

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:4477
ANSWERED ON:08.08.2014
PURCHASE OF DEFENCE EQUIPMENT
Khanduri AVSM Maj. Gen. (Retd) Bhuwan Chandra

Will the Minister of DEFENCE be pleased to state:

- (a) the number of contracts / cases where Life Cycle Cost method were initiated / used for purchase of defence equipment in last ten years, year and equipment-wise including approximate cost of equipment;
- (b) the number of contracts / cases completed along with the time taken for completion of each contract / case;
- (c) the total number of pending contracts / cases along with the reasons for non- completion of pending contracts / cases;
- (d) the instances where the contracts were aborted / cancelled at final stages along with the reasons for its cancellation; and
- (e) whether the Government has conducted any inquiry in this regard and if so, the details and its status thereof?

Answer

MINISTER OF DEFENCE (SHRI ARUN JAITLEY)

(a) to (e): Seven number of capital acquisition cases based on Total Cost of Acquisition (TCA) model based on the Life Cycle Cost (LCC) approach have been initiated by Indian Air Force and two cases initiated by Indian Navy. One contract for procurement of Basic Trainer Aircraft has been signed under LCC approach. No case using LCC approach has been aborted / cancelled at final stages.