

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1456
ANSWERED ON:09.12.2004
CONSTITUTION OF DEFENCE PROCUREMENT BOARD
Pathak Shri Brajesh

Will the Minister of DEFENCE be pleased to state:

- (a) whether a high level Defence Purchase Board has been constituted for the defence deals;
- (b) if so, the details thereof;
- (c) whether the Union Government has imposed a ban on the involvement of middlemen in the defence deals;
- (d) if so, the details thereof;
- (e) whether the cases of involvement of middlemen have come to the notice even after constitution of the said Board;
- (f) if so, the details thereof; and
- (g) the action taken by the Government in this regard?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) & (b): A Defence Procurement Board (DPB) has been constituted to oversee all activities related to acquisition on the Capital account in the Department of Defence flowing out of `Buy` and `Buy and Make` decisions. The DPB is chaired by Defence Secretary and Secretary, Department of Defence Production, Secretary, Department of Research & Development, Secretary (Defence Finance), Vice Chief of Defence Staff (VCDS)/Chief of Integrated Defence Staff to Chairman Chief of Staff Committee (CISC) till VCDS is appointed, Vice Chief of Army Staff, Vice Chief of Naval Staff, Vice Chief of Air Staff and Special Secretary (Acquisition) are its members. The functions of the DPB include the coordination, supervision and monitoring of the acquisition process.

(c) & (d): According to Defence Procurement Procedure 2002 (Version June 2003), direct dealing with Original Equipment Manufacturers (OEMs), Authorised vendors/Government sponsored export agencies is only permissible. In addition, the standard clauses that are to be signed by any seller of defence equipment to Government of India, as a part of the contract, contains specific provisions that contemplate penal action for the use of undue influence.

(e) No, Sir.

(f) & (g): Do not arise.