

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:7314
ANSWERED ON:21.05.2012
UNFAIR PRACTICES IN DEFENCE SUPPLIES
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Will the Minister of DEFENCE be pleased to state:

- (a) whether several arms suppliers have been found to be indulged in allegedly unfair practices;
- (b) if so, the details thereof;
- (c) whether some officials of his Ministry are also allegedly involved therein; and
- (d) if so, the action taken against such officials and the arms suppliers?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (d): Whenever any allegation of corruption in defence deals is received, the same is examined by the Ministry and wherever considered necessary, the case is referred to appropriate agency for investigation. Appropriate action is also taken against the officials found guilty in such cases. Well defined procedures with adequate checks and balances, as mentioned in Defence Procurement Procedure (DPP) for capital procurement and in Defence Procurement Manual (DPM) for revenue procurement are strictly followed. Recently, Ministry of Defence have, on the recommendation of CBI, blacklisted six firms, namely, M/s Singapore Technologies Kinetics Ltd. (STK), M/s Israel Military Industries Ltd. (IMI), M/s T.S. Kisan & Co. Pvt. Ltd., New Delhi, M/s R.K. Machine Tools Ltd., Ludhiana, M/s Rheinmetall Air Defence (RAD), Zurich and M/s Corporation Defence, Russia and debarring them for further business dealing for a period of ten years. CBI had registered a case against former DGOF (Director General of Ordnance Factories) & Chairman, OFB (Ordnance Factory Board) and some others regarding receipt of illegal gratification from various suppliers of ordnance factories, before the Court of the Special Judge, CBI, Kolkata in May, 2009. Further, Disciplinary proceedings under Rule 9 of CCS (Pension) Rules have also been initiated against former DGOF.