

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1277
ANSWERED ON:02.03.2000
MIDDLEMEN IN DEFENCE DEALS
RAGHUNATH JHA;RAMJI MANJHI

Will the Minister of DEFENCE be pleased to state:

- (a) whether attention of the Government has been drawn to the news item captioned "Middlemen still wield clout on Defence Deals" appearing in the 'Times of India' dated February 15, 2000;
- (b) whether the procurement of Weapon Locating Radars has been stalled for which the Army projected urgent requirement after the Kargil conflict as Pakistan has several American made WLRs to locate the Indian artillery batteries accurately;
- (c) if so, the facts thereof and the reasons for cancelling the visit of evaluation team to Germany; and
- (d) the steps taken to eliminate agents/middlemen from the purchase deals of Defence items?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 1277 2.3.2000.

The proposal to acquire WLRs for the Army predates the Kargil conflict. There are several aspects of the proposal which are currently under consideration. Based on an intimation from a German supplier, being part of a consortium, that their WLR system was not available for evaluation by the technical team being under maintenance schedule, the visit had been postponed. Recently, the supplier has informed that their system is now available for the purpose of evaluation in Germany.

Involvement of agents/middlemen in the procurement of Weapon systems/Armaments is banned as per the instructions issued by the Government in 1989. A specific clause to this effect is included in the Contracts which clearly stipulates that no agent can be engaged by the supplier and no agency commission in any form can be paid by him. This clause, also, inter alia provides that if, at a subsequent date, it is detected that an agent was engaged by the supplier, the Contract would be liable to cancellation in addition to debarment of the firm for 5 years from having any dealing with Ministry of Defence.