

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:1298

ANSWERED ON:03.08.2006

BLACKLISTED COMPANIES/ SUPPLIERS

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**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government has blacklisted a number of companies/suppliers engaged in supply of equipments and other items for Defence Forces including Defence Research and Development Organisation (DRDO);
- (b) if so, the details of those companies/suppliers alongwith the reasons therefor;
- (c) the action taken by the Government against such companies/suppliers;
- (d) whether the mega surveillance project has suffered following detection of fraud in supply of equipments for this project for developing a system for tracking hostile airborne targets;
- (e) if so, the details thereof; and
- (f) the alternative arrangements being made by the Government in this regard?

**Answer**

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

- (a) & (b): As per available reports there are more than 110 Companies/Suppliers which were banned by various organizations under Ministry of Defence for various reasons including non fulfillment of contractual obligations.
- (c) After banning of Companies/Suppliers, normally no contracts are signed with them during the ban period.
- (d) to (f): In a project assigned to ECIL as prime production agency, delivery of some of the subsystems, which were to be part of the main system, could not be materialized due to issuing of a directive to cease any dealings with a firm who was to procure the subsystem. It is likely to affect the progress of the project. It will not be possible to make an exact assessment of delay. However, all efforts will be made to keep it to the minimum. The alternative mechanisms are being evolved for meeting the technical requirements, and objectives of the project.