

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (DR. SUBHASH RAMRAO BHAMRE): (a) The implementation of certain recommendations made by the Committee of Experts (CoE) constituted under the Chairmanship of Lt. Gen. (Retd.) D.B. Shekatkar involves redeployment and restructuring of approximately 57,000 posts.

(b) Relevant steps are taken by the Government from time to time to optimise the military structures so as to make our forces lean, versatile and agile and effectively faces the challenges posed to our national security.

(c) As part of the recommendations of the Shekatkar Committee, action has been initiated for closure of 39 Military Farms and restructuring of Army Postal establishments.

Procedure followed for Rafale Jet contract

777. DR. SANTANU SEN: Will the Minister of DEFENCE be pleased to state:

- (a) the price of each Rafale jet;
- (b) the manner in which decision to buy 36 jets was arrived at; and
- (c) the manner in which Indian offset partner was selected?

THE MINISTER OF DEFENCE (SHRIMATI NIRMALA SITHARAMAN): (a) Basic Aircraft price has already been disclosed to the Parliament. The Government has also shared all pricing details with CAG.

(b) The Request For Proposal (RFP) for 126 Medium Multi-role Combat Aircraft (MMRCA) was withdrawn in June, 2015 due to stalemate in negotiations between Dassault Aviation and HAL. In order to meet the Critical Operational Necessity for fighter aircraft in the Indian Air Force (IAF), the Government decided to procure 36 Rafale aircraft through Government to Government route to expedite induction of fighters. The procedures as per DPP provisions were followed.

(c) As per Defence Offset Guidelines, the Original Equipment Manufacturer (OEM)/ Vendor/Tier-I sub-vendor is free to select the Indian Offset Partner (IOP) for implementing the offset obligations provided the Indian Offset Partner (IOP) has not been barred from doing business by the Ministry of Defence.

Delay in building ships, cost escalation affecting Navy's upgradation plans

778. SHRI MAJEED MEMON: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that severe cost overruns and delays have besieged public sector defence shipyards, resulting in a cascading effect on the operational

preparedness and technological upgradation of the Navy, costing the exchequer several crores;

(b) whether it is also a fact that multi-billion-dollar effort to replace the Navy's warship fleet has got the Defence PSUs battling infrastructural constraints, as well as setbacks in the development of indigenised weapons and sensors and delays in trial; and

(c) steps taken by Government to achieve the inspirational target of manufacturing seventy per cent of defence equipment indigenously?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (DR. SUBHASH RAMRAO BHAMRE): (a) and (b) There have been occasion where Warship Construction Projects of Indian Navy have had time and/or cost overruns due to design finalization, delay in receipt of critical equipment/technology, infrastructural constraints of the shipyard and delay in development of indigenized equipment/weapon. Modernization of Defence Public Sector Undertakings (DPSUs) in terms of infrastructure to enhance productivity from time to time on required basis is also undertaken by the Ministry.

(c) Indigenisation of equipment/systems, sub-systems, components fitted onboard ships and submarines, Indian Naval Indigenisation Pan-2015-30, are some of the steps taken to indigenize manufacturing of Defence equipment.

Procedure followed for the Rafale Jets contract

779. SHRI PARTAP SINGH BAJWA: Will the Minister of DEFENCE be pleased to state:

(a) the exact date on which the Hon'ble Prime Minister announced the deal for 36 Rafale Jets in France;

(b) the exact date on which the Cabinet Committee on Security approved the deal for 36 Rafale Jets;

(c) whether any concerns regarding pricing raised by Defence Ministry Officials in the Indian Negotiation Team; and

(d) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) A joint statement was issued on 10th April, 2015 during the visit of the Hon'ble Prime Minister to France which indicated an intent to acquire 36 Rafale jets in fly-away condition. After approval of the Cabinet Committee on Security