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Title: The Minister of Defence laid a statement correcting the reply to Starred Question No. 144 given on 16 December, 2013 asked by Sarvashri Yashvir Singh and Neeraj Shekhar, MPs regarding 'Irregularities in Defence Deals'.

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): Madam Speaker, I beg to lay a copy of the Statement correcting the reply to Starred Question No. 144 given to the Lok Sabha on 16th December, 2013 asked by Sarvashri Yashvir Singh and Neeraj Shekhar, MPs regarding 'Irregularities in Defence Deals.'

I had answered the Lok Sabha Starred Question No. 144 relating to "Irregularities in Defence Deals" asked by Shri Yashvir Singh and Shri Neeraj Shekhar, M.P. on 16.12.2013.

Information was sought in the Question regarding (a) the details of the irregularities/ violations of tender norms in defence deals with foreign companies including in procurement of Active Towed Array Sonar reported during each of the last three years and the current year; (b) the details of the defence deals in which Central Vigilance Commission has recommended for vigilance inquiry during the said period for flouting the tenders; (c) the details of cases of corruption registered in aforesaid deals during the said period; (d) the number of officials found guilty in such defence deals during the said period and action taken against them; and (e) the remedial measures taken by the Government to check irregularities in defence deals?

It was inadvertently mentioned in the second Para of the statement annexed to reply that "In addition to above, as on date, Ministry has issued orders debarring 15 firms, from further business for a period of 10 years/indefinite period as detailed at Annexure- I". The same may be read as "In addition to above, as on date, Ministry has issued orders debarring 12 firms, from further business for a period of 10 years/indefinite period as detailed at Annexure-I". The Annexure-I has also been amended.

The answer is therefore proposed to be revised. The error is regretted.

I hereby place on the Table of the House copies of the revised answer to the Starred Question No. 144 relating to "Irregularities in Defence Deals" asked by Shri Yashvir Singh and Shri Neeraj Shekhar, M.P. on 16.12.2013. (*Interruptions*)

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Statement Referred To In Reply To Parts (A) To (E) Of Lok Sabha Starred Question No. 144 For Answer On 16.12.2013

(a) to (e): Procurement of defence equipment in Capital and Revenue heads is carried out as per Defence Procurement procedure (DPP) and Defence Procurement Manual (DPM) respectively. Other organizations like Defence Research and Development Organisation (DRDO), Ordnance Factory Board (OFB) and Defence Public Sector Undertakings (DPSUs) have their own procurement procedures. From time to time, complaints alleging irregularities / violations of procurement procedures are received from various sources. Whenever any such reference is received the same is examined and after due diligence of the case, wherever necessary, the case is referred to appropriate agency for further investigation. During the last three years and current year, CBI has registered a total of 23 cases in connection with defence purchases, including procurement of defence equipment. Out of these, six cases involving foreign companies relate to procurement matters of VVIP Helicopters for Air Force, Reconnaissance and Surveillance Helicopters for Army, Tatra trucks for Army and award of contract by OFB Kolkata. In some of these cases, references have also been received from Central Vigilance Commission. No official of the Ministry has been found guilty during the said period.

In addition to above, as on date, Ministry has issued orders debarring 12 firms, from further business for a period of 10 years / indefinite period as detailed at Annexure-I.

Regarding the procurement of Active Towed Array Sonar for Indian Navy, few complaints have been received alleging

irregularities in the technical evaluation, procurement process etc., which are under examination. The contract is not yet concluded.

Procurement of defence equipment is progressed as per laid down procedures to ensure that the process conforms to highest standards of transparency, probity and public accountability. The extant procedures include various provisions such as collegiate approvals at different stages, the oversight mechanism, standard clauses of contract, signing of pre contract integrity pact etc. All the complaints on procurements, with verifiable allegations, are investigated either departmentally or through independent investigating agency like CBI. If any company is found to have adopted or indulged in unethical or illegal means, action is taken against such company for imposition of penalties including debarring the said company from business dealing.

ANNEXURE-1

Companies and their subsidiaries Debarred by the Ministry as on 13.12.2013

Total Number of debarred companies: 12

2. The name of the companies and the dates of orders are as follows:

Sl. No.	Name of the company	Date of Order
1.	M/s Singapore Technologies Kinetics Ltd. (STK)	28.05.2009 and 11.04.2012
2.	M/s Israel Military Industries Ltd. (IMI)	28.05.2009 and 11.04.2012
3.	M/s T.S. Kisan & Co. Pvt. Ltd., New Delhi	28.05.2009 and 11.04.2012
4.	M/s R.K. Machine Tools Ltd. Ludhiana	28.05.2009 and 11.04.2012
5.	M / s Rheinmetall Air Defence (RAD), Zurich	11.04.2012
6.	M/s Corporation Defence, Russia (CDR)	11.04.2012
7.	M/s Shanx Oceaneering, Kochi & Mumbai	09.08.2006
8.	Inter Spiro India Pvt. Ltd., Goa	09.08.2006
9.	M/s Experts System	09.08.2006
10.	M/s Unitech Enterprises, Pune	09.08.2006
11.	M/s Kelvin Engineering	09.08.2006
12.	Atlas group of companies including M/s Atlas Telecom & M/s Atlas Defence Services	09.08.2006

3. The companies at Sl. No.1 to 6 have been debarred from further business dealings with Ministry of Defence for a period of ten (10) years vide order dated 11.04.2012. All the allied and subsidiary firms of each of the debarred firms at Sl. No. 1 to 6 above, have also been debarred from further business dealings for a period of ten (10) years vide order dated 17.09.2013.

4. The companies at Sl. No.7 to 12 have been debarred indefinitely.