

now handled by the CRPF would be taken over by the State Police, and some battalions of the CRPF could be withdrawn for deployment in other areas.

#### **Purchase of defective ammunition and machineries**

\*368. SHRTMATI SHOBHANA BHARTIA:

SHRI N.K. SINGH:

Will the Minister of DEFENCE be pleased to state:

(a) whether Comptroller and Auditor General (CAG) has indicted the Ministry for purchasing 'Defective Quality ammunition and machineries', which has had adverse impact on operational preparedness of the army;

(b) if so, the facts and details thereof;

(c) whether it has also been found that top army commanders have misused their special financial powers; and

(d) if so, the facts thereof and steps taken by Government to bring transparency in the procurement of defence purchases?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (d) Comptroller & Auditor General's Report No.CA 17 of 2008-2009, in Para 2.2 refers to the case of "Import of defective ammunition". The said para contains audit observations on the 155mm Krasnopol ammunition procured as per contracts signed in 1999 and 2002.

An Agreement to Contract No. KBP 615612072 on repair/rectification of the 155mm Krasnopol Projectiles procured in 1999 and another Agreement to Contract No. KBP 615612073 on modified 155mm Krasnopol Projectiles firing tests aimed at settlement of the quality claim pertaining to the projectiles supplied under the contract of 2002 have been signed with the supplier, M/s KBP, Tula, Russia in November 2008. Under these Agreements, repair/rectification of Projectiles by replacement of fuze, and the firing tests are to be carried out at the supplier's own expense.

CAG Report No.CA 17 of 2008-2009 also contains Para No.3.6 on the "Misuse of special financial powers by Army Commanders". The Government takes appropriate action on audit observations raised by the CAG.

The provisions incorporated in Defence Procurement Procedure-2008 for achieving transparency in acquisition include, interalia: (i) An 'Integrity Pact' between the Government department and the bidder for all contracts above Rs.100 crore; (ii) Enhanced transparency in the conduct of field trials; (iii) Pre-bid meetings with vendors; (iv) Prohibiting the use of undue influence by the seller for obtaining any contract with the Government; (v) Prohibiting the engagement of any individual or firm to recommend to the Government the award of a contract to the seller and the payment of any amount in respect of any such recommendation.

#### **Lifting ban on export of wheat**

†\*369. SHRI PRABHAT JHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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†Original notice of the question was received in Hindi.