

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2358  
ANSWERED ON:25.07.2014  
WARSHIP CONSTRUCTION PROJECTS  
Ranjan (Pappu Yadav) Shri Rajesh;Ranjan Smt. Ranjeet

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether several warship construction projects of the Navy are running behind the schedule;
- (b) if so, the details thereof and reasons therefor along with the cost escalation due to delay, project-wise;
- (c) the steps being taken by the Government for early completion of these projects;
- (d) whether involvement of private sectors in manufacturing warship has delayed completion of certain projects; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI ARUN JAITLEY)

(a) & (b): Yes, Madam. There have been occasions when warship construction projects of Indian Navy have had time and / or cost escalations, major reasons for which include unavailability of warship grade steel, delay in design finalization, delay in receipt of critical equipment / technology, infrastructural constraints of the shipyards & delay in development of indigenised equipments / weapons.

(c) The progress of each project is monitored at various levels at Naval Headquarters (NHQ) & Ministry of Defence (MoD). Naval Warship Overseeing Teams are positioned at the shipyard to constantly liaise with the shipyard to expedite resolution of issues. Outstanding issues are addressed during Progress Review Meetings at NHQ and major issues pertaining to progress / delays in projects, if any, are addressed during the Apex Committee Meetings at Ministry of Defence. Further, Ministry of Defence also undertakes modernization of Defence Public Sector Undertakings (DPSUs) in terms of infrastructure to enhance productivity from time to time and on as required basis. In addition, various contractual provisions including milestone based payments, penalty for delays etc. are built into the contracts.

(d) & (e): At times, delays have been encountered in warship projects with private sector on account of similar reasons and also on account of financial issues like Corporate Debt Restructuring.