

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:4481

ANSWERED ON:25.08.2005

PROCUREMENT OF SUBMARINES

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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government is dealing with only one company for the last several years to buy the submarines and guns;
- (b) if so, whether the Government propose to purchase scorpene submarines from France;
- (c) if so, whether the Government had invited tenders from only one company of the France or it had invited tenders from other companies also;
- (d) if so, the details thereof;
- (e) whether the Government has formulated any policy to bring transparency in the defence purchase; and
- (f) if so, the details thereof?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) to (d): `Procurement of Defence equipment is carried out in accordance with the Defence Procurement Procedure (DPP) 2005. The procedure envisages soliciting techno-commercial offers from various vendors and negotiating with the lowest bidder whose equipment has been found to be technically suitable.

Request for Proposal (RFP) for construction of two submarines at Mazagon Dock Limited, Mumbai, initially was issued to four firms in 1997, out of which only one firm responded. Subsequently it was decided to negotiate for indigenous construction of six submarines under transfer of technology from the French company. No final decision has, however, been taken by the Government in this regard.

(e) & (f): The DPP-2005 has further streamlined the acquisition procedure to also incorporate certain provisions to improve transparency and cut down delays in the procurement process. Some of these provisions are as under:-

- (i) Making Qualitative Requirements more broad based so as to avoid single vendor situations.
- (ii) Open tendering for commercially off-the-shelf (COTS) items.
- (iii) Direct Offsets and Integrity Pact as part of the Request for Proposal (RFP) for purchases over Rs.300 crore.
- (iv) Standard Contract terms upfront as part of the RFP.
- (v) Broad timeframe for completion of different procurement activities.