

DEFENCE ACQUISITION

1. HQ IDS is responsible for various issues pertaining to defence policies of the Services including policy and planning of force structure of the three Services, budget analysis, acquisition and technology management. It also acts as the nodal agency for formulation of Qualitative Requirements of weapons and systems being inducted by the three services in order to enable their joint utility, ensure interoperability and common infrastructure requirements. In short, it covers the entire spectrum of converting higher intent into capabilities required and further into precise Long, Medium and Short Term Plans.

2. **Technology Perspective and Capability Roadmap**. The importance of sharing requirements of the Armed Forces with industry engaged in defence manufacturing is emphasised in Defence Procurement Procedure - 2016. An important means of achieving this is by publishing the 'Technology Perspective and Capability Roadmap' (TPCR). HQ IDS is mandated to bring out the TPCR, covering details of acquisition plans for a period of 15 years, for use by industry. The earlier version of the TPCR was published in 2013, and thereafter numerous inputs were received from the industry for improving the document. TPCR – 2018 has been formulated after numerous discussions and iterations among HQ IDS, SHQs and MoD (Acq Wing). The document presents an adequately detailed perspective of requirements of the Armed Forces. The Indian industry, in particular the private industry, is a relatively new entrant in the defence sector and is one of the focus areas for GoI's 'Make in India' initiative. Towards this, the TPCR will enable industry to undertake forward planning, and initiate steps towards technology development, infrastructure planning and seeking partnerships. The amended TPCR – 2018 was hosted on the MoD Website in Feb 2018

2. **Acquisition** The formal procurement process for capital acquisition is governed by the Defence Procurement Procedure (DPP) -2016. Once the required weapon systems/equipment/platforms etc are identified by the Service HQs, the procurement process commences as per Defence Procurement Procedure (DPP)-2016. This process entails formulation of service specific Long Term Perspective

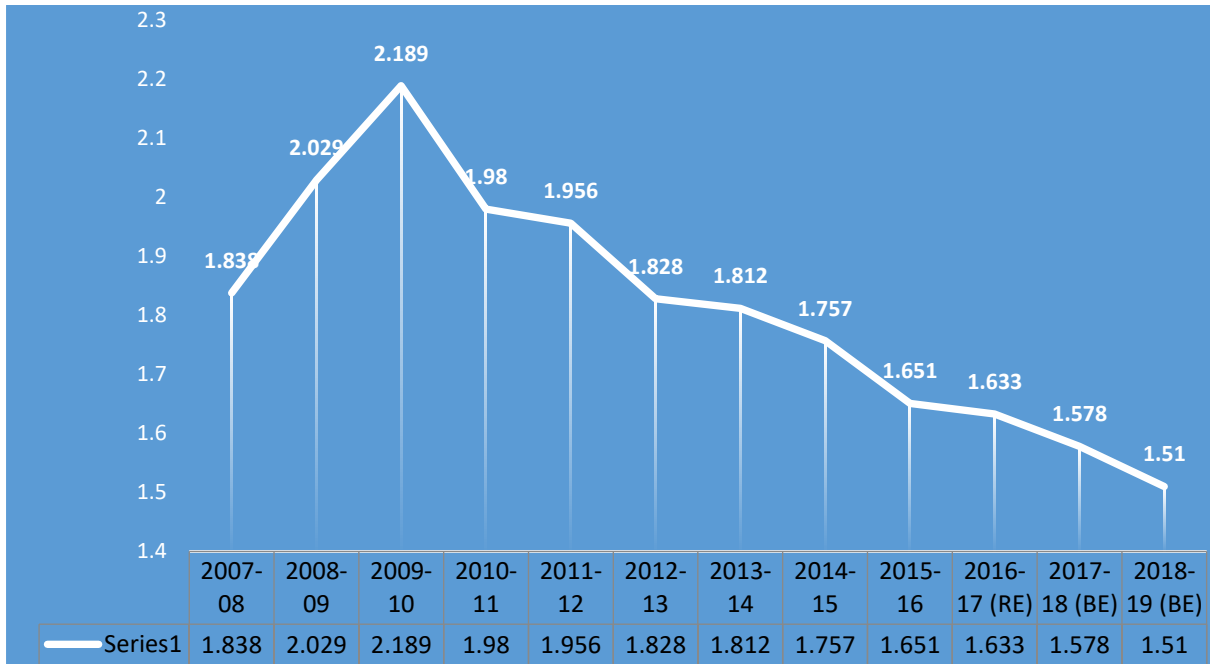
Plan (LTPP) which is integrated into the Long Term Integrated Perspective Plan (LTIPP). The LTIPP which covers a 15 year period is further split into three five-year Service Capital Acquisition Plans (SCAP), also known as five year Defence Plans which indicates the list of equipment to be acquired by the Services keeping in view operational requirements and availability of funds. These are further divided into two year roll-on Annual Acquisition Plans (AAP) which are formulated in consultation with Service Headquarters. While the LTIPP and SCAP are approved by the Defence Acquisition Council (DAC) chaired by the RM, the AAP which is a subset of the SCAP is approved by the Defence Procurement Board (DPB) chaired by the Defence Secretary.

3. **Categorisation Committees.** The proposals in the SCAP and AAP are routed through various Categorisation Committees namely Services Capital Acquisition Plan Categorisation Committee (**SCAPCC**), Services Capital Acquisition Plan Categorisation Higher Committee (**SCAPCHC**), Defence Procurement Board (**DPB**) & Defence Acquisition Council (**DAC**). The SCAPCC is headed by the DCIDS (PP & FD) and carries out categorisation of capital acquisition proposals having a cost of upto Rs 150 Crore while the SCAPCHC which is headed by the CISC carries out categorisation of proposals having a cost of more than Rs 150 Crore and accords Acceptance of Necessity (AoN) to proposals upto Rs 150 Crore. Proposals costing between Rs 150 Cr to Rs 300 Cr are granted AoN by DPB and proposals having a cost greater than Rs 300 Cr are granted AoN by DAC, which is the apex body for capital acquisition. HQ IDS provides secretarial support to SCAPCC, SCAPCHC and the DAC whereas the DPB Secