

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1243

ANSWERED ON:18.07.2014

PRIVATE PARTICIPATION IN DOMESTIC AEROSPACE ARENA

Udasi Shri Shivkumar Chanabasappa

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government proposes to promote private sector entry into the domestic aerospace arena through a project to supply transport aircraft to the Indian Air Force (IAF);

(b) if so, the details thereof and the reasons therefor;

(c) whether objections have been raised against this move by some Government agencies;

(d) if so, the details thereof; and

(e) the corrective measures taken by the Government in this regard?

Answer

MINISTER OF DEFENCE (SHRI ARUN JAITLEY)

(a) & (b): Yes, Madam. A proposal to procure 56 transport aircraft as replacement for AVRO Aircraft through 'Buy & Make' route has been accorded Acceptance of Necessity (AON) by the Defence Acquisition Council (DAC) on 23rd July, 2012. Out of these, 40 aircraft will be manufactured in India by an Indian Production Agency (IPA) from the private sector. The IPA will be chosen by the Original Equipment Manufacturer (OEM).

(c) & (d): Yes, Madam. Some representations / letters were received wherein primary concern raised related to denying opportunity to Public Sector Undertakings to participate in the procurement process.

(e) An Independent Committee was set up to look into the concerns raised. The report of the Independent Committee was discussed in the Defence Acquisition Council (DAC). DAC, in turn, directed for obtaining opinion of the Ministry of Law, which has been received. The Bid submission date has been extended up to 28.08.2014 for further consideration of the matter.