

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

UNSTARRED QUESTION NO.135
TO BE ANSWERED ON THE 18TH JULY, 2018

DELAY IN ACCORDING APPROVAL

135. SHRI P.R. SUNDARAM:
SHRI PR. SENTHIL NATHAN:
SHRIMATI V. SATHYA BAMA:
SHRI BHARATHI MOHAN R.K.:

Will the Minister of DEFENCE j{k k ea=h
be pleased to state:

- (a) whether the Union Government has taken any decision on the complaints raised by the Honøble Members of Parliament (MPs) for the prolonged delay in according the approval to the Memorandum the approval to the Memorandum of Understanding (MoU) between Original Equipment Manufacturer (OEM) and Grand Power Slovakia S.R.O. under the Public Private Partnership project; and
- (b) if so, the details thereof and the Government's reaction on this issue and the stringent measures taken / being taken by the Government to take action against the officials who have deliberately taken a very long time of three years and are yet to decide on this issue?

A N S W E R

MINISTER OF STATE (DR. SUBHASH BHAMRE)
IN THE MINISTRY OF DEFENCE

रक्षा रणाय मंत्री

(डा. सुभाष भामरे)

(a) & (b): A Statement is attached.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA
UNSTARRED QUESTION NO. 135 FOR ANSWER ON 18.07.2018**

(a) & (b): A letter was received from an Hon'ble MP (LS) in October 2017 with a request to expedite the proposal under 'Make in India' program, Public – Private Partnership program [DCD Grand Power & Grand Power – Ordnance Factory Board (OFB)] for co-production of latest technology small arms.

Another letter was received in March 2018 from the same Hon'ble M.P. stating that even after the due process, the Department of Defence Production (DDP) has sent back the proposal to OFB citing incorrect procedure followed and also lack of Standard Operating Procedure (SOP) with OFB. The reply, clarifying the status of the case, was sent to the Hon'ble M.P. in May 2018, based on the grounds enumerated below:

The proposal for signing of Memorandum of Understanding (MoU) was forwarded by OFB to the DDP in March 2017. The MoU was returned to OFB in July 2017 as it was found deficient in terms of procedure followed. Earlier in September 2016, OFB had been asked to formulate a Standard Operating Procedures (SOP) for selection of the technology partners. In October 2017, OFB stated that the criterion adopted for the selection of prospective partner has been clearly defined in the Expression of Interest (Eoi) issued by them. Pending approval of the Standard Operating Procedures (SOP) for the selection of technological partner, the proposal for MoU between M/s Grand Power and OFB was returned to OFB in January 2018 intimating that the same would be progressed based on the approved Standard Operating Procedures (SOP) for the selection of technological partner. The revised Standard Operating Procedures (SOP) for the selection of technological partner, incorporating the suggestions of the Ministry, was submitted by the OFB in February 2018 which after examination was approved by the Ministry in March 2018.

Now, because of the change in scenario of the requirement of the small arms, Rifle Factory Ishapore, Kolkata is engaged in the development of small arms weapons to meet the requirement of Indian Army and Ministry of Home Affairs (MHA) units. The available resources of Rifle Factory, Ishapore are being used for the development and production of Small arms weapons for the Services and the MHA. The need for technology partner for coproduction of NPB weapons is not felt in view of the changed circumstances.
