

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

STARRED QUESTION NO:47  
ANSWERED ON:13.08.2012  
IRREGULARITIES IN PROCUREMENT  
Rathod Shri Ramesh

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

- (a) whether irregularities in the bidding process and deviations from established procedures have been reported in purchase/acquisition of arms and ammunition, including attack helicopters, for the use by the Army;
- (b) if so, the details thereof;
- (c) whether the Government has cancelled/put on hold the orders/ contract for supply of these material;
- (d) if so, the details thereof including the details of the individuals involved in the whole process; and
- (e) the action taken by the Government against them?

**Answer**

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

(a) & (b): Madam, complaints are received from time to time regarding irregularities at various stages of the procurement process. These complaints are examined and appropriate action taken.

There is no procurement case for acquisition of attack helicopters for the use of Army.

(c) to (e): In a recent case of receipt of illegal gratification by Shri Sudipto Ghosh, the former DG Ordnance Factory Board (OFB) from various foreign and domestic suppliers, in March 2012 the Ministry of Defence has debarred the following six firms from further business dealings with Ministry of Defence for a period of ten years:

- (i) M/s Israel Military Industries Ltd. (IMI).
- (ii) M/s Singapore Technologies Kinetics Ltd. (STK).
- (iii) M/s T.S. Kisan and Co. Pvt. Ltd., New Delhi.
- (iv) M/s R.K. Machine Tools, Ludhiana.
- (v) Rheinmetall Air Defence (RAD), Zurich.
- (vi) M/s Corporation Defence, Russia (CDR).

All ongoing contracts between OFB and above noted companies have been cancelled.

CBI has also charge-sheeted among others, Shri Sudipto Ghosh and two firms i.e. M/s T.S. Kisan & Co. Pvt. Ltd., New Delhi and M/s R.K. Machine Tools, Ludhiana.

Besides, in a case of contractual violations by M/s Denel, South Africa, two contracts signed with them were cancelled and further dealings with them were also put on hold by the Ministry of Defence in the year 2005.