

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1517

ANSWERED ON:10.03.2008

LEGALIZED DEFENCE AGENT FOR ARMS DEALS

Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

Will the Minister of DEFENCE be pleased to state:

- (a) whether India is one of the largest importers of military hardware and software in the world but there is not even a single legalized defence agent in the country;
- (b) if so, the facts thereof;
- (c) whether the Government proposes to legalize defence agents; and
- (d) if so, the details thereof?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO.1517 FOR ANSWER ON 10.3.2008

Government constantly review the security environment and accordingly decide to procure the requirements of the Armed Forces through import or from indigenous manufacturers in accordance with the Defence Procurement Procedure.

On the basis of Ministry of Finance's instructions issued on 31st January, 1989 relating to Indian Agents of foreign suppliers for all the Ministries/Departments under the Government of India, supplementary instructions were issued by the Ministry of Defence in April, 1989 and in November, 2001 to regulate authorized Indian representatives/agents of foreign suppliers. The instructions provide for the regulation of representational arrangements through a system of registration, categorical and open declaration by the foreign suppliers of the services to be rendered by their authorized representatives/agents and the remuneration payable to them by way of fees, commission or any other method. So far no authorized Indian representatives/agent has been registered by the Ministry of Defence in terms of these instructions.