



Ministry of Defence

Speedy Clearance for delayed Defence Projects

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'Make in India' initiative in defence production, is primarily driven by capital acquisition of defence equipment and other policy initiatives of the Government. Capital acquisition of defence equipment is carried out as per the Defence Procurement Procedure (DPP), which stipulates a time schedule for completion of the procurement cycle. However, the time taken to undertake capital procurement of defence equipment depends on the nature and complexity of the equipment being procured. Nonetheless, under the DPP-2016, Government has laid down provisions for ensuring swift decision making and effective implementation of the procurement process.

Defence Research and Development Organisation (DRDO), a Research & Development wing of Ministry, is primarily involved in design & development of strategic, complex and security sensitive systems in the field of armament, missiles, combat vehicles, combat aircrafts, radars, etc for the Armed Forces.

Procurement of capital equipment from Indian companies, is carried out under the ambit of 'Buy (Indian - IDDM)', 'Buy (Indian)', 'Buy & Make (Indian)', 'Make' and the Make phase of 'Buy & Make' categories of capital acquisition. Projects are awarded to Defence PSUs, Ordnance Factory Board (OFB) and private players as per the provisions of Defence Procurement Procedure (DPP). During the last two financial years (2014-15, 2015-16), 85 cases involving Rs 1,60,362 crore have been accorded Acceptance of Necessity (AON) by Defence Acquisition Council under these categories.

The entry of private companies in defence is not likely to adversely affect the role of DRDO and DPSUs; as role of these segments are complimentary and supplementary in nature. The wider participation of defence industry, including private sector, is beneficial for the overall objective of self-reliance and indigenisation in the defence sector. The Government has taken several steps to encourage participation of private sector including foreign investment in the sector.

This information was given by Minister of State for Defence Dr. Subhash Bhamre in a written reply to Shri Ajay Sancheti and others in Rajya Sabha today.

DM/NAMPI/Ranjan
/RAJYA SABHA/

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