

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

STARRED QUESTION NO:15
ANSWERED ON:24.02.2000
PROBE INTO MAJOR DEFENCE DEALS
GADDE RAMAMOCHAN;M.V.V.S MURTHI

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government have ordered any probe by the Central Vigilance Commission and the C&AG into all major Defence Deals since 1985-86 till date;
- (b) if so, the details thereof and the reasons therefor along with the deals which are to be probed;
- (c) whether a special audit for emergency purchase of items for Kargil related operations is also proposed to be conducted; and
- (d) if so, the time-frame fixed therefor? A N S W E R

Answer

THE MINISTER OF DEFENCE
(SHRI GEORGE FERNANDES)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 15 FOR 24.2.2000.

(1) Defence Procurement procedures had come up for a Short Duration Discussion in the Rajya Sabha on 23rd December 1999. During the course of the discussion in the Rajya Sabha, a number of Hon'ble Members of Parliament had highlighted irregularities in many defence procurements. While replying to this discussion, the Raksha Mantri had informed the House that necessary investigations on issues emerging from these discussions would be carried out and the House informed of the findings. Similar allegations of irregularities in various defence deals have also continued to appear in the media and elsewhere.

(2) With a view to ensure absolute probity in defence procurements and in deference to the suggestions made by the Hon'ble Members of Parliament, the Government has since requested the C&AG to carry out a Review/Special Audit of the allegations pertaining to:

- (i) excessively and wrongly bought spares that are reportedly lying as junk in various depots,
- (ii) alleged irregularities in emergency procurements for Kargil operations, and
- (iii) non-transfer of technology, even though contracted and paid for.

(3) For the same reasons, the Government has also requested the Central Vigilance Commission for instituting a probe by the CBI or any other appropriate agency into the following allegations:

- (i) involvement of agents/middlemen in major Defence deals,
- (ii) allegations made during the course of Short Duration Discussion in the Rajya Sabha regarding irregularities in Defence procurements, and
- (iii) allegations made in the writ petition filed by a serving Rear Admiral in the Delhi High Court.

(4) It is not possible to lay down any specific time frame for completion of Special Audit/investigations by the C&AG and the CVC respectively.