

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:5244

ANSWERED ON:05.09.2011

DEALS WITH BLACKLISTED FIRMS

Lal Shri Kirodi ;Pandurang Shri Munde Gopinathrao;Solanki Shri Makhansingh

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

- (a) the total value of defence contracts at various stages with the defence firms blacklisted in corruption cases in the recent past alongwith their present status;
- (b) whether the Government proposes to resume the deals with the such firms; and
- (c) if so, the details thereof?

**Answer**

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): CBI had registered a First Information Report (FIR) on 17th May, 2009 against certain firms in respect of transactions with Ordnance Factory Board. In the light of above, Government decided to put on hold all contracts with the firms figuring in the FIR. The decision to put on hold was contested by some companies before the Delhi High Court and the High Court set aside the decision vide its judgement dated 11th February 2010 and directed that penal action can be taken only after following the principles of natural justice. Accordingly, show cause notices were issued to the firms by Ordnance Factory Board. The replies received from the firms are under consideration in the Department of Defence Production.