

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3702
ANSWERED ON:21.08.2003
PROCUREMENT OF FUSES AT HIGHER COST
VSM (RETD.) COL. CHOUDHARY

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Ministry of Defence contracted 7,450 fuses at a cost of Rs. 54.52 crores from a foreign firm during August 1999 knowing fully well that 1,550 similar fuses procured from the same firm earlier were defective;
- (b) if so, the facts of the case and the reasons for procurement of 7,450 additional fuses at a higher cost from the same foreign firm which had earlier supplied defective fuses;
- (c) whether the Government have ordered any inquiry to find out truth and to identify the officials responsible for ordering procurement of defective fuses at a much higher rates;
- (d) if so, the findings of the inquiry and if not the reasons therefor; and
- (e) the measures taken/proposed to be taken by the Government to avoid such reckless procurement of defective items for use by Armed Forces?

Answer

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) & (b): 9,000 fuses were procured in two batches i.e. quantity 1,550 on 15.2.1995 and quantity 7,450 on 20.8.1999 at a cost of Rs. 6.34 crores and Rs. 54.32 crores respectively.

Fuses were not defective at the time of procurement. However, a few technical problems were observed in the battery of the fuses, which have been rectified by the firm at their cost and to the satisfaction of Indian Air Force.

Per unit cost of the fuses procured in second lot was less than the cost of fuses procured in the first lot. Hence, it is not correct to say that the fuses in 1999 contract were procured at higher cost than the earlier contract.

(c) & (d): Questions do not arise, in view of answers at (a) and (b).

(e) Scope of inspection activities has been enhanced substantially in all weapon procurement contracts.