

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:4413  
ANSWERED ON:26.08.2004  
REVIEW OF DEFENCE PROCUREMENT POLICY  
Channappa Shri Kunnur Manjunath;Rao Shri Devarakonda Vittal

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government propose to review Defence procurement policy;
- (b) if so, the details and objective thereof;
- (c) whether Ministry has decided to seek advice of Central Vigilance Commission and Comptroller and Auditor General of India before finalising its procurement policy and programmes;
- (d) if so, the facts thereof; and
- (e) the time by which the final decision is likely to be taken in this regard?

**Answer**

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

- (a) & (b): The Defence Procurement Procedure is being reviewed to streamline and make it more effective in the light of the experiences gained in the implementation of the Procedure since December, 2001.
- (c) to (e): A system for the mandatory and time bound scrutiny of all major procurement cases is in place in the Ministry. All cases above Rs. 75 crores are sent to Comptroller & Auditor General (C&AG), whose reports are further studied by the Chief Vigilance Officer (CVO) of the Ministry from the vigilance angle and to recommend to the Government where further enquiries are necessary. In cases where the C&AG recommends further scrutiny from the vigilance/legal angle or the Ministry considers it necessary to do so, the CVO will make a formal reference to CVC, CBI or other agencies as deemed appropriate. This would enhance the level of transparency in the procurement process.