

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
STARRED QUESTION NO.310
TO BE ANSWERED ON THE 2ND JANUARY, 2019
DEFENCE PROJECTS

*310. SHRI GAURAV GOGOI:
SHRI JYOTIRADITYA M. SCINDIA:

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

- (a) whether it is a fact that no major "Make-in-India" projects in defence have actually kicked off in the last three years;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether stock taking of several mega defence projects collectively worth over Rs.3.5 lakh crore remain stuck at different stages without the final contract being inked; and
- (d) if so, the facts and the details thereof and the steps the Government has taken to break the bureaucratic and other logjams in various defence projects?

A N S W E R

MINISTER OF DEFENCE j{k k ea=h	(SMT. NIRMALA SITHARAMAN) ¼Jherh fueZyk lhrkje.k)
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(a) to (d): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA
STARRED QUESTION NO. 310 FOR ANSWER ON 2.1.2019**

1. No, Madam. Several 'Make in India' projects have taken off. These include Surface to Air Missile System 'Akash', 155 mm x 45 calibre Artillery Gun 'Dhanush', Attack Submarine 'INS Kalvari', Weapon Locating Radar 'Swati', High Speed Heavy Weight Ship launched Torpedo 'Varunastra' etc.

2. During the last three financial years i.e. 2015-16 to 2017-18, Government has accorded Acceptance of Necessity (AoN) to 111 proposals, worth Rs.1,78,900 Crore approximately under 'Buy (Indian-IDDMM)', 'Buy (Indian)', 'Buy and Make (Indian)' or 'Make' categories of capital procurement as per Defence Procurement Procedure (DPP), which means Request for Proposal (RFP) is issued only to the Indian Vendors.

3. During the last three financial years i.e. 2015-16 to 2017-18, 99 contracts worth about Rs.65,471 Crore have been signed with Indian vendors for procurement of defence equipment for Armed forces.

4. The steps taken by the Government to expedite and fast track the capital acquisition projects include:

- (i) Defence Procurement Procedure (DPP) has been revised in 2016 wherein specific provisions have been introduced to make the procurement process more efficient and effective. These include:
 - (a) Technical Evaluation Committee (TEC) report to be approved by SHQs.
 - (b) Delegation of powers in approval process.
 - (c) Acceptance of Necessity (AoN) validity has been reduced to six months (from one year) for 'Buy' cases and to one year (from two years) for 'Buy & Make (Indian)' cases.
 - (d) Draft Request for Proposal (RFP) has to accompany Statement of Case (SoC) for AoN.
 - (e) Cases with AoN value of more than Rs.150 Crore to be directly brought before Services Capital Acquisition Plan Categorisation Higher Committee (SCAPCHC) thereby eliminating initial placement of such cases before Services Capital Acquisition Plan Categorisation Committee (SCAPCC) etc.
 - (f) Simplification of 'Make' procedure.
 - (g) Promulgation of separate simplified procedure for 'Make-II' subcategory of 'Make' procedure in February 2018.
- (ii) The Government has issued guidelines for Penalties in Business Dealing with Entities.
- (iii) The Government has issued guidelines for handling of complaints in respect of procurements under Defence Procurement Procedure.
