

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:2190

ANSWERED ON:11.03.2013

BLACK LISTED COMPANIES

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Will the Minister of DEFENCE be pleased to state:

- (a) the details of defence companies that have been blacklisted by the Government;
- (b) the details of deals that the Army, Navy and Air Force have had with these blacklisted companies and amount spent in purchasing equipment from these companies;
- (c) whether such companies are still selling their products to Indian Armed Forces;
- (d) if so, the details thereof; and the reasons therefor;
- (e) the action taken against the persons found involved in such activities; and
- (f) the steps taken by the Government to check recurrence of such activities?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) Government has blacklisted following 6 firms for a period of ten years vide Ministry of Defence ID No.31013/4/2008/D(Vig) dated 11th April, 2012:

(i) M/s Singapore Technologies Kinetics Ltd. (STK).

(ii) M/s Israel Military Industries Ltd. (IMI).

(iii) M/s Rheinmetall Air Defence (RAD), Zurich.

(iv) M/s Corporation Defence, Russia (CDR).

(v) M/s T.S. Kisan & Co. Pvt. Ltd. New Delhi.

(vi) M/s R.K. Machine Tools Ltd., Ludhiana.

(b) All ongoing contracts between Ordnance Factory Board (OFB) and above noted companies have been cancelled.

(c) & (d): No further contracts have been signed with any blacklisted company.

(e) CBI has filed a Chargesheet against Shri Sudipta Ghosh, ex DGOF, for receipt of illegal gratification from the above mentioned firms. The case is sub-judice in the CBI Special Court, Kolkata. In addition, the Ministry has separately initiated departmental proceedings against Shri Sudipta Ghosh, ex DGOF, under Rule 9 of CCS (Pension) Rules 1972.

Whenever any allegation of corruption in defence deals is received, suitable action is taken against the vendors and persons found guilty in such cases.

(f) The Defence Procurement Procedure (DPP) contains stringent provisions aimed at ensuring the highest degree of probity, public accountability and transparency.

The Standard clauses in a contract include the following to check any irregularities:-

(i) Signing of Pre-Integrity Pact

(ii) Penalty for use of undue influence

(iii) Prohibiting use of agents and payment of commissions.