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Defence Ministry approves proposals worth Rs. 20,000 crore

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Also clears proposals of the Navy, the Coast Guard to procure 100 30-mm guns for warships

As part of its efforts to expedite acquisitions, the Defence Ministry on Friday cleared several proposals worth around Rs. 20,000 crore, including 14 Dornier aircraft for the Air Force, 30 mm guns for the Navy, and regiments of Quick Reaction Surface-to-Air Missiles for the Army.

The high-power Defence Acquisition Council, which met here under the chairmanship of Defence Minister A. K. Antony, approved the Air Force's proposals worth more than Rs. 8,500 crore for purchasing 14 Dornier aircraft, and setting up a modern communication network — Air Force Network.

Nationwide network

Official sources said that inspired by the success of the pilot project of the command and control network of the IAF, it was decided to go for a nationwide network, whose total cost was estimated to be around Rs. 7000 crore.

The Defence Acquisition Council also cleared proposals of the Navy and the Coast Guard to procure approximately 100 30-mm guns for warships. It also gave its approval for procurement of Quick Reaction Surface-to-Air Missiles for the Army Air Defence, of which three will be inducted during the ongoing 12th Defence Plan. The Army will issue a global tender for the new missiles.

The sources said a special review meeting on the requirements of the Army would be held on July 2, the first after the new Army Chief, General Bikram Singh, took charge on May 31.

At the Defence Acquisition Council meeting, which lasted approximately two-and-half hours, and was attended by the Service chiefs, the Defence Secretary and the Defence Production

Secretary, the Minister stressed the need to increase the indigenous capabilities of the defence Public Sector Undertakings (PSUs). Mr. Antony also favoured greater competition, and wanted the process of nomination in awarding contracts of armed forces to be discouraged, the sources said.

In its 11th Plan (2007-2012) review, the Army had pointed to huge operational gaps in fields ranging from artillery, aviation, air defence and night-fighting to ATGMs (Anti-Tank Guided Missiles), PGMs (Precision Guided Munitions) and specialised tank and rifle ammunition.

Jun 23, 2012 India_MoD approves procurement worth Rs 20,000 cr for forces

Posted by [KJ](#) on [June 23, 2012](#)

<http://www.indianexpress.com/news/mod-approves-procurement-worth-rs-20-000-cr-for-forces/965682/>

In a marathon meeting on Friday, the Defence Ministry cleared procurements worth over Rs 20,000 crore for the three armed forces and decided to do away with the 'nomination method' of buying equipment from Public Sector Units (PSUs) without a competitive process.

Several crucial projects, including air defence missiles for the Army, transport aircraft and command and control systems for the Air Force and new guns for the Navy were discussed at the Defence Acquisition Council (DAC) meet chaired by Defence Minister A K Antony.

Sources said besides discussions on new purchases, Antony held an extensive session on creating a more competitive process of procurements. A key decision has now been formalised to do away with the nomination process of procurement in which a Defence Public Sector Unit is identified as a nodal agency for purchasing a certain type of equipment.

For example, in the case of the Tatra controversy, Defence PSU BEML was nominated to supply trucks for the Army without competitive bidding.

The DAC decided that in all further contracts, greater competition would be encouraged by doing away with the nomination process and calling in players to bid for the contract as a Partner Agency. "Unless it is operationally important, nomination should be discouraged," Antony is believed to have said at the meeting.

The biggest contract cleared by the DAC was a Rs 12,000-crore proposal of the Army to procure new generation air defence missiles to replace its ageing Russian systems. As reported by The Indian Express, a go-ahead was given to procure eight regiments of Quick Reaction Surface to Air Missiles (QRSAMs). A global hunt for the new systems will now commence. This is the largest-ever global tender floated by the Army.

The transport wing of the Air Force will also get a boost as its proposal to purchase an additional 14 Dornier aircraft for an estimated Rs 1,000 crore was cleared. The Navy and Coast Guard will get 120 new guns for its surface fleet at an estimated Rs 1,500 crore.

The DAC was also to clear a proposal by the Army to buy 1,300 light bullet-proof vehicles but it was unclear whether this was approved.

The air defence network of the Air Force will also get a major upgrade with the DAC clearing the crucial Integrated Air Command and Control System (IACCS). Sources said the ministry cleared the procurement of equipment required to set up IACCS nodes throughout the country for an estimated Rs 7,000 crore. The equipment will be manufactured by a Defence PSU.

The IACCS is crucial as it controls the air defence operations of the Air Force by integrating both ground-based and airborne sensors with air defence weapon systems, giving decision makers a complete “situational picture” of the combat zone.