

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

STARRED QUESTION NO:152
ANSWERED ON:08.03.2010
EXPENDITURE ON PROCUREMENT OF WEAPONS
Rajesh Shri M. B.

Will the Minister of DEFENCE be pleased to state:

- (a) the amount spent on procurement of weapons from foreign countries during the current financial year;
- (b) the investment made by the Government for the indigenous development and manufacture of weapons in various Ordnance Factories, Defence Research and Development Organisation (DRDO) and the Public Sector Undertakings; and
- (c) the steps taken by the Government to check the role of middle men in arms deals?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.152 FOR ANSWER ON 8.3.2010.

A sum of about Rs. 24122 crore has been spent upto February 2010 on capital procurement of various kinds of defence equipment including weapons from various sources during the current financial year. Out of this amount, a sum of Rs.8143 crore has been spent on procurement from foreign vendors.

Book value of total net worth of the Government investment as on 31st March 2009 in Defence Public Sector Undertakings and Ordnance Factories is Rs.11,685.77 crore.A sum of Rs.2341.83 crore has been spent for development under capital head of DRDO in the current financial year.

Defence Procurement Procedure (DPP) 2008 provides for direct dealing with Original Equipment Manufacturers (OEM) or Authorized Vendors or Government sponsored Export Agencies (applicable in case of countries where domestic laws do not permit direct export by OEMs). Further,the procedures inter-alia incorporate provisions for penalties being imposed if any seller engages any individual or firm, whether Indian or foreign whatsoever, to intercede, facilitate or in any way recommend to the Government of India or any of its functionaries, whether officially or unofficially, to the award of the contract to the Seller. In addition, Defence Procurement Procedure provides for signing of an Integrity Pact between the Government Department and the bidders for all procurement schemes over Rs.100 crores.