

Defence Acquisition Council approves capital acquisition proposals worth Rs 2.23 lakh crore to enhance the operational capabilities of the Armed Forces

98% to be sourced from domestic industries in major boost to 'Aatmanirbharta' in defence

Procurement of Light Combat Helicopters & Light Combat Aircraft Mk 1A from HAL gets a nod

Medium Range Anti-Ship Missiles for surface platform of Indian Navy accorded approval

Acquisition of Towed Gun System cleared to replace Indian Field Gun

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The Defence Acquisition Council (DAC), under the chairmanship of Raksha Mantri Shri Rajnath Singh on November 30, 2023, accorded approval in respect of Acceptance of Necessity (AoNs) for various Capital Acquisition Proposals amounting to Rs 2.23 lakh crore, of which, acquisition worth Rs 2.20 lakh crore (98% of total AoN amount) will be sourced from domestic industries. This will give a substantial boost to the Indian Defence Industry towards the aim of achieving the goal of 'Aatmanirbharta'.

The DAC has accorded the AoN for procurement of two types of Anti-tank Munitions namely, Area Denial Munition (ADM) Type - 2 and Type-3, which are capable of neutralising Tanks and Armoured personnel carriers and enemy personnel. To replace the Indian Field Gun (IFG), which has completed its service life, AoN for procurement of state-of-the-art Towed Gun System (TGS) has been granted which will become a mainstay of Artillery forces of Indian Army. The AoN was also accorded for 155 mm Nubless projectile for use in 155 mm Artillery guns which will enhance lethality and safety of the projectiles. All these equipment of the Indian Army will be procured under Buy (Indian-IDDMM) category.

The AoN for procurement and integration of Automatic Target Tracker (ATT) and Digital Basaltic Computer (DBC) for T-90 Tanks under Buy (India) category have also been accorded which will help in maintaining combative edge of T-90 tanks over adversary platforms. The AoN for procurement of Medium Range Anti-

Ship Missiles (MRAShM) for surface platform of Indian Navy under Buy (Indian-IDDm) category has also been accorded. The MRAShM is envisaged as a lightweight Surface-to-Surface Missile which will be a primary offensive weapon onboard Indian Naval Ships.

In addition, the DAC accorded AoNs for procurement of Light Combat Helicopter (LCH) for Indian Air Force (IAF) & Indian Army and Light Combat Aircraft (LCA) Mk 1A for IAF from Hindustan Aeronautics Limited (HAL) under Buy (Indian-IDDm) category. The AoNs have also been accorded by the DAC for upgradation of Su-30 MKI Aircraft indigenously from HAL. While procurement of these equipment will provide enormous strength to the IAF, acquisition from domestic defence industries will take the indigenous capability to a new height. It will also reduce dependability on foreign Original Equipment Manufacturers (OEMs) substantially.

Further to maximise indigenisation, the DAC has accorded approval for a major amendment in the Defence Acquisition Procedure (DAP) 2020. It has been decided that henceforth, in all categories of procurement cases, minimum 50% of indigenous content shall be in the form of material, components & software that are manufactured in India. For the purpose of calculation of Indigenous content, cost of Annual Maintenance Contract (AMC)/Comprehensive Maintenance Contract (CMC)/After Sale Service shall be excluded. Also, the DAC has taken decision to further encourage start-ups/MSMEs participation in the defence ecosystem. For all procurement cases with AoN cost upto Rs 300 crore, registered MSMEs and recognised start-ups will be considered for issue of Request for Proposal (RFP) without any stipulation of financial parameters, which can further be relaxed with approval of Defence Procurement Board (DPB) for AoN cost upto Rs 500 crore on case-to-case basis.

ABB/Savvy

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