.1 The Host Broadcasting functions were not always transparent. This was true of the procedures for identification of potential service and equipment providers, processing of the information received with reference to RFI, utilization of the services of the Media Consultant appointed by OC specifically for CWG 2010, issue of Minutes of the meetings and correct representation of the opinions of the members attending the meeting, etc. The lack of transparency along with the delays and favourable treatment accorded to SIS LIVE by the CEO and DG (DD) are suggestive of collusion with the firm.

### 2.3 Oversight and monitoring within Prasar Bharati

2.3.1 The oversight and monitoring functions by the top management of Prasar Bharati and Doordarshan were rendered *ab-initio* impossible due to the desperate timelines in almost all contracts. Delay in award of certain works which engendered 'emergency' situations have been indicated in the Table placed as Appendix 2 C of this report. The quality of monitoring by the HBMC was questionable due to reasons stated in the previous paragraphs.

### 2.4 Risk assessment and risk mitigation

2.4.1 Comprehensive risk assessment and mitigation is a pre-requisite for events where outputs have to be delivered within a prescribed time frame. Prasar Bharati did not undertake transparent risk assessment in achievement of the objectives relating to time-frame for various milestones, technology, sources for technical services and equipment, approval procedures, stand-by resource, etc. There was no clarity and transparency in delineation of responsibility along with accountability. This led to periods of prolonged inertia, despite the late start-up. In the absence of a risk assessment and mitigation strategy, Prasar Bharati could not take remedial steps and continued to be lethargic in project management even when they were confronted with critical delays. One major fall-out of this was that SIS LIVE threatened to walkout and/or refused to carry out work on a number of occasions and, thus, with the help of some top elements in management, coerced Prasar Bharati and Ministry into taking decisions in its favor.

### 2.5 Ethical Issues

2.5.1 Ethical standards and propriety were compromised in a significant manner while entering into contracts and monitoring the contract performance. The most important of them related to suppression of vital information received in response to RFI<sup>7</sup>. Moreover, the approach of the top management of Prasar Bharati and Doordarshan encouraged the contractor i.e. SIS LIVE and Zoom Communications to deal at the operational level in an overbearing manner. The Executive Director of Zoom Communications (Shri Vaseem Ahmed Dehlvi), to whom the SIS LIVE ultimately entrusted the entire production and coverage work 'back-to-back' at a price that was ₹ 69 crore less than the Prasar Bharati-SIS LIVE contract, attended all meetings in Prasar Bharati along with the representatives of SIS LIVE before the signing of contract. After the contract was signed, he continued to represent SIS LIVE in all meetings, though he was working for Zoom Communications. Interviews with the operational level staff suggested that the manner of his dealing left them demoralized. Member (F) and Member (P) wrote to Member (Executive) on a couple of occasions about the rude and abusive behaviour of Executive Director, Zoom Communications<sup>8</sup>. It was also gathered that on several occasions the HB Project Cell officers were reprimanded in the presence of the contractors for insisting on compliance to the terms of the contract. The representative of SIS LIVE (effectively Zoom Communications) even asked for transfer of some of the staff members in the HB Cell<sup>9</sup>.

2.5.2 These circumstances clearly establish that DG (DD) and CEO Prasar Bharati were aware of the simultaneous assignment of Production and Coverage responsibility by SIS LIVE to Zoom Communication; that they were two faces of the same coin and that their protestations to the contrary, post-survey operations by Income Tax (5<sup>th</sup> October, 2010), were disingenuous.

### 2.6 Superfluous legal advice

2.6.1 Prasar Bharati obtained legal advice on several occasions in connection with the contract for the production and coverage of the event from legal luminaries ranging from

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<sup>7</sup> The response of BBC OB to RFI issued in October 2007 was not placed on record.

<sup>8</sup> See Relevant Documents, Vol. I

<sup>9</sup> This was stated by a senior DD functionary during course of interview.

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the Solicitor General, to even a former Chief Justice of India even when the issues concerned related more to management decisions rather than legal complexities!

2.6.2 Except for legal aspects of the matters, the references for legal advice were largely superfluous. It was also noted that sometimes the legal advice given was more administrative in nature. In the meeting of the Oversight Committee held on 10<sup>th</sup> February, 2010<sup>10</sup>, the Law Minister observed that ‘after going through the legal opinion of Solicitor General on the contract document, it appears that SG has tried more to arrive at a compromise between the two parties and has not specifically given a finding on legality of same.’ The legal references can be viewed as attempts to foreclose the options of financial and management scrutiny on merit of the issues in terms of the contract and instead use the legal advice to cover or justify the management, financial and ethical misdemeanour.

### Box -3: Excessive Payments to Private Lawyers by Prasar Bharati

“Vigilance inquiry found that from the year 2006 to 2009 there was exponential increase in payments made to the legal entities engaged by Prasar Bharati and 78% of these payments was on account of engaging senior private advocates at ad hoc rates. The panel of regular advocates was reduced so as to create grounds for increased engagement of private advocates. Unjustifiably high rates were paid to the advocates and in some cases, the payments made were significantly higher than the terms of engagement. The whole process of engagement of senior private advocates was based on decisions taken by the CEO without the approval of the Prasar Bharati Board.”

-Extracts from Report of Central Vigilance Commission dated 16<sup>th</sup> July, 2010

## 2.7 Price comparison for rate reasonableness

2.7.1 Competitive bidding per se does not secure procurement of goods and services at the best price. It is incumbent upon any agency to satisfy itself about the reasonableness of price of goods and services. Prasar Bharati did not verify reasonableness of the rates quoted by the successful bidders, with help of various means available to it. Prasar Bharati failed to do so despite being advised by the Ministry of I & B and its Finance wing. This trend was noticed in all major contracts. Absence of price comparison and verification was a major

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<sup>10</sup> See [Annexure 3](#)

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reason for acceptance of exorbitant rates, particularly in the contract for production and coverage of the Games. The High Level Committee has concluded that the cost of this contract was at best about ₹111 crore; SIS LIVE and Zoom Communications have acknowledged profits of about ₹135 crore.

### Box- 4: Estimated cost of 'Production' & 'Coverage' of CWG 2010

The task of 'Production' and 'Coverage' of CWG 2010 was awarded by Prasar Bharati to SIS LIVE for Rs.246 crore.

The HLC estimates cost of this contract at below ₹100 crore taking into account the following:

1. Price quote of Rs.52 crore submitted by BBC Outside Broadcast for covering 12 events including Opening and Closing ceremonies representing more than 60% of the work in response to RFI issued in October, 2007. Providing for inflation, exchange rates and balance of work, the value of work could be estimated at ₹ 80-85 crore.
2. In the Bid submitted by SIS LIVE, the quoted price included
  - a) Deployment of 62 foreign based key personnel; only 23 were brought for the Games;
  - b) Bringing 1300 persons from outside India; only 858 persons were brought from outside;
  - c) Coverage of 21 countries for the Queen's Baton Relay; only 16 countries were covered – even the entry of the relay at Wagah Border in India was not covered;
  - d) Special camera mounting (Clause A36); contractor refused to honour its commitment and liability for additional payment of ₹1.70 crore was created;
  - e) Cost of laying audio, video data network & power cables at venues /broadcast compounds; SIS LIVE refused to do so and OC agreed to bear the cost of ₹96.13 lakh for doing this work;
  - f) ₹10 crore for consultancy charges; yet SIS LIVE refused to hire Lighting consultant & Doordarshan was obliged to do so at a cost of ₹22 lakh;
  - g) Cost of specified technical equipment for contract performance; there were significant deviations in terms of quantity and quality of technical equipment , value of which has been estimated by a PB Committee at ₹17.39 crore (January, 2011);
  - h) Cost of site offices; PB supplied furniture worth ₹20.71 lakh to SIS LIVE without receiving any payment from contractor;
  - i) Cost of food at venue sites; PB provided these at a cost of about ₹1.0 crore;
  - j) 70 commentary units i.e. equipment; SIS LIVE provided equipment for setting up only 31 commentary units.
3. Based on the Balance Sheet of Zoom Communications Ltd. and the statements made before Income Tax Authorities, the profit of Zoom Communications from this contract is estimated at ₹65 crore. Hence, acknowledged costs are at the most ₹111 crore.
4. Taking into account the factors mentioned at 2 (a) to (j) above, the cost of this contract is estimated at less than ₹100 crore.

### **2.8 Persistent exaggerated bids**

2.8.1 The HLC came across other instances, where Prasar Bharati received highly inflated bids such as one for coverage of the 3<sup>rd</sup> Commonwealth Youth Games, Pune, 2008. The lowest bid received for production and coverage of CWYG, Pune, 2008 was for ₹ 42.30 crore. This, however, could not be accepted and Doordarshan accomplished the task within ₹ 7.85 crore. Even if the cost equivalent of utilization of the in-house equipment and personnel is added, the total cost would be far below the quoted and recommended cost. But despite such signals, Prasar Bharati did not institute a system to investigate the reasonableness of price of SIS LIVE.

## Chapter 3: Omissions & Commissions

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3.0 The HLC came across several instances in the procurement management, which compels it to suspect complicity of the top brass of Prasar Bharati, especially the CEO and DG (DD) in some of the contracts. The issues suggestive of deliberate omissions and acts of commissions that came to the notice of the HLC are as under:

### 3.1 Commonwealth Youth Games

3.1.1 The OC organized 3<sup>rd</sup> Commonwealth Youth games in Pune during 12-18 October 2008, which was to act as a curtain raiser for the Commonwealth Games, Delhi 2010. Prasar Bharati, as Host Broadcaster, floated global tender for outsourcing services of production and coverage of CWYG in Standard Format. It received six responses in July 2008 which included Zoom Communications Ltd., New Delhi and SIS Outside Broadcast Ltd., UK. The Technical Evaluation Committee of Prasar Bharati concluded that technical bid of only one firm i.e.; SIS Outside Broadcast Ltd., UK was acceptable. This left a single bidder and his financial bid of ₹42.30 crore. Prasar Bharati recommended acceptance of the single technically acceptable bid of SIS Outside Broadcast to the Ministry. The Ministry referred the matter to CVC, who observed that the exercise of tendering undertaken by Prasar Bharati was flawed and motivated. It added that eligibility criteria fixed for the tender were unduly restrictive. The CVC advised re-tendering with less restrictive eligibility criteria to enable wider competition<sup>11</sup>. In view of constraints of time in re-tendering, the Ministry directed Prasar Bharati to cover the games in-house. Doordarshan completed the task successfully at a cost of mere ₹ 7.85 crore, against ₹ 42.30 crore quoted by SIS (OB).

