

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEFENCE RESEARCH & DEVELOPMENT ORGANISATION
RAJYA SABHA
UNSTARRED QUESTION NO. 1326
TO BE ANSWERED ON 13th March, 2023

COST OVERRUN AND DELAY IN PROJECTS UNDERTAKEN BY DRDO

1326. SHRI ABDUL WAHAB:

Will the Minister of Defence be pleased to state:

- (a) the number of high-priority projects being undertaken by DRDO;
- (b) the number of projects which did not meet the deadlines;
- (c) the quantum of cost overrun which the extension in deadlines caused; and
- (d) whether Government has taken note of the CAG report on DRDO, if so, the steps taken by Government to reduce delays and cost overruns?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

- (a): High priority projects are undertaken in DRDO under the Mission Mode (MM) Project Category. Currently there are 55 Nos. of ongoing MM projects such as – Anti-Air Field Weapon, Solid Fuel Ducted Ramjet Technology, Surface to Air Missiles, Anti-Ship Missile, Long Range Radar, Combat Vehicles, High Endurance Autonomous Underwater Vehicle, Combat Suit for Submarines, Submarine Periscope etc.
- (b): Of these 55 Nos. of ongoing MM projects, 23 Nos. did not meet deadlines.
- (c): Of the 23 Nos. of ongoing MM projects which did not meet the deadline, 9 Nos. have undergone cost overruns. However, not all cost overruns were necessitated due to time overruns.
- (d): Following initiatives have been taken to reduce incidences of delays in DRDO projects:-
 - Mandatory focus on pre-project activity – PDR mandatory before project sanction for MM projects
 - Stringent Monitoring
 - Time estimation by an independent committee
 - Decision to close projects
 - Increased frequency of Project reviews – Apex Board frequency reduced to 6 months
 - Increased involvement of Services & Production Partners during development process and reviews – User participation in review meetings at all levels

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- Simplified procurement policies – New PM-2020 released
- Introduction of Development cum Production Partner (DcPP)/Production Agencies (PAs) more than 90
- Single User Trial – FOPM by industry
- Many test facilities/ infrastructure built – National Open Air Range, Hypersonic Wind Tunnel etc.
- Constitution of Joint Project Monitoring Team (JPMT) – For all AoN accorded cases

Financial justification in any project proposal is vetted by Cost Estimation Committee comprising Director (Finance) or Integrated Financial Advisors (IFA) R&D as members. For project costing more than ₹75 Cr, the proposal is thereafter reviewed by Addl. FA (R&D) also during the process of project sanction.

The broad cost analysis is also presented during Peer Review or Preliminary Design Review wherein external experts and Users are members.
