

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3652
ANSWERED ON:19.04.2010
DEFENCE DEALS WITH BLACKLISTED COMPANIES
Owaisi Shri Asaduddin

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has opted to resume defence deals with the companies blacklisted in connection with corruption cases;
- (b) if so, the details thereof alongwith the firms allowed for trials of equipment;
- (c) the reasons for continuing with deals from such firms; and
- (d) the steps taken by the Government to ensure scrupulous deals?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): In the light of the names of certain firms figuring in a FIR filed by the CBI on 17th May, 2009, it had been decided that all procurement cases in the pipeline with any of these firms may be put on hold till further orders. Subsequently, the matter was reviewed and it was decided that multi-vendor procurement cases, held up at various stages of technical evaluation/trials, may be progressed further as per the Defence Procurement Procedure, 2008. Accordingly, trials are being progressed in respect of such procurement cases relating to M/s ST Kinetics, Singapore and M/s IMI, Israel. However, no tender will be awarded to the companies mentioned in the FIR, unless the CBI investigation clears them totally.

(d): The Defence Procurement Procedure contains stringent provisions aimed at ensuring the highest degree of probity, public accountability and transparency. The Procedure provides for the mechanism of Pre-Contract Integrity Pact, in procurement cases of the estimated value exceeding Rs.100 crore as well as provisions prohibiting engagement of agents or use of undue influence.