

(c) 7 artists from Himachal Pradesh are benefited under this scheme.

(d) and (e) The amount of monthly honorarium has been increased from Rs. 2000/- to Rs. 4000/- in the last financial year (2009-10).

Changes in Defence Procurement Procedure, 2011

186. SHRI R.C. SINGH: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that the Ministry has brought about changes in the Defence Procurement Procedure, 2011;

(b) if so, the details of salient changes proposed in the DPP, 2011; and

(c) how this helps in quickly procuring Defence equipments for our forces?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) The Defence Procurement Procedure has been reviewed on the basis of experience gained during implementation and amendments incorporated in DPP 2011 to streamline and expedite the procurement process. The important amendments are:

- (i) To expedite the issue of Request For Proposal (RFP) to selected vendors, nomination of the Indian entity to undertake Transfer of Technology (ToT) for Maintenance Infrastructure will be pre-decided during Services Capital Acquisition Plan Categorization Higher Committee (SCAPCHC) and approved by the Defence Acquisition Council (DAC).
- (ii) The authority for granting additional 30 days grace period over and above the existing provision of 15 days for a vendor to provide equipment for trials has now been delegated to the Vice Chiefs of respective Services.
- (iii) A mechanism has been instituted to monitor time lines in each procurement case.
- (iv) To create a level playing field for Indian Industry on par with the Defence Public Sector Undertakings (DPSUs), the Exchange Rate Variation clause has now been made applicable to all Indian vendors when they compete with their foreign counterparts under the "Buy Global" category.
- (v) Bank Guarantees under the Integrity Pact have now been linked to the validity of the Commercial Offers submitted by vendors and are, therefore, no longer open ended.
- (vi) The requirement of furnishing two separate financial bonds for performance of contract and warranty of equipment has now been amalgamated into a single Performance-cum-Warranty Bond.

- (vii) The clause for blacklisting vendors for delay in delivery of equipment, in fast track procurements has been removed. However, the Liquidated Damages have been enhanced to ensure greater accountability by vendors.
- (viii) The existing Chapter-III on "Ship Building" has been revised to include guidelines for shipbuilding on competitive as well as nomination basis. Various clauses for strengthening of the contracting mechanism, linking payments to stages of construction for ships/yard craft, including modular construction have been included in the revised Chapter-III. These changes will provide a level playing field to the DPSU Shipyards and Private Sector and promote indigenization for induction of the ships, submarines and yard craft for the Indian Navy and Coast Guard.
- (ix) The scope of Offset Policy Guidelines has been expanded to include "civil aerospace", "internal security" and "training" within the ambit of eligible products and services for discharge of offset obligations. This will provide a wider range of offset opportunities to vendors participating in defence procurements and encourage building up of indigenous manufacturing capability in crucial areas.

Crash of army helicopter in Maharashtra

187. SHRI BALWINDER SINGH BHUNDER: Will the Minister of DEFENCE be pleased to state:

- (a) whether it is a fact that an army helicopter crashed on 2 February, 2011 near Nasik in Maharashtra in a residential area;
- (b) if so, whether an inquiry has been held in the crash, if so, the findings thereof and the action taken thereon;
- (c) the loss caused to private property due to the crash; and
- (d) the loss suffered by Government due to this crash?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) Yes, Sir.

(b) to (d) A Court of Inquiry has been ordered by the Army to investigate the cause of the accident. The loss to private property and to the Government will be ascertained in the Court of Inquiry.

Defence projects awaiting environment clearance

188. SHRI RAJKUMAR DHOOT: Will the Minister of DEFENCE be pleased to state: