

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1110

ANSWERED ON:04.03.2013

CORRUPTION IN DEFENCE DEALS

Bhagora Shri Tarachand;Mahato Shri Narahari;Ray Shri Rudramadhab ;Singh Alias Pappu Singh Shri Uday;Singh Shri Pradeep Kumar;Tirkey Shri Manohar

Will the Minister of DEFENCE be pleased to state:

- (a) whether according to the report titled "Government Defence Anti-Corruption Index 2013" by Transparency International UK, India suffers 'high corruption risk' in defence purchases;
- (b) if so, the reaction of the Government thereto;
- (c) whether a Swiss firm has paid a huge sum of money to Indian arms dealer firm in the US;
- (d) if so, the details thereof;
- (e) the details of cases of alleged irregularities / corruption in defence deals reported along with the details of inquiries conducted into each of such cases and outcome thereof during the last three years and the current year; and
- (f) the measures taken / proposed to be taken by the Government to check recurrence of such cases and bring transparency in defence deals?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (f): Complaints alleging irregularities / corruption in defence deals are received from various sources from time to time. Whenever any allegation of corruption in defence deals is received, the same is examined by the Ministry and wherever necessary, the case is referred to the appropriate agency for investigation. Suitable action is also taken against the vendors and persons found guilty in such cases.

Well defined procedures with adequate checks and balances, are prescribed in Defence Procurement Procedure (DPP) for capital procurement and in Defence Procurement Manual (DPM) for revenue procurement.

The existing procedures contain stringent provisions aimed at ensuring the highest degree of probity, public accountability and transparency.

The Standard clauses in a contract include the following to ensure transparency:-

- (i) Signing of Pre Integrity Pact.
- (ii) Penalty for use of undue influence.
- (iii) Prohibiting use of agents and payment of commissions.