

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1792
ANSWERED ON:30.11.2009
DELAY IN DEFENCE PROJECTS
Dubey Shri Nishikant

Will the Minister of DEFENCE be pleased to state:

- (a) whether a large number of defence projects and joint venture projects of the Ministry are running behind schedule;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether any responsibility has been fixed on the officials for the delay in completion of the projects;
- (d) if so, the details thereof;
- (e) the total cost escalation and time overrun caused by the delay in each of the major projects; and
- (f) the steps taken/proposed to be taken for the completion of the projects in a time-bound manner?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

(a) to (f): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA UNSTARRED QUESTION NO. 1792 FOR ANSWER ON 30.11.2009

Delays sometimes occur in defence projects due to several reasons such as insufficient and limited vendor base, non conformity of the offers to the Request for Proposal (RFP) conditions, field trials, complexities in contract negotiations, limited indigenous capability and long lead time for indigenization etc. Further the market for state-of-the-art defence equipment and platforms being circumscribed by denial regimes, limited availability of required type of material, complexities in construction and manufacturing involving integration of large number of systems, assemblies and sub-assemblies also cause delays.

To counter systemic and institutional delays, procedures and process are continuously refined on the basis of experience gained during the implementation of projects. There are also contractual provisions for penalties against delays in project implementation.

The matters relating to time and cost overrun are examined at appropriate level. Provisions have been incorporated in the Defence Procurement Procedure for review committees and monitoring teams suitably empowered to ensure timely execution of projects at appropriate level.