

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:473
ANSWERED ON:23.11.2009
BLACKLISTING OF DEFENCE COMPANIES
Jindal Shri Naveen

Will the Minister of DEFENCE be pleased to state:

- (a) whether a number of Indian and foreign companies supplying defence equipment to the armed forces have been blacklisted during the last two years and the current year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether any action has been taken against the companies and their representatives;
- (d) if so, the details thereof; and
- (e) the steps being taken to ensure total transparency in defence deal?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

(a) to (d): The following decisions have been taken in respect of seven firms/companies/suppliers/vendors, supplying defence equipment to the armed forces during the last 2 years and the current year i.e. M/s Israeli Military Industries, Israel; M/s Singapore Technology, Singapore; M/s HYT Engg; M/s T.S. Kishan and Co. Pvt. Ltd., New Delhi; M/s R.K. Machine Tools; M/s BBT, Poland; M/s Media Architects Pte, Ltd., Singapore:-

(i) Where contracts have been concluded and also executed, action should be taken against the companies, as per the provisions of the contract, on completion of the CBI investigation.

(ii) In regard to the tender cases of procurement/execution, where the tender process has already been started and where the companies mentioned in the FIR are figuring, each case should be dealt as per the tender conditions, keeping in view the FIR in question. No tender should be awarded to the companies mentioned in the FIR unless the CBI investigation clears them totally.

(iii) The tender cases of procurement/execution, where the tender process has not yet started, there should be no dealing with the companies mentioned in the FIR, till the finalization of investigation.

(iv) Contracts that have been entered into and are being executed or pending execution, shall remain on hold. In these cases, further action will be taken as per the contractual provisions on receipt of the investigation report of the CBI.

Some restrictions on procurement cases in respect of M/s IAI or M/s Rafael have also been placed.

(e) Government has laid down elaborate procedures for procurement of defence equipments, weapons and stores. The procedures prescribed include "Defence Procurement Procedure" for capital acquisition and "Defence Procurement Manual" for revenue purchases. These procedures are also reviewed periodically.