

norms of the Government on skill development. It has been already decided to recommence the resettlement training courses.

### **Corruption-free defence deals**

†890. SHRI PRABHAT JHA: Will the Minister of DEFENCE be pleased to state:

(a) whether a number of defence deals linked by the Government of India with foreign countries in the past had to be cancelled because of lack of transparency and corruption, if so, the details thereof; and

(b) whether Government has recently taken any policy measures in order to make these defence deals more transparent and free from corruption and if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) and (b) Capital Procurement of defence equipment from Indian and foreign vendors is progressed as per provisions of the Defence Procurement Procedure (DPP). The new DPP which has come into effect from 01.04.2016 incorporates provisions to ensure the highest degree of probity, public accountability, transparency, fair completion and level playing field. The DPP 2016 envisages signing of an integrity pact between Government and the bidders for all capital procurement/ schemes of ₹ 20 crore and above. Earlier such pacts were required only for cases involving ₹ 100 crores and above. DPP 2016 provides that a foreign vendor is required to disclose full details of any such person, party, firm or institution engaged by them for marketing of their equipment in India, either on a country specific basis or as a part of a global or regional arrangement. It also stipulates conditions for appointment of agents. It further provides that the seller has to confirm and declare to the buyer that it is the original manufacturer of the stores contracted and that no agent has been engaged to influence or manipulate award of the contract, or indulge in corrupt and unethical practices.

No case involving corruption in defence procurements undertaken during the last two years has come to light.

### **FDI in naval warship building industry**

891. DR. R. LAKSHMANAN: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that the Navy has achieved considerable lead in construction of indigenous naval warships, if so, the details thereof;

(b) whether Government has approved FDI in this sector also; and

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†Original notice of the question was received in Hindi.

(c) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) Yes, Sir. Warship building has matured in the country and various types of warships viz. aircraft carrier, destroyers, stealth frigates, corvettes, submarines and other minor war vessels are being built in the country. Currently, all orders for warships and submarines for Indian Navy have been placed on Indian shipyards (*i.e.* on Defence PSU/PSU/private shipyards).

(b) and (c) Yes, Sir. Foreign Investment upto 49% is allowed through automatic route and above 49% under Government route, wherever it is likely to result in access to modern technology or for other reasons to be recorded. So far, 36 FDI proposals/Joint Ventures have been approved in defence industry sector for manufacture of various licensable defence items, both in public and private sector.

#### **Reforms in defence sector**

892. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of DEFENCE be pleased to state:

(a) whether Government has undertaken any Defence reforms measures; and

(b) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) and (b) Defence Reforms is a key priority for the Government. Many initiatives have been taken including in the areas of defence manufacturing, research and development.

Key policy changes such as liberalization of FDI policy and industrial licensing policy, simplification of export procedures and creating a level playing field for Indian private and public sector companies have been implemented.

The Defence Procurement Procedure-2016 came into effect from 1.4.2016. It focuses on institutionalising, streamlining and simplifying procedures to boost 'Make in India' initiative of Government through indigenous design, development and manufacturing of defence equipment, platforms and systems.

#### **Purchase of Howitzer tanks**

893. SHRI B.K. HARIPRASAD: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is planning to purchase the Howitzer tanks from a foreign country to replace the existing Bofors tanks;

(b) if so, the details thereof;