3.1.2 The quality of the coverage provided by DD was appreciated by the International Broadcast community, and most importantly by the CGF which was a testimony to the competence and skill available in DD. The total cost of mere ₹ 7.85 Crore on production and coverage of Commonwealth Youth Games, Pune 2008, included hiring of broadcasting equipment aggregating ₹1.6 crore from Zoom Communication, Delhi. Central Vigilance

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<sup>11</sup> Comments of CVC and related documents are at [Annexure - 4.](#)

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Commission had in a separate report highlighted the irregularities in awarding the above contracts to Zoom Communication, Delhi.

3.1.3 Prudence required that Prasar Bharati should have learnt at least the following lessons from the Commonwealth Youth games, Pune:

- The financial quote of outside bidders, in particular SIS Outside Broadcast, which later quoted for CWG 2010 as SIS LIVE was exaggeratedly overpriced;
- Doordarshan possessed the technical capacity to produce and cover the games, given the opportunity and resources, at a fraction of the cost of outsourcing; and
- Restrictive clauses in request for proposal limit the competition exposing Prasar Bharati to the risk of excessively inflated cost.

Prasar Bharati did not heed the lessons of the CWYG 2008 and did not put in place systems to address the comments of CVC. On the contrary, the conduct and procedures adopted by Prasar Bharati for CWG 2010, discussed in the succeeding paragraphs show that it persisted with the same approach for CWG 2010 leading to the acceptance of virtually the single inflated bid of SIS LIVE.

### 3.2 HD telecast

3.2.1 The Host Broadcasting Guidelines of CGF prescribed the standards of telecast of Commonwealth Games in High Definition of a specified standard. The guidelines also provided that as a concession to those Rights Holders that are not fully converted to HD format, the HB will be required to offer the basic feed signals to RHBs on standard format. The OC advised Prasar Bharati to produce the coverage of the games in HD. The decision for HD coverage was guided by the considerations of CGF Guidelines, showcasing India and adoption of the latest technology, which would purportedly evoke greater interest from the rights holders and consequently generate more revenue.

3.2.2 The OC and Prasar Bharati did not perform due diligence before determining the HD coverage from the point of view of

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- utility of HD production in relation to the 'capacity' of HD telecast and 'reception' in the Commonwealth countries,
- Demand from the right holder broadcasters for HD format and risk assessment of SD production, and
- exercising the option clause in the Host Broadcasting Guidelines for SD production.

Prasar Bharati proceeded with the HD broadcast as the 'given' option.

### 3.3 In-house and outsourcing

3.3.1 In the meetings held on 09<sup>th</sup> November, 2006 and 27 to 29 June, 2007<sup>12</sup> between the OC and Prasar Bharati, OC was informed that Doordarshan would cover the production of 10 events of CWG 2010 in the HD format in-house. Production of 7 events of sports, which required specialization, besides the Opening and Closing ceremony would be outsourced. The Committee also noted that the Engineering wing of Prasar Bharati / Doordarshan had categorically maintained and confirmed that they were confident of covering 10 events. Preliminary work on confirmation of the production groups and producers for these events was also carried out.

3.3.2 Mr. Patrick Furlong, Broadcasting and Media Consultant of the OC, who had impressive credentials of having worked as Head of Sport ABU and Director, (Broadcast) and Media Services 2006 Doha Asian Games, Chief Operating Officer of the Host Broadcaster 2002 FIFA World Cup with 37 years of TV Broadcasting experience, was entrusted the task of developing the scope of works document. In the meeting on 29<sup>th</sup> June 2007, Mr. Patrick Furlong distributed the timeline document as well as Camera plans and Camera narratives for the 10 events that were to be produced by Doordarshan. Doordarshan also constituted production teams for each of the 10 sports. The Consultant also provided Prasar Bharati with 'scope of work' document in September, 2007 for seven sports / events, requiring specialist producers, directors and experts' teams, which were to be outsourced.

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<sup>12</sup> See [Annexure 5](#)



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3.3.3 The Committee noted that the option of 'in-house' coverage of 10 events was abandoned for no known reason. There is no evidence in the documents containing the reasons and the level at which the decision was taken to abandon the in-house option in favour of outsourcing all the games, except engaging 50 technical and production personnel of Doordarshan in wrestling, boxing and weightlifting events. The onus of this must lie on CEO /DG (DD).

3.3.4 The option of the Host Broadcaster making consortium of Production companies and service providers for production, distribution and transmission activities as was the case for Busan Asian Games, 2007; Athens Olympic Games, 2004; Doha Asian Games, 2006 and Beijing Olympic Games, 2008 was also not considered. The HLC is of the opinion that the decision to outsource entire production and coverage job was motivated. Non-transparent discard of the significantly lower cost option of in-house production not only cost the exchequer avoidable higher expenditure but also deprived Doordarshan of the legacy benefits of developing technical capability.

### 3.4 Time-lines

3.4.1 The Host City Contract was signed as early as November 2003. Even without a formal request from the OC, Prasar Bharati, being the national broadcaster, could have initiated exploratory activities under the assumption that the Host Broadcasting responsibilities are bound to come to them. The OC took its own time to communicate formally to the Ministry that Prasar Bharati would be the Host Broadcaster. The OC communicated the entrustment of Host Broadcasting role to Prasar Bharati in March 2007, over three years after the signing of Host City Contract. Even thereafter, Prasar Bharati's actions did not reflect concern of time schedules. As would be seen from the Table at [Appendix 2 C](#), Prasar Bharati not only initiated action long after receipt of the communication from the OC, but reflected no sense of urgency in achieving various milestones in the approval of the projects. The result was to land Prasar Bharati in emergency situation in most cases, with no option to re-tender and explore competitive options in the face of high rates quoted by the bidders. Ministry and Finance wing of Prasar Bharati had expressed concerns and questioned the propriety of

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awarding contracts under defective and vitiated procedures adopted on a number of occasions. These concerns were brushed aside by PB / DD on the grounds of criticality of time vis a vis start of certain pre-game activities i.e. QBR and World Broadcasters Meet and the main games etc.

### 3.5 Request for Information (RFI)

3.5.1 In February, 2007, a Committee of Officers was constituted by Prasar Bharati for framing budgetary estimates for Host Broadcasting activities. The Committee, after many meetings and deliberations, assessed the budget requirement of ₹ 181 crore for Doordarshan and ₹ 58 crore for All India Radio (AIR). The estimates were prepared based on the inputs from Melbourne, 2006 Games in which Australian \$ 39.6 million (₹ 140 crore) was paid to TWI for being the Host Broadcaster. Subsequently, in September-October 2007 it was decided to gather information on the technical capabilities required and estimate of expenditure through *Request for Information (RFI)*<sup>13</sup> to selected entities. The information received in response to RFI formed the basis of the major part of the estimates placed before the EFC for approval. Yet, the HLC observed that Prasar Bharati did not maintain any RFI file at all! The RFI information was kept in soft form in the computer of the project officers.

3.5.2 The EFC and the Committee appointed by EFC for scrutinizing and firming up cost estimation for Commonwealth Games, approved in April – May 2008 cost estimate of ₹ 366 crore for Commonwealth Games, Delhi 2010. The EFC and Planning Commission had voiced concerns on a number of occasions about the basis for estimating costs for coverage of the Games. Prasar Bharati had informed the Ministry and EFC on more than one occasion that the estimated costs were based on responses received to ‘Request for Information’ for **Turnkey** job from some renowned production companies and Service providers / Broadcasters across the globe.

3.5.3 This contention was, however, not correct since vital facts were not placed on record; RFI was issued to four entities in October 2007, namely,

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<sup>13</sup> See Relevant Documents Vol. I

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- BBC Outside Broadcast,
- International Sports Broadcasting (ISB),
- IMG Media TWI Sports and
- Host Broadcast Services.

ISB declined to participate on the grounds that the strength of this company was more related to organizing of host broadcast activities than in supply of production teams or mobile units. Host Broadcast Services (HBS) and IMG Media, who had implemented the host broadcast operations of the XV<sup>th</sup> Asian Games Doha, 2006 in joint venture partnership responded jointly to the RFI<sup>14</sup>. They sent a complete technical and financial provision for a turnkey provision of Host Broadcaster facilities and services covering all aspects of the host broadcast activity i.e.; production, coverage, IBC, event management, booking cum information, venues customization, catering, furniture, uniforms, travel, accommodation, training and transport etc. The total estimate by the company was ₹ 340 crore, which included ₹ 56 crore towards overall management and management fee. The overall cost of the formal bid was bound to be much lower than ₹ 340 crore given the fact that part of overall management was to be provided by Prasar Bharati and bid amount could have been negotiated. More importantly, they offered to provide complete turnkey service, which included long term objective of providing opportunity (as legacy) to Doordarshan to integrate within a sophisticated and experienced event broadcasting operation, training and work experience to local broadcast professionals and for students and help for introducing new and sophisticated production techniques, technology and broadcast infrastructure.

3.5.4 BBC (Outside Broadcast) quoted for 12 sports events including Opening and Closing ceremony, for which they reportedly had the experience, and stated that the company was not in a position to offer a complete “Turnkey” solution including the IBC<sup>15</sup>. The estimate quoted by BBC (OB) was ₹ 52 crore for technical facilities i.e.; equipment (Cameras, Lenses, Cable, Sound VTR & replay, production unit, special camera system and RF) and crew and excluded cost for freight and travel, the price, for which was stated to be dependent on number of events that the company would be asked to cover as best savings could be achieved through quantity of work. It was further stated that though it had quoted for each

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<sup>14</sup> Relevant extracts from their proposal can be seen at [Annexure -6](#).

<sup>15</sup> Relevant extracts from their proposal have been placed at [Annexure - 7](#).

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event separately, economy could be achieved by using the same equipment for more than one event and that the number of days on site could be reduced significantly in most cases which, again, would result in major cost savings. Even after providing for costs involved in covering the remaining events, freight and travel costs and other production services, the total cost for Production and Coverage operations in CWG 2010 may well have been within the range ₹ 80-85 crore.

