

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2509  
ANSWERED ON:17.08.2006  
PROCUREMENT OF DEFECTIVE EQUIPMENT  
Khan Shri Sunil

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

- (a) whether the Comptroller and Auditor General (C&AG) in its Report No. 6 of 2005 has pointed out that the Government not only procured defective equipment worth Rs. 13.22 crores but also failed to encash performance bonds worth Rs. 66 lakh;
- (b) if so, the facts thereof;
- (c) whether any investigation has been made in this regard; and
- (d) if so, the outcome thereof and the follow-up action taken thereon?

**Answer**

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) & (b): The C&AG report No. 6 of 2005 referred to two contracts which were signed in March, 2001 with M/s Federal State of Unitary Enterprises, Russia for supply of Simulators for missiles and Self Loading Vehicles at a cost of Rs. 12.80 crore and Rs. 41.61 lakhs respectively, where certain shortcomings were noticed in stores supplied.

The matter was taken up with the vendor.

In the contract for self loading vehicles, the required repairs were carried out and the vehicles released. The matter has been settled.

In the case of the other contract for Simulators for missiles, out of 5 claims, 4 have been settled. Rectification of defects in consultation with the vendor in the remaining claim is under way.

(c) & (d): Question does not arise.