

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO.5982
TO BE ANSWERED ON THE 4TH APRIL, 2018

NALANDA PROJECT

5982. DR. UDIT RAJ:

Will the Minister of DEFENCE j{k k ea=h
be pleased to state the action taken against officials of the Ministry of Defence other than Ordnance Factory Board who went by the implicit approval by the Parliament Committee on Security for the Nalanda Project as brought out in Chapter 11 of the Comptroller and Auditor General report number 15 of 2010-11?

A N S W E R

MINISTER OF DEFENCE

(SMT. NIRMALA SITHARAMAN)

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In the Action Taken Note (ATN) submitted in respect of the subject audit observations contained in Comptroller and Auditor General (CAG) Report No.15 of 2010-11, the following was furnished:

It had been clearly brought in Cabinet Committee on Security (CCS) note that Commercial Negotiation Committee constituted by Ministry of Defence (MOD) under the Chairmanship of Director General, Ordnance Factory Board, had extensive negotiations with M/s IMI Israel for Bi-Modular Charge System (BMCS) plant and could obtain a reduction of Euro 3.0 million. The Cabinet was also intimated about the completion of negotiation for the BMCS plant in explicit terms and the revised cost of Project based on the negotiated cost of main plant and machinery. Even Ministry of Finance, while examining the CCS note, had acknowledged the fact regarding completion of price negotiations for BMCS plant. It is explicitly clear that approval of CCS for revision in Project cost from Rs.941.13 crores to Rs.2160.51 crores also constitutes the approval for BMCS plant.

The case pertaining to Ordnance Factory Nalanda was referred to CBI and based on the secret report of CBI, the firm M/s IMI Israel was not only debarred in March, 2012 for a period of ten years from further business dealings but also the aforesaid contract for BMCS plant was cancelled.