3.5.5 The offer of the BBC (OB) was never placed on record during the correspondence with the Ministry/ EFC except for a passing reference made regarding requirement of OB kits in EFC proposals. This offer was also not pursued with BBC (OB). Both entities (HBC-IMG & BBC (OB)) had requested for further discussions to firm up their interest. Prasar Bharati did not respond to their offer.

3.5.6 SIS LIVE acquired BBC (OB) with a view to leveraging its technical expertise and subsequently, in its new avatar, it bid for the Production and Coverage assignment of CWG 2010. The technical experts of erstwhile BBC (OB) (Mr. Alan Bright, Commercial Manager and Mr. Phil Aspden, Head of Commercial BBC (OB), who had quoted a figure ₹52 crore on behalf of BBC (OB), responded to the EOI and RFP floated by Prasar Bharati on behalf of SIS LIVE by quoting an exorbitant figure of ₹246 crore. The cost quoted in response to the RFP was by no means reasonable when benchmarked against the earlier offer of BBC (OB) of about ₹52 crore which covered about 60-65 per cent of the work awarded!

3.5.7 More importantly, while pushing for the acceptance of the bid of ₹246 crore of SIS LIVE for Production and Coverage activity, Prasar Bharati informed the Ministry and Oversight Committee on a number of occasions (i.e. in the meeting held in October, 2009<sup>16</sup>) that bid of SIS LIVE (₹246 crore) was 26 percent lower than estimates received (₹336 crore) for the same activity in response to RFI. This was patently false, misleading and factually incorrect. HBS-IMG consortium had quoted cost of ₹336 crore on total turnkey solution for HB responsibilities which included ₹172 crore for production, ₹34 crore for IBC, ₹29 crore for venue operations, ₹45.50 crore for other operational items, ₹47.50 crore for overall

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<sup>16</sup> Minutes of the meeting of Oversight Committee dated 22.10.2009 are at [Annexure 8](#).

management and ₹8 crore as management fee. The bid of SIS LIVE was, thus, higher by ₹74 crore compared to bid of HBS-IMG consortium for production.

### 3.6 Invitation for Expression of Interest (EOI)

3.6.1 The provision of Host Broadcaster facilities and services comprises mainly of the following core divisions:

- Overall Management
- International Broadcast Centre (IBC)
- Venue operations and services
- Production
- Broadcast Telecommunications

3.6.2 Prasara Bharati had from time to time during the years 2007 and 2008, in various proposals and discussions proposed outsourcing of the Host Broadcaster activities either for a complete Turnkey solution or on a non-Turnkey basis, though a preference was expressed on a number of occasions for a complete turnkey solution. In fact in response to RFI, Host Broadcast Services and IMG Media had offered as a Joint Venture to provide a turnkey solution for all the Host Broadcaster functions and activities and also quoted price for the same. These companies had under a Joint Venture provided complete Host Broadcast Services (HBS) for XV<sup>th</sup> Asian Games 2006 including designing, construction and management of IBC. Besides, HBS was also Host Broadcaster of the FIFA world cup since 2002 and IMG Media had a strong track record in major event coverage, including Melbourne Commonwealth Games, 2006.

3.6.3 In January, 2009 an invitation for *Expression of Interest (EOI)* was issued by Prasara Bharati for 'Production and Coverage' of the designated 17 sports events and ceremonies. The EOI was issued for one activity i.e. Production and Coverage instead of complete turnkey proposal without any informed discussion in consultation with the Ministry or the OC after examining the merits or demerits of the two alternatives. This was particularly important as a comprehensive proposal had earlier been received for Turnkey solution from a consortium of leading International Broadcasters.

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3.6.4 Subsequently, a number of separate contracts were signed on the basis of multiple EOIs and RFPs issued for various sub-activities i.e.; IBC, Customization of Venues, Event Management, setting up of booking and information office. This, apart from leading to various controversies and disputes regarding overlap of activities and areas of responsibility (discussed in later part of report) with consequent cost escalation, also resulted in unnecessary multiplication of work and waste of resources. It is possible that the decision of not issuing an EOI for Turnkey proposal was influenced either by the response of BBC (OB) in October 2007 that they were not in a position to design or construct IBC or the desire to procure services of multiple vendors / service providers.

### 3.7 Response to EOI for production and coverage

3.7.1 In response to EOI issued in January 2009, ten offers were received, which were examined by the EOI Evaluation Committee. Though the Committee in opening remarks of the summary records mentioned that only one entity i.e. SIS LIVE *had submitted the entire requisite documents, it shortlisted four companies during the period February - March 2009* after writing to some of these companies and obtaining additional documents and seeking legal opinion in some cases which resulted in loss of valuable time. The list of short listed entities was increased to five at the instance of Ministry of I & B.

3.7.2 EOI is essentially an early phase of the process for selection of service providers and involves invitation to prospective service providers to state their ability to meet specific project requirements either individually or by combining their abilities. The objective is to assess these entities for inclusion or otherwise in a short list for invitation to submit proposal or tender. The EOI brief is generally limited to the information which is essential, to assess entities' financial, commercial and technical resource capacities. It does not require information that is more appropriately addressed by selection criteria in the subsequent selection process i.e. RFP.

3.7.3 More than six months were wasted from October 2008 to March 2009 in avoidable correspondence for obtaining work plans and experience certificates and seeking costly legal advice which ought to have been addressed at the RFP stage. The EOI document was

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sought to be cleared and approved by the Finance wing and Ministry urgently on the grounds that there was slippage in time lines. It would be seen that in a number of similar cases, delays had been caused at the end of which a '*fait accompli*' situation was created. It was gathered in the meetings with staff and management that these delays were 'deliberate' for creating time criticality and for pre-empting any further review of decisions taken.

### 3.8 Requests for Proposal (RFP)

3.8.1 A letter of invitation for RFP was issued to five shortlisted entities in July 2009<sup>17</sup>. The five companies included Reliance ADAG's Big Productions in consortium with the Beijing based Interpublic Marketing Services (Shanghai) Ltd. and Tokyo Broadcasting System as the lead partner; Nimbus Communication with Canadian Broadcasting Corporation as lead partner; Nimbus Sports International Ltd. of Singapore with International Sports Broadcasting USA as lead partner; SIS LIVE of UK with SIS Broadcast as lead partner; and International Games Broadcast Services of Switzerland. The RFP was invited on two bid systems i.e. technical bid and financial bid. A pre-bid conference for clarifying various issues, doubts and queries of the representatives of shortlisted companies on the RFP was held on 24<sup>th</sup> July, 2009. Queries raised along with clarifications were documented and issued to all the entities.

3.8.2 In the pre-bid meetings a large number of queries and issues were raised particularly in the background of delay in starting the process and short time left for organizing the production and coverage activities. The clarifications given by Prasar Bharati on these queries were either highly inflexible, frivolous or not to the point<sup>18</sup>. The main aim of these responses appeared to be to make the overall environment very difficult and discourage the entities from responding to RFP. The whole approach worked well as the four entities, particularly the foreign lead companies, backed out and decided not to bid. SIS LIVE was then the only entity in reckoning.

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<sup>17</sup> The RFP document is in the public domain and was available on DD website.

<sup>18</sup> See Relevant Documents, Vol. I.

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**3.8.3 International Sports Broadcasting (ISB)** USA lead partner of Nimbus Sports expressed in August, 2009 the following concerns for not bidding:-

- Delay in short listing of the bidders and the issuance of RFP.
- Degree of unnecessary detail and impossible deadlines.
- Terms and Conditions not pragmatic and technically unsound,
- Inflexibilities imposed make the job impossible.
- The segregation of certain HB responsibilities such as IBC will make the co-ordination difficult.

ISB had also stated that should HB revise RFP scope and terms, it was willing to continue as a lead partner of Nimbus Sports<sup>19</sup>.

**3.8.4 Canadian Broadcast Corporation Sports**, which had covered every Commonwealth Games since 1966, had stated in August, 2009<sup>20</sup> that-

- They could not continue as lead partners because of the concerns around the consistent delays on the selection of shortlist and in most major games HB is in place more than 2 years before opening ceremonies.
- Clarifications that were provided from Q and A session were even more disconcerting and that conditions laid out were both vague and unrealistic.
- Business terms were not of international standards and that no games that they had worked on have required such an aggressive pre-production schedule.
- That it had mounted host broadcasts with difficult timelines and were willing to work on CWG Delhi, 2010 should there be a desire to refine the process International Games.

**3.8.5 International Games Broadcast Services** of Switzerland also expressed (August, 2009) its unwillingness to submit a proposal in response to RFP on the following grounds<sup>21</sup>-

- Financial conditions were incompatible with the demands of RFP and project.
- Draft contract was unfair and one-sided.

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<sup>19</sup> See Annexure - 9

<sup>20</sup> See Annexure - 10

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- RFP conditions regarding scope of services and provision of technical and personnel specifications were unreasonable and unrealistic within the timescale and framework of RFP.
- Despite raising concerns in a written request for clarification and attending bid conference, the concerns were not fully recognized.
- As previous Host Broadcaster of the preceding edition of CWG and Asian Games, 2006 it would be prepared to enter into a direct negotiation with DD or consider joining a consortium for providing these services.

3.8.6 **Big Productions**<sup>22</sup> had similarly expressed its inability to respond to RFP as-

- Payment schedule given in RFP did not match consortium's expectations and scope of work was beyond its initial estimates.
- If HB was willing to relax these terms the entity would submit the bid.

3.8.7 Instead of addressing the concerns expressed by these renowned international production and broadcasting companies, for the sake of wider competition and better services, SIS LIVE was awarded the production and coverage services contract on the basis of a 'single tender'. **The HLC believes that this action was pre-meditated and motivated because several changes requested and rejected for other short listed bidders were, after award of contract, accepted by Prasar Bharati for SIS LIVE.**

3.8.8 Further, Mr. Patrick Furlong had informed the Ministry in December, 2007<sup>23</sup> that despite many requests to Prasar Bharati for copies of responses to RFI, Prasar Bharati had not responded and no information was shared with him on what was contained in these responses nor were technical responses received in October, 2007 shared with him. OC had paid Consultation fee of about ₹ 5.5 crore to this Consultant during the years 2007 to 2010 and his mandate included inter-alia providing HB with appropriate advice and information for issue of "Expression of Interest" assessing the EOI for finalizing shortlist of Companies for issue of RFP, provide assistance to HB in the evaluation and finalization of tenders received and manage the overall activities of Delhi, 2010 HB Services. The Consultant was never

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<sup>22</sup> See [Annexure -12](#)

<sup>23</sup> See [Annexure -13](#)

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taken on Board by Prasar Bharati in the matter of issue of EOI, short listing of Consultants, issue of RFP or finalization of Contracts etc. The timeline for finalization of overall implementation and delivery of Host Broadcast Services and for finalization of tender process for selection of service providers developed by the consultant was also never followed.

### 3.9 SIS LIVE as 'single' valid bid

3.9.1 British Broadcasting Corporation (BBC) disinvested in its Outside Broadcast (OB) business known as BBC outside Broadcast to Satellite Information Services Ltd. (SIS) in March, 2008. As part of this transaction, the staff of BBC (OB) and physical assets including Outside Broadcast Systems was transferred to new entity called SIS OB. A partnership deed was signed on 7<sup>th</sup> January, 2010 between Satellite Information Services (Ltd.) and SIS (OB) Ltd. (companies registered in UK) for carrying out and undertaking all activities and actions necessary or desirable to implement the Commonwealth Games Contract 2010.

3.9.2 The Ministry of I & B informed Prasar Bharati on 10<sup>th</sup> September, 2009<sup>24</sup> that bidding process has resulted in only a single valid bid and that HBMC had neither deliberated on the circumstances leading to a single bid nor provided a detailed justification as to why re-bidding should not be resorted to. Prasar Bharati informed<sup>25</sup> the Ministry that single valid bid had emerged over an elaborate tendering process starting from EOI to pre-bid and RFP stages which process had been held in a transparent manner. PB, thus, concluded that single valid bid can in no way be compared to a single tender situation. It was further stated that SIS LIVE had bid in a 'competitive environment' as two entities i.e. Nimbus Communication (Ltd.) and SIS LIVE had submitted Technical and Financial proposals within the stipulated time i.e. 19<sup>th</sup> August, 2009.

3.9.3 The justification provided for accepting single bid was untenable as the process of EOI, pre-bid conference and RFP was used to eliminate competition instead of assessing

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<sup>24</sup> See [Annexure -14](#)

<sup>25</sup> See [Annexure -14](#)

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competitiveness of rates. Besides the bid of Nimbus Communications Ltd. was *abinito* invalid as its Lead partner had already informed that it was unwilling to remain lead partner in view of inflexible response of Prasar Bharati. Central Vigilance Commission has in a separate report brought out cases of undue favours extended to NCL by PB management and nexus in bidding for telecast of cricket matches on Doordarshan during 2007. It appears that the dummy bid of NCL was obtained merely to pre-empt the decision of re-tendering as had happened in CWYG, Pune 2008.

3.9.4 The EOI for Production and Coverage was issued on 26<sup>th</sup> December, 2008 and the process was concluded in October, 2009 after nearly 10 months. PB while responding (October, 2009) to the Ministry, stated that there was no scope for re-tendering as coverage of QBR was to start from 29<sup>th</sup> October, 2009 and training to DD staff was also scheduled for October-November, 2009. Thus, the Ministry was left with no option other than to accept the *fait accompli*.

### **3.10 Benefits extended to SIS LIVE**

3.10.1 As per the contract signed with SIS LIVE, the entity was to provide a 'turnkey solution' for the functions related to generation of basic feed, broadcast venue operations and services and training of PB staff. The functions related to broadcast venue operations and services were not performed by SIS LIVE and were outsourced by Prasar Bharati to other agencies through separate contracts. Subsequent to the award of contract to SIS LIVE, instances in which undue and irregular benefits were extended to this entity, which have come to the notice of HLC, are as under:

#### **(a) Amendments in draft contract detrimental to the interest of Prasar Bharati**

3.10.2 The draft contract circulated to the short listed service providers contains essential contours of the terms and conditions which would operate after a contract is finalized. Minor changes based on the discussions with the selected entity and arising out of changes in the work plan, scope of work and methodology etc. are permitted in special cases. No deviations from the basic clauses are allowed as such an action vitiates the whole bidding

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process. The decision of potential bidders to bid or not is influenced by the draft contract and clarifications given in pre-bid meeting.

3.10.3 Four out of five potential bidders had during pre-bid conference and later on also requested discussions on some of the clauses including schedule of payments as incorporated in draft contract. This should have been considered carefully and changes accepted since one reason cited was difficult timeline given the delays in issue of EOI and RFP. These requests were either summarily rejected or ignored.

3.10.4 The contract with SIS LIVE was finalized and signed on 5<sup>th</sup> March, 2010<sup>26</sup> after a delay of about five months after the issue of Letter of Award in October, 2009. During the intervening period i.e. October, 2009 – March, 2010, major deviations / changes were discussed and agreed to<sup>27</sup>. This was despite the fact that unconditional offer to RFP was submitted by SIS LIVE which precluded demand for any material change in the draft contract. Union Law Minister had expressed concern in the meeting of Oversight Committee held on 16<sup>th</sup> December, 2009 over delay in finalisation and signing of contract. Even thereafter, Prasar Bharati took another three months to finalise the contract. During the period October 2009 – 5<sup>th</sup> March, 2010, SIS LIVE was allowed to cover Queen's Baton Relay (QBR), make presentation in RHBI meetings and start training etc. without any valid contract in place. This provided leverage to SIS LIVE to coerce PB and Ministry by threats of withdrawal and also make unreasonable demands. **The changes agreed to by the Prasar Bharati were significant as these included changes in terms of payments, performance guarantee, liquidated damages and duties and liabilities of Prasar Bharati and SIS LIVE and sub-contracting etc.** Most of these changes were heavily loaded against the interests of Prasar Bharati and diluted the liabilities and obligations of SIS LIVE. In the draft contract there was provision for payment of liquidated damages by HB if the entity suffered damages due to any act of negligence by HB. The final amended contract made a provision for payment of liquidated damages if there was delay of more than 10 days after the receipt of invoice, in release of payment to entity. It is significant that SIS LIVE sent legal notices to HB

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<sup>26</sup> The full text of this contract can be seen in Relevant Documents, Vol. II of this report.

<sup>27</sup> Details can be viewed at [Annexure -15](#)

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on 20<sup>th</sup> and 26<sup>th</sup> August and again on 19<sup>th</sup> and 30<sup>th</sup> November, 2010 for delay in payment against fifth and sixth invoice.

3.10.5 The major deviations, approved despite serious reservations of finance wing and the Ministry, constituted improper favour to SIS LIVE besides imposing major liabilities on Prasar Bharati. In the Oversight Committee meeting of February, 2010<sup>28</sup> Minister, I & B had mentioned that PB had all along maintained that terms and conditions of payment cannot be changed and some parties chose to opt out of bidding process because of this. She further cautioned that changing it now may leave field open for legal intervention by other parties. The Solicitor General had also opined in December 2009 that there was a general agreement in principle that draft contract provided in the RFP would be taken as the basic document. Secretary, I&B had also mentioned in the Oversight Committee meeting of 6<sup>th</sup> December, 2009 that vigilance guidelines do not permit any material changes to be made after completion of bidding process.

3.10.6 Had these changes been discussed and agreed to at pre-bid conference stage, a wider field of competition for award of contract would have become available. This apart, specific approval of the Ministry for most of these changes was not obtained and instead uncalled for legal advice was obtained. More importantly, some of the clauses and provisions of the final contract vetted by a Lawyer (designated by Solicitor General) were unauthorisedly revised in the final draft signed with SIS LIVE for conferring additional benefits to SIS LIVE with legal and financial implications for Prasar Bharati<sup>29</sup>. Disciplinary proceeding instituted in August, 2010 against an officer of Prasar Bharati for fixing responsibility for unauthorised changes in final Contract was inconclusive as of January, 2011. Project Director had observed on 28<sup>th</sup> August, 2010 that she had sent two notes earlier for the removal of one particular officer responsible for unauthorized changes, as his actions were suspect, but no action was taken on these notes. She had further mentioned that interim draft contract under discussion in PB and with SG was being shared by this officer with SIS LIVE. She had called for action against the delinquent officer without success.

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<sup>28</sup> Refer Annexure -3

<sup>29</sup> Refer to Relevant Documents, Vol. I

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3.10.7 Some changes made in the contract not only appear prima facie irrational but also seem to have a hidden agenda. Clause 10.2 of draft contract relating to conflict of interest was modified as under-

From –	To-
“Entity including its personnel that has a business relationship with a member of HB’s staff who is directly or indirectly involved in any part of (i) the preparation of Terms of References (TOR), (ii) selection process (iii) supervision of the contract may not be awarded a contract”	“Entity including its personnel that has a business relationship with a member of HB’s staff who is involved in the supervision of the contract”

The sub-conditions at (i) and (ii) of the original clause were deleted. This change alludes to possible business relationship of some members of HB’s staff with either SIS or ZOOM.

### **(b) Sub-Contracting of the Assignment to Zoom Communications**

3.10.8 As stated above, a number of clauses of the draft contract circulated to five shortlisted service providers through RFP were either modified substantially or new clauses were inserted in the final contract signed with SIS LIVE. Clause 15 of the draft contract was modified-

From-	To-
“entity shall not assign or transfer the contract or any part thereof”	“entity shall not assign or transfer the contract or any part thereof but HB acknowledges that the entity will utilize sub-contractors/ production associates for the performance of the services”

In contracts with provisions for sub-contracting, an important provision/ caveat that is included is that the service provider would need to submit a MOU / Agreement with the sub-contractor clearly indicating their contractual relationship. The fact that first, the relevant clause was modified and, then, prescribed safeguard was not included indicates

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collusion between Prasar Bharati, Doordarshan, SIS LIVE and Zoom Communications right from the beginning.

3.10.9 Contract between Prasar Bharati and SIS LIVE for providing production and coverage services at a total cost of ₹ 246 Crore was signed on 5<sup>th</sup> March, 2010 and a 'back to back' contract between SIS LIVE and Zoom Communication<sup>30</sup> at a cost of ₹ 177 crore was signed on the same day. The scope of work and schedule of payment etc. included in the agreement between SIS LIVE and Zoom Communication was a replication of the terms and conditions in the first contract between HB and SIS LIVE. The responsibility of SIS LIVE in its contract with Zoom Communication (Para 5) was limited to following activities:

***Assistance and Exemptions:*** Unless otherwise specified, SIS shall use its best efforts to ensure that SIS shall:

- *Provide ZOOM including its Personnel associated with the project, with work permits and such other documents as shall be necessary to enable ZOOM or its Personnel to perform such Services.*
- *Issue to its officials, agents and representatives of SIS all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services.*
- *SIS will facilitate necessary permissions and licenses, wherever required. However, the license fee, if any, has to be paid by ZOOM.*
- *Provide to ZOOM and its Personnel and such other assistance to facilitate Performance of the Contract.*

3.10.10 **Appendix 2 B** indicates comparative position of accomplishment of activities of deliverables as per agreed time schedule for the purpose of raising invoice for payment under the contract between SIS LIVE and HB and under the contract between SIS LIVE and Zoom Communications. It is clear from the table that contract was assigned to Zoom Communications in its entirety.

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<sup>30</sup> Full text of the Contract between SIS LIVE and Zoom Communications is available in Relevant Documents, Vol. II.

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3.10.11 Under the operating document Clause 3, profits are to be shared equally by SIS LIVE and Zoom Communication. Further above 75 per cent of the workforce and equipment was to be provided by Zoom Communication and as per Clauses 1.2.1, 3.7 and 4.1 of this agreement, there was no principal / agent relationship and each party was fully responsible for the service performed by each party. This assignment and sub-contracting vitiated the whole selection process starting from issue of EOI and RFP and evaluation of technical and financial proposal of SIS LIVE. The service provider was selected for service delivery on the basis of its experience in previous international sports events, its technical and manpower capabilities and the equipment and manpower resources acquired by it at the time of taking over of BBC (Outside Resources). Thus, eligibility criteria prescribed in EOI and RFP for production and coverage service were conveniently by-passed. **This constitutes fundamental breach of contract conditions by SIS LIVE as actual contract was performed by Zoom Communications, an Indian firm which was not otherwise eligible to bid for this service.**

3.10.12 Another implication of this contract and the material collected by the Income Tax Department in its survey in the office premises of Zoom Communication is that the initial cost estimates were grossly inflated. The deliberate suppression of information received at the time of issue of RFI had facilitated this process. During Income Tax survey on 05<sup>th</sup> October, 2010, Zoom Communication had on oath declared estimated total profit of ₹ 75 crore on the estimated total revenue of ₹208 crore during 2010-11<sup>31</sup>. The gross revenue of ₹208 crore included receipt of ₹177 crore from SIS LIVE. Pro-rated, the profit of Zoom Communications from the contract with SIS LIVE for coverage of CWG 2010 should, at the least, amount to ₹ 65 crore.

3.10.13 In another survey of SIS LIVE Accounts, a provisional assessment of Income Tax has assumed that the entire amount of the difference between the SIS-Prasar Bharati and Zoom-SIS contract of ₹69 crore is the profit of SIS LIVE<sup>32</sup>. **Thus, what appears to be the case is that SIS LIVE secured the contract for ₹246 crore; assigned it to Zoom Communications for ₹177 crore; provided no service and made a profit of the difference**

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<sup>31</sup> Full text of Statement made is reproduced at [Annexure -16](#).

<sup>32</sup> Full text of Statement made is reproduced at [Annexure -16](#)



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between the contracted price and the assigned price, i.e. ₹69 crore! Alternatively, Zoom Communications used SIS LIVE to secure the contract. Given the complexity it is idle to speculate which of this is true. Howsoever these transactions are viewed, Government overpaid at least ₹135 crore in a contract of ₹246 crore.

3.10.14 When CEO, Prasar Bharati met HLC on 19<sup>th</sup> November, 2010, he stated that sub-contract / assignment of contract by SIS LIVE to Zoom Communications on 5<sup>th</sup> March, 2010 came to light post Income Tax survey in October 2010. A similar impression was conveyed during interactions and meetings with various functionaries of PB / DD. Both these are attempts to contrive an alibi by those who not only knew but were in fact complicit.

3.10.15 These need to be viewed in the context of the association of CEO of Zoom Communication with Prasar Bharati management from EOI stage. Besides, Prasar Bharati had regular commercial dealings with Zoom Communication at least since CWYG, Pune 2008<sup>33</sup>. The Executive Director of Zoom Communications (Shri Vaseem Ahmed Dehlvi) who signed the sub-contracting agreement between SIS LIVE and Zoom Communications in March 2010 attended all the weekly meetings held by CEO, Prasar Bharati both prior to March 2010 and thereafter. After the contracts were signed, back to back on 05<sup>th</sup> March, 2010, SIS LIVE issued a Press release on 8<sup>th</sup> March, 2010<sup>34</sup> wherein it announced that it had “awarded a key and exclusive contract for Broadcast Services, including technical equipment and diversified Production & Coverage services for the 2010 Commonwealth Games in India, to South East Asia’s largest broadcast services company, ZOOM Communications Ltd. India”.

3.10.16 As is very clear from the events that have taken place, the intention of SIS LIVE to outsource / assign the contract to Zoom Communications was planned well in advance by SIS LIVE and some elements in PB management and this process was facilitated by way of changes / modifications in the contract and suppression of information and facts when it appeared in media.

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<sup>33</sup> For details, see Report of CVC at [Annexure 4](#)

<sup>34</sup> Press Release issued by SIS LIVE on 08.03.2010 has been reproduced at [Annexure -17](#)

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### Box-5 Role of Shri Vaseem Ahmed Dehlvi, ED, Zoom Communications

Shri Vaseem Ahmed Dehlvi, Executive Director, Zoom Communications, has emerged as a 'key' actor and link in this case. He reportedly had direct access to CEO, Prasar Bharati (Shri B.S.Lalli) and DG (DD). He reportedly could 'bully' inconvenient officers in Prasar Bharati and Doordarshan and ensure that 'inconvenient' questions relating to deliverables as per contract were not raised or, if raised, were summarily brushed aside with the active support of the two top functionaries of Prasar Bharati and Doordarshan

### (c) Substitution of key personnel

3.10.17 Normally, every technical proposal lists out names of key personnel who shall work or provide supervision on a project. Since key personnel ultimately determine the quality of performance, evaluation of key personnel assumes great importance. The RFP required the entities to indicate name of key leaders along with their qualification and relevant past experience under HB assignment. The technical proposals are evaluated on the basis of qualifications and credentials of key staff. As per Para 2.20.7 of the RFP document, if substitution was necessary during an assignment (because of ill health etc.), the entity was to propose other staff of at least the same level of qualification for approval by the HB.

3.10.18 SIS LIVE had provided a list of 62 foreign based key personnel, in the technical proposal, who were to be deployed in the CWG Delhi, 2010. The officers of HLC compared the details of key personnel of SIS LIVE with the list of persons provided accreditation by the OC and the comparison revealed that about 23 foreign based key personnel may have attended the Games. As per the international practice, if it is established that key staff were included in the technical proposal without confirming their availability, the firm should be disqualified. Similarly SIS LIVE had asserted in the technical proposal that about 1300 personnel would be required to be brought from outside the country for the Games and corresponding cost (travel and accommodation) were booked in the financial bid. During negotiations with SIS LIVE on these costs, the company had refused to reduce the same. Comparison with the list of persons provided accreditation by OC revealed that SIS LIVE /

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Zoom Communications had brought only about 858 persons from outside the country and the remaining persons were outsourced locally.

### **(d) Coverage of International Queen's Baton Relay (QBR)**

3.10.19 As per the RFP, the selected entity was to provide coverage to Queen's Baton Relay in 21 countries up to 30<sup>th</sup> June, 2010 for producing new stories through multiple Electronic News Gathering Camcorders. SIS LIVE produced news stories from only 16 countries and also did not cover an important leg of the relay at the time of its entry in India at 'Wagah Border'. Only 16 tapes against 21 tapes<sup>35</sup> were submitted by SIS after delays of up to 2 months against the timeline fixed in RFP. Finance wing had released ₹24.36 Crore to the firm and withheld 10 percent i.e.; ₹ 24 Lakh for non-completion of some of the milestones. The payment of ₹24 Lakh was also subsequently effected to SIS LIVE under the orders of Director General (DD) who had recorded on 27<sup>th</sup> August, 2010 that HBMC had taken a decision to release the amount in the interest of 'smooth conduct' of Games. The HLC observed that no such decision was taken by HBMC.

### **(e) Special camera mountings**

3.10.20 The contract for 'Production and Coverage' was awarded to SIS LIVE on a turnkey basis. Clause A36 of the contract with SIS LIVE made it clear that special camera mounting had to be arranged by SIS LIVE. Though this item of work was an integral part of the scope of its work, SIS LIVE refused to do this work on the grounds that this was the responsibility of OC and venue owners. As per the legal opinion obtained on this issue, the lawyer had opined that as per the contract the entity was to provide all equipment and accessories required for production and the completeness of the system was the responsibility of the entity.

3.10.21 As this issue was unduly protracted, the issue was flagged by DG in the meeting of Cabinet Secretary held on 30<sup>th</sup> August, 2010, and a decision was taken that HB should execute these works. HB in turn asked SIS LIVE to complete this item of work outside

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<sup>35</sup> See Annexure 18.

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the main contract who submitted an estimate of ₹ 1.70 crore<sup>36</sup>. The approval of this estimate was never taken on record nor the decision and approval of Host Broadcast Monitoring Committee obtained.

### **(f) Power supply at venues**

3.10.22 As per RFP documents, clarifications provided in pre-bid meeting and terms of contract signed with SIS LIVE (*Appendix C- schedule of deployment of equipment and personnel*) the contractor was responsible for laying audio, video, data, network and power cables at various venues connecting broadcast compound to main power supply source and other functional areas i.e., field of play etc. and commentary tribunals, etc.

3.10.23 SIS, however, refused to own the responsibility of extending power supply cable from broadcast compound to venues, on the ground that this was not within the scope of its work<sup>37</sup>. Subsequently in the meeting of HBMC on 26<sup>th</sup> August, 2010, it was mentioned that as per clause 78.1 of the Host Broadcast service agreement between OC and HB, power and data cable was to be provided by OC. The minutes of this meeting were, however, not signed by the CEO and Member (F). This work was subsequently awarded to BECIL, at the risk and cost of SIS LIVE, who completed this work at a cost of ₹ 96.31 Lakh. The matter was taken up with OC on 26<sup>th</sup> August, 2010 who stated that this cost will be borne by them. Thereafter, DG informed SIS on 27<sup>th</sup> August, 2010 that OC will bear this cost.

3.10.24 Despite unambiguous provisions in the contract and precedence in the international games and legal advice favouring Prasar Bharati, this item of work was not undertaken /completed by SIS LIVE and liability of payment was unnecessarily shifted to OC.

### **(g) Hiring of lighting consultant**

3.10.25 The financial proposal of SIS LIVE included provision of ₹ 10 crore as Consultancy charges. In the meeting of 30<sup>th</sup> July, 2010, HBMC had taken the decision that services of Lighting Consultant to advise on suitability of lighting at various venues was the

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<sup>36</sup> See [\*Annexure 19\*](#)

<sup>37</sup> See [\*Annexure 20\*](#)

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responsibility of SIS LIVE. The entity refused to bear the charges of hiring services of Lighting consultant. In the HBMC meeting of 16<sup>th</sup> August, 2010 it was again decided to inform SIS LIVE to engage services of a lighting consultant as it was an integral part of Production and Coverage activities. Thereafter DG took a view that since SIS LIVE was not proceeding with this work and unnecessary correspondence was taking place, Lighting Consultant will be hired by PB at the risk and cost of SIS LIVE. These services were finally procured by HB at a cost of ₹ 22 lakh approximately.

3.10.26 It would be interesting to mention that BBC (Outside Resources) - later taken over by SIS - had in response to Request for Information (RFI) in October, 2007 stated that it had performed the responsibilities and duties of Lighting Consultant in CWG Manchester, 2002. Despite this Prasar Bharati failed to get this work executed by SIS LIVE.

### **(h) Deviations in make / model of equipment and shortfall in numbers**

3.10.27 Project Director HB cell vide orders dated 1<sup>st</sup> July, 2010 and 9<sup>th</sup> September, 2010 constituted inspection teams for inspection of Production and Coverage activities at venues including verifying supply of all equipment in terms of numbers, make and model. The Technical Inspection team had brought out significant deviations and shortfall in equipment actually deployed at various venues under production and coverage activities. Deviations were also noticed in the deployment of equipment with reference to the camera plan and OB kits compared to approved production plan in 4 out of 15 designated venues and such verification / checks could not be carried out at the remaining 11 venues due to – (a) non-availability of officials from SIS LIVE designated to facilitate such verification and (b) de-rigging of equipment had already started at certain venues. SIS LIVE had approached for approval of substitution of few types of equipment of different make / model in place of specifications indicated in contract. This approval was sought after this equipment was already shipped.

3.10.28 Though during informal discussions with the Engineering staff it was mentioned that specifications of substitute equipment were inferior in quality, a certificate was obtained from a team of three technical officers including Chief Engineer DD that

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substitution offered was at par with technical specifications and a statement of E-M-C dated 16<sup>th</sup> November, 2010 that technical specifications got substantiated by final outcome i.e.; the quality of coverage of CWG, Delhi 2010.

3.10.29 A Committee was constituted by Prasar Bharati in January, 2011 for financial quantification of deviation and shortfall with reference to difference in hiring cost of equipment actually supplied vis-a-vis equipment envisaged in RFP and unit cost of hiring for short supplied items. The Committee in their report<sup>38</sup> assessed partially the excess charges by SIS on account of these deviations and shortfall at ₹17.39 crore. Similar charges for another 12 items of equipment could not be assessed by the Committee as market price of these items were not available with the Committee.

### **(i) Changes in schedule of payment to SIS LIVE**

3.10.30 As per the terms of contract, payment of 30 percent of contract value was to be released to SIS LIVE before 14<sup>th</sup> October, 2010 i.e. completion of Games against specific milestones / deliverables.

3.10.31 In the HBMC meeting of 30<sup>th</sup> August, 2010, Director General (DD) stated that SIS LIVE had threatened to terminate the contract unless changes in payment schedule were agreed to and full payment was made before the Games. The reasons cited were-

- venues not being ready for handing over;
- delay in customisation of venues; and
- demurrage charges due to delay in Customs clearance etc.

DG (DD) proposed release of 60 percent payment (against 20 percent payment already made) to SIS on the basis of recommendations of Solicitor General. Ministry of I & B, while agreeing to the release of additional 40 percent payment to SIS, observed that there was no alternative but to agree to the demands of SIS and that non-telecast of the event would be a national embarrassment.

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<sup>38</sup> Copy of the Report can be viewed at [Annexure -21](#)

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3.10.32 A proposal for making the payment to SIS on an 'auto' mode through *Letter of Credit (LC)* arrangements based on certain dates, deliverables and milestones was sent directly by the DG (DD) to the Ministry in September, 2010 without placing this issue before the HBMC. Subsequently, a note was sent by DG (DD) to Finance wing of PB informing that telephonic confirmation had been received from the Ministry approving the payment to SIS as proposed. The Finance wing of PB, however, while bringing out serious deficiencies and inadequacies in processing this proposal, wanted a draft addendum to be signed with SIS LIVE for amending the contract.

3.10.33 Member (F), Prasar Bharati pointed out that draft amendment to the agreement, submitted in September, 2010, was essentially prepared by SIS LIVE as acknowledged by them separately. Member (F) also advised Member (Executive) that PB should not submit to unwarranted and illegal pressure of SIS LIVE / Zoom Communications, who felt encouraged to make unreasonable demands against the contractual provisions at the expense of PB. The HLC observed that the proposal to release payment to SIS LIVE on an auto mode on specific dates against deliverables was also objected to by the State Bank of India. Had PB succeeded in putting this proposal in place, there would have been no possibility of either penalising the entity for various breaches of contractual obligations or recovery of certain cost of works which were purportedly carried out by Prasar Bharati at the 'cost and risk' of SIS LIVE!

### **(j) SIS LIVE site office for operations**

3.10.34 Under the provisions of the contract and international practice, the entity had to set up a separate site office during games for overseeing the operations at various venues. No such separate office was set up by SIS LIVE and instead SHAF and Global Television the contractors for setting up International Broadcasting Centre were pressurised to permit SIS LIVE to set up site office in Hall no. 8 and 9 at ITPO which space was meant for IBC operations. Furniture purchased by Prasar Bharati at a cost of ₹ 20.71 lakh was provided to SIS LIVE for the office.

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### **(k) Catering**

3.10.35 The service provider (SIS LIVE) had the responsibility to provide presentation uniform package to its crew and staff. It was also responsible for providing catering access to its staff either via official outlets/restaurants or provide on-site catering facility through its own arrangements. The financial bid of SIS LIVE (P & C) and Global and Shaf (IBC) had a provision of ₹ 4.72 crore and ₹ 0.50 crore in their financial bids for food for its crew and staff. SIS (Live) stated that amount of ₹ 4.72 crore included in the bid was meant for per diem cost during Games period and food cost prior to Games. In the weekly review meeting of 3<sup>rd</sup> June, 2010, the CEO and DG had categorically informed SIS LIVE that cost of food was included in the final bid of SIS and therefore, there should be no misgivings on this account.

3.10.36 Prasara Bharati, however, provided free catering facilities at venues to the employees of SIS LIVE and Global and Shaf (IBC) at a cost of ₹ 1.10 crore, which was inadmissible and constituted 'benefit' to these entities.

### **(l) Commentary units**

3.10.37 SIS LIVE was required to provide commentary equipment for 70 units proposed to be set-up at various venues in accordance with the provisions of RFP and contract signed with the entity. Equipment for setting up of only 31 units was provided by SIS LIVE but no action for breach of contract was taken.

### **(m) Waiver of Performance Guarantee and Bank Guarantee**

3.10.38 Letter of Award (LOA) of contract was issued to SIS LIVE on 22<sup>nd</sup> October, 2009 and in terms of clause 2.20.1 of Request for Proposal (RFP) and clause 2.12 of contract, the entity was required to submit acceptance letter along with Performance guarantee amounting to 10 percent of Contract Value within 15 days i.e.; 6<sup>th</sup> November, 2009. The Performance guarantee was actually submitted by SIS LIVE in March, 2010 after a delay of 4 months. This, besides violating the sanctity of contractual obligations, resulted in undue financial benefit to SIS LIVE.



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3.10.39 SIS LIVE was also requested to furnish Bank Guarantee against the two initial payments of 5 per cent each which were in the nature of advance payments against deliverables i.e.; preparation of basic Production plan and booking of specific coverage equipment. The requirement of furnishing of Bank Guarantee was waived on the grounds that since entity had already delivered full value, it was not necessary to go through the formality of obtaining guarantee. Full payment of ₹ 24.6 crore was released, despite Finance wing bringing out that services of the value of ₹ 13.6 crore only had been provided by them. This was yet another instance of extending favour and undue benefits to the entity.

### **(n) Customisation of venues**

3.10.40 Every participating venue accommodates a television compound where Host Broadcast and Rights Holder Broadcaster are based. Technical facilities for producing feeds / signals are set up in the Broadcast Compound (BC). Setting up of temporary buildings at venues and provision of venue furniture and accessories is an integral part of Broadcast venue operations and services. HBS / IMG joint venture had in their turnkey proposal assumed responsibility for customisation of venues and purchase of venue furniture under Production-Broadcast venue operations and services.

3.10.41 Prasar Bharati / Doordarshan erred in not providing for customisation of venues as a part of SIS LIVE Production and Coverage contract. For getting this work done, an EOI notice was issued in August, 2009. The tender process was discharged due to inadequate response (only two bids received against minimum three) and a fresh EOI was issued in January, 2010. Out of the three proposals received, two offers qualified technically and lowest quote received was ₹24.96 crore. Since the offer was much higher than the estimated cost of ₹15 crore, the tender process was discharged [HBMC (27<sup>th</sup> April, 2010)] and it was decided to invite Broadcast Engineering Consultants India Ltd (BECIL) to tender for this work. An offer was made to BECIL on the same day i.e. 27<sup>th</sup> April, 2010. BECIL made an offer of ₹ 19.81 crore and *Letter of Award (LOA)* was issued on 12<sup>th</sup> May, 2010. The selection procedure followed was in violation of the provisions of GFRs, despite instructions of Law Minister in the Oversight Committee meeting of September, 2009 to follow proper procedure while selecting BECIL and against the advice of Finance wing which had suggested

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selection of vendor through limited tender process as against single tender selection. The amount of ₹ 19.81 crore included ₹1.78 crore for purchase of furniture for venues / Broadcast compound.

3.10.42 The HLC noticed that BECIL outsourced the contract to a third party (Kingsman Fairtech International (P) Ltd.) on 21<sup>st</sup> June, 2010 at a cost of ₹ 15.33 crore. The entire work was finally completed at a cost of about ₹27 crore as the scope of work had reportedly increased due to additional scope of work on power distribution panels, actual ground situation and refusal of SIS LIVE to undertake cabling work at venues which work was also completed by BECIL. The work was allotted to BECIL at a cost of ₹ 19.81 crore under the powers delegated to DG (up to ₹20 crore) and approval of the Ministry was not sought / obtained even though the cost of work finally increased to ₹27 crore. The HLC noticed with grave concern the complete inertia in the selection of a contractor during the period 2008 to April 2010 and burst of activity after April 2010 which culminated in selection of service provider in a matter of days. Technical staff of PB had mentioned that rates quoted by BECIL for power distribution panels were very high.

### **3.11 Prasar Bharati as Rights Holding Broadcaster**

3.11.1 One of the important elements of Host Broadcast operation is to provide services to Rights Holding Broadcasters including a competitive rate card for hiring of equipment required by these Broadcasters.

3.11.2 Prasar Bharati, in its role as domestic Rights Holding Broadcaster, decided to cover the Games in HDTV format despite very strong and rational advice given by technical staff against this decision. It was brought out that very few Channels and viewers in India had HDTV facilities and coverage should be done in standard format. The Broadcasting guidelines issued by the CWG federations also permitted the RHBs to decide the format in which it wished to cover the Games. Finance wing of PB had also suggested outright purchase of HD TV equipment (under Eleventh Plan scheme of Doordarshan High Definition Television with a provision of ₹ 160 crore for import of HDTV equipment) instead of hiring it for asset building.

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3.11.3 Ignoring the advice given, Prasar Bharati hired HDTV specific broadcast equipment from SIS LIVE at a cost of ₹6.50 crore for covering Commonwealth Games within the country. The hiring was done at exorbitant rates and aggregated to about 50 percent of the cost of purchase of state of art equipment of comparable quality. It will be worthwhile to note that no other Right Holding Broadcaster, other than DD, hired equipment from SIS LIVE on rate card for the purpose of broadcasting.

3.11.4 It is possible that decision to cover Commonwealth Games in HDTV format against technical advice and ground realities was taken only to benefit SIS LIVE.

## Chapter 4: Legacy Issues

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### 4.1 Legacy

4.1.1 The urge to make a mark in history and leave behind a rich legacy has been the central running theme in CWG 2010. It was felt that just as hosting of Asian Games in New Delhi in 1982 heralded the introduction of colour television in the country, so also CWG 2010 would mark the advent of HDTV in India. Further, no other Commonwealth Games prior to CWG 2010 had been covered in High Definition Digital Format (HDTV). Prasar Bharati, which had been appointed as the Host Broadcaster (HB) by the Organising Committee was expected to steer this process through.

4.1.2 As a Host Broadcaster for CWG, 2010 Prasar Bharati was presented with a unique opportunity to retain a legacy of having acquired latest broadcasting skills, accretion of its internal resources and personnel for delivering on future events of similar scale. Though an indication had been given in the year 2007 that Doordarshan could cover 10 events / sports, yet Prasar Bharati (for unknown reasons) decided to outsource all core components and activities of Host Broadcasting responsibilities to various Service providers in totality. Under this arrangement also, the integration of Prasar Bharati staff with specialist and international experts was not ensured.

4.1.3 Prasar Bharati was, thus, deprived from acquiring new skills and experience in the areas of planning, preparing production plans and learning methodology, procedures and industry best practices that have been successfully tried and tested in telecast of various international sports events. It also lost an opportunity to learn how to customize the new technology to meet its specific needs in future as also coordinating with the international suppliers of broadcast equipment and specialist producers and technicians. All the broadcasting equipment required for HDTV coverage, including the equipment required by Prasar Bharati for broadcasting games within the country as RHB, was hired. There was thus, no accretion in the inventory value of specialized broadcasting equipment.

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4.1.4 The physical broadcasting infrastructure created at various venues i.e.; Broadcast Compounds, Commentary of Doordarshan tribunes, camera platforms etc. were de-rigged or demolished after the conclusion of Commonwealth Games. Prasar Bharati functioned as a Host Broadcaster only on paper without actually covering or handling any of the core functions or events on its own and, thus, failed to derive any real benefit from its involvement with the Games.

### Box 6: Limited legacy for Host Broadcaster

Even after spending over ₹350 crore as Host Broadcaster, Prasar Bharati, today neither possesses adequate number of equipment required for HDTV nor is its technical staff fully trained and experienced to handle similar jobs in future. If any other major international sports event is organized in the country at a future date, Prasar Bharati may again have to fall back upon foreign consultants, Broadcasting Companies and service providers!

## Chapter 5: Major Findings

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### 5.1 Governance Structure

5.1.1 The Governance structure established by the Ministry of I & B proved unequal to the task. While it enabled the Host Broadcasting Monitoring Committee (HBMC) headed by CEO Prasar Bharati to make recommendations and secure approvals of the Oversight Committee, the latter chaired by Minister of I & B, was unable to prevent abuse of authority or even observance of due process by the former.

5.1.2 Since Prasar Bharati was the Host Broadcaster for Commonwealth Games, Delhi 2010, the progress of discharge of this responsibility became the concern of the Committee of Secretaries (COS) as well as that of Group of Ministers (GOM). Discord within Prasar Bharati was discussed and inability to resolve problems and accelerate decision making was noted. In fact in the 4<sup>th</sup> meeting of the reconstituted GOM under the chairmanship of Minister of Urban Development held on 20<sup>th</sup> October, 2009, Secretary I & B informed the GOM that “in respect of engagement of Consultant for Production and Coverage of Commonwealth Games, Delhi 2010, the Host Broadcasting Management Committee of Prasar Bharati was not unanimous in their recommendations to the Government. He stated that two sets of minutes / recommendations had been received as a result of which it was not possible for the Ministry to take a decision in the matter”.

5.1.3 After its reconstitution in June, 2009, GOM met seventeen times upto 05<sup>th</sup> March, 2010 when Prasar Bharati finally entered into an agreement with SIS LIVE. Prasar Bharati was part of the agenda in these meetings without any noticeable results. Meanwhile COS kept nudging CEO Prasar Bharati but he remained undeterred from his objectives of awarding the contract to SIS LIVE and thereafter facilitate its assignment to Zoom Communications. When these objectives were accomplished on 05<sup>th</sup> March, 2010, the subject went off the agenda of GOM.

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5.1.4 Transaction of business in Prasar Bharati has been entrusted to the triumvirate of CEO, Member (Personnel) and Member (Finance). In practice it has met the same fate i.e. delays, dysfunctionality and systemic distrust. The several checks and balances were unable to prevent abuse of authority by the CEO and the Prasar Bharati Board as well as the Government were helpless spectators in this venal episode.

### 5.2 Role of CEO, Prasar Bharati & DG (DD)

5.2.1 The CEO Prasar Bharati and DG (DD), in concert with some others in these entities, were able to:

- impose restrictive and inflexible conditions in the tendering process to discourage competition;
- misrepresent and suppress information crucial for informed decision making;
- disregard / flout established practices vis a vis Expression of Interest (EOI), Request for Proposal (RFP) etc. thereby vitiating the selection process to the advantage of SIS LIVE;
- extend post award of contract benefits and concessions to SIS LIVE - the selected service provider selected for production and coverage of the Games;
- feign ignorance of 'illegal' contract assignment by SIS LIVE to Zoom Communications – an ineligible entity – even though both contracts had been signed on 5<sup>th</sup> March, 2010 'back to back' and SIS LIVE had announced having done so in a Press Release issued on 8<sup>th</sup> March, 2010.

5.2.2 Prasar Bharati assumed no role in planning, methodology and management by outsourcing Host Broadcast operations in their entirety and ignored:

- quantitative and qualitative deviations in supply of equipment; and
- instances of breach of contract including non-supply of key personnel, other staff and deliverables.

5.2.3 Prasar Bharati deliberately delayed decisions to accomplish its pre-meditated objective as fait accompli.

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5.2.4 These actions / inactions are strongly suggestive of collusion between CEO Prasar Bharati and Director General (Doordarshan) and the service provider(s), SIS LIVE / Zoom Communications.



## Chapter 6: Recommendations

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6.1 The value of services provided in Production and Coverage contract are estimated at below ₹100 crore. Certain other expenditures have been incurred contrary to the contract. These are to be viewed in the context of ₹147.60 crore (60% of contract price) paid by Prasar Bharati upto October 2010 and the need to recover the 'excess' amount from SIS LIVE. The basis for this estimate is provided in Box 4 (Pg.18).

6.2 The relationship between Government and Prasar Bharati, in matters where Government has a role to play, and that between the Executive and the Board of Prasar Bharati need to be redefined.

6.3 Government may decide on action against the then CEO, Prasar Bharati (Shri B.S.Lalli) and Director General (Doordarshan) (Ms. Aruna Sharma, IAS) and others who acted in concert with them for providing undue gain to SIS LIVE /ZOOM Communications Ltd.

6.4 Certain actions seem to attract penal provisions under the Indian Penal Code and Prevention of Corruption Act. This aspect also needs to be separately investigated.

## Appendix 1 A – List of Documents reviewed

#	Name of File /Record
1	General file relating to production and coverage activities – SIS Live.
2	Files regarding EOI & RFP issued in connection with production and coverage.
3	Files on responses received to EOI-production and coverage.
4	Files on responses received to RFP including technical proposals and financial bids-P & C.
5	Correspondence file with the ministry and others.
6	Files on signing of contract with SIS Live and noting and correspondence in connection with changes in contract vis-a-vis draft contract.
7	HBMC meeting files.
8	Files and records of Board meetings in Prasar Bharati.
9	Correspondence exchanged via email in connection with RFI.
10	Emails exchanged with SIS Live and Zoom communications to the extent available and on record.
11	General file relating to EFC proposals-CWG-Delhi, 2010.
12	General file regarding setting up of IBC.
13	Files regarding EOI & RFP issued in connection with IBC.
14	Files on responses received to EOI-setting up of IBC.
15	Files on responses received to RFP including technical proposals and financial bids-IBC.
16	Correspondence file with ministry and M/s. Shaf & Global.
17	File for signing of contract file for setting up of IBC.
18	Records and correspondence files on correspondence with OC.
19	Records and files maintained by HB cell.
20	File on HB Services Agreement between Organizing Committee, CWG; Govt. of NCT of Delhi & PB on Broadcasting Guidelines.
21	Records /files relating to Event Management /WBM –RFP.
22	Files on: <ul style="list-style-type: none"> <li>i. Contract signed for Production &amp; Coverage between Doordarshan &amp; SIS Live</li> <li>ii. Contract signed between SIS Live &amp; Zoom Communications Ltd.</li> <li>iii. Partnership agreement between SIS Ltd. &amp; SIS Outside Broadcast.</li> </ul>
23	File /Records relating to Expenditure incurred.
24	File /Records relating to Pre Bid meetings for Production and Coverage, IBC etc.
25	Records and files relating to Customization of Venues EOI and award of contract to BECIL.
26	Records and files relating to inter-action and meetings with Media Consultant in 2007.
27	Records and files relating to Liquidity Damages – SIS Live.
28	Files relating to Deviation in Equipment – SIS Live.
29	Records and files relating to Commonwealth Youth Games, Pune, 2008.
30	Records and files relating to coverage of QBR by SIS.
31	Files relating to provision of special camera mountings and power supply at venues.
32	Files relating to engagement of lighting consultant.
33	Files relating to changes in schedule of payment to SIS Live.
34	Provisions of catering and uniforms-files.
35	Files regarding waiver of performance guarantee and bank guarantee.
36	Files relating to Unsolved issues pertaining to Production & Coverage.
37	Files relating to content transfer.
38	Files relating to Office Space for SIS Live in IBC.
39	Files relating to Customs Clearance – SIS Live.
40	Files relating to Customization of Broadcast Compounds.
41	File / records relating to appointment of Prasar Bharati as RHB.
42	File regarding obtaining of legal advices.

## Appendix 1 B – List of Persons Interviewed

#	Name of the Official	Designation
1	Shri Raghu Menon	Secretary, I & B
2	Shri Uday Verma	Secretary, Micro, Small & Medium Enterprises
3	Shri B.S.Lalli	CEO, Prasar Bharati
4	Ms. Dipali Khanna	AS &FA, I & B
5	Ms. Aruna Sharma	DG, Doordarshan
6	Ms. Leena Nandan	PD, Doordarshan
7	Shri Pravin Rawal	DDG (Finance), Doordarshan
8	Ms. Preeti Pant	DDG (Adm.), Doordarshan
9	Shri R.R.Prasad	E in C, Doordarshan
10	Shri A.K.Jain	Member (Finance), PB
11	Shri V.Shiva Kumar	Member (Personnel), PB
12	Shri Abhishek Agarwal	DDE, Doordarshan
13	Shri Ashok Jailkhani	DDG (Sports), Doordarshan
14	Shri L.D.Mandloi	ADG, Doordarshan
15	Shri A.K.Jha	Director (ENG)
16	Shri A.Pathak	Dy. Director (ENG)
17	Shri N.V.Ramana	Dy. Director (ENG)
18	Shri B.M. Bakshi	Director (Prog.)
19	Mr. S.K. Mohindra	Advisor Works-BECIL
20	Mr. Mahesh Chowdhary	Manager Projects

## Appendix 2 A - Sequence of events leading to award of work to SIS Live

Date	Particulars
March 26 <sup>th</sup> , 2007	Prasar Bharati (PB) informed by Organizing Committee (OC) that it will be the official Host Broadcaster for Commonwealth Games, Delhi 2010.
June – September, 2007	Broadcast and Media consultant provided information, briefings and strategy and implementation documents. Full Scope of Services document was also provided.
August - September, 2007	Discussions in Ministry for Budget request of PB.
October, 2007	Request for Information (RFI) issued to International Companies.
May, 2008	Draft MOU sent to Doordarshan (DD) by OC.
November, 2008	Draft EOI sent to Ministry.
December, 2008	EOI issued by PB.
February, 2009	Last date for responses to EOI.
April, 2009	Draft RFP sent to Ministry by DD.
May, 2009	EOI responses sent to Ministry.
May-July, 2009	Correspondence with DD regarding RFP.
July, 2009	Ministry's approval to RFP.
July, 2009	RFP issued to five shortlisted bidders.
July, 2009	Pre-bid conference.
August 19, 2009	Two bids received including that of Nimbus who had informed two days prior to last date for submission of bid that their lead partner had backed out.
August 31, 2009	TEC evaluates 2 bids & declares bid of

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	Nimbus invalid. SIS emerges as single bid.
September 8, 2009	TEC forwards recommendations to HBMC.
September 9, 2009	HBMC forwards recommendations to Ministry.
September 10, 2009	Ministry wants HBMC records to be signed by all members.
September 19, 2009	Ministry's approval received.
October 22, 2009	SIS proposal approved & Letter of Award issued to SIS Live.
January 18, 2010	Draft Contract sent to Ministry by PB.
March 5, 2010	Contract signed between PB and SIS Live.

## Appendix 2 B – Activities & Deliverables

Under the contract between SIS Live and HB		Under the contract between SIS Live and Zoom Communications	
1. (a)	Submission and acceptance of basic Production Plan including assignment order of Head of Production and Head of Broadcast Venue Manager.	R1. (a)	Submission and acceptance of basic equipment plan.
1. (b)	Payment against Booking of specific Coverage equipment with proof of payment made and/or liabilities incurred by the entity.	R1. (b)	Booking of specific coverage equipment.
2. (a)	Pre-game Programming (monthly capsules-9 Nos. News Updates-35 Nos. Vignettes-9 Nos.)	R2. (a)	Pre-game programming (monthly capsule-9 nos. news updates-35 nos. Vignettes-9 nos.).
2. (b)	Coverage of Queen's Baton Relay successful completion of coverage of international leg.	R2. (b)	Coverage of Queen's Baton Relay successful completion of coverage of international leg.
2. (c)	Training of DD officials (completion of class room and onsite training in all specified sports).	R2. (c)	Training of DD officials (completion of class room and onsite training in all specified sports).
3. (a)	Successful installation of required equipment, facilities technical infrastructure at all venues including the Athlete Village and MPC.	R3. (a)	Successful installation of required equipment, facilities technical infrastructure at all venues including the Athlete Village and MPC.
3. (b)	Delivery of News Story, tapes of queen's baton relay for coverage of Indian Leg.	R3. (b)	Delivery of News Story, tapes of Queen's baton relay for coverage of Indian Leg.
		R5.	Successful installation of required equipment facilities.
4.	Successful completion of Production & coverage of CWG, Delhi 2010 as per the approved coverage plan, Games schedule and standards approved.	R6.	Successful completion of Production & coverage of CWG, Delhi 2010 as per the approved coverage plan, Games schedule and standards approved.

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5.	Submission of entire content material (CWG coverage, Highlights including final two hours highlights of the Games) in original, in Tapes, Hard disks, DVDs to HB.	R7.	Submission of entire content material (CWG coverage, Highlights including final two hours highlights of the Games) in original, in Tapes, Hard disks, DVDs to HB.
6.	Submission of Post Game Report to satisfaction of HB by December 31 <sup>st</sup> , 2010.	R8.	Submission of Post Game Report to satisfaction of HB.

## Appendix 2 C- Delays in award of contracts leading to ‘emergency’ situations.

### (a) Production & Coverage

Event	Date	Remarks
Issue of EOI	December, 2008	Issued One year after RFI.
Issue of RFP to shortlisted entities	July, 2009	Delay of six months.
Service provider approved and letter of award issued	October, 2009	No remarks.
Contract signed with SIS Live	March, 2010	Delay of five months. SIS Live was allowed to start work on contract performance from October, 2009 on WBM-1, training and venue/site inspection without any valid/signed contract in place. As per the international best practice, selection of service provider was to be completed two years before the actual start of games i.e. in October, 2008.

### (b) International Broadcasting Centre

EOI issued	May, 2009	Issued sixteen months after RFI.
RFP issued	August, 2009	No remarks.
Selection of entity and letter of award	January, 2010	Delay of four months.
Contract signed with M/s. Shaf & Global with time limit of 90 days for completion	March, 2010	Delay of one month. As per the time line for IBC facilities, IBC construction first phase was to be completed by April, 2010 and final rate card presentation to RHBs and to other broadcasters was to be made in May, 2010.

### (c) Customization of venues/broadcast compounds

EOI issued	August, 2009	Issued twenty three months after RFI.
Opening of bids	September, 2009	No remarks.
Decision to discharge bids due	April 27 <sup>th</sup> , 2010	Delay of Seven months.



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to insufficient response (only two bids received)

<b>Offer to BECIL on nomination basis</b>	May 4 <sup>th</sup> , 2010	Emergency measures.
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<b>Evaluation committee met</b>	May 6 <sup>th</sup> , 2010	No remarks.
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<b>Telephonic letter of award</b>	May 7 <sup>th</sup> , 2010	No remarks.
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<b>Formal letter of award</b>	May 10 <sup>th</sup> , 2010	Contract awarded just four months before the start of games resulting in delays in handing over broadcast compounds to SIS and exploitation of the situation.
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**(d) Event management for World Broadcasters Meet (WBM) scheduled for October, 09 and April, 10**

<b>Issue of EOI</b>	May, 2009	Delay of Eighteen months after issue of RFI.
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<b>Issue of RFP</b>	July, 2009	No remarks.
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<b>Letter of award issued</b>	October 21 <sup>st</sup> , 2009	Delay of two months. Contract awarded just five days before the start of WBM-1 scheduled to meet from October 26 <sup>th</sup> , 2009 to October 28 <sup>th</sup> , 2009.
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# ANNEXURES

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