

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:2344
ANSWERED ON:11.03.2016
Defence Acquisition Council
Dhruvanarayana Shri Rangaswamy

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Defence Acquisition Council has cleared military modernisation projects;
- (b) if so, the net worth of these projects;
- (c) the number of previous acquisitions cleared by the council which have been completed and the number of them have not yet met the deadline; and
- (d) the number of incomplete projects which have been stalled due to funding related issues?

Answer

MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR)

(a) to (d): During 2014-15 and 2015-16, the Defence Acquisition Council (DAC) accorded approval to 66 capital procurement cases at an estimated cost of `1.98 lakh crore. During 2014-15, 47 capital procurement contracts were signed with value of `64,859.52 crore. During 2015-16 upto now 44 such contracts have been signed with a value of `39,955.36 crore. Capital procurements are carried out as per the Defence Procurement Procedure (DPP). The objective of DPP is to ensure expeditious procurement of the approved requirements of the Armed Forces in terms of capabilities sought and timeframe prescribed by optimally utilising the allocated budgetary resources. However, pendency sometimes occurs in procurement cases due to several reasons, such as insufficient and limited vendor base, non-conformity of the offers to the Request for Proposal (RFP) conditions, long field trials, complexities in contract negotiations and long lead time for indigenization etc.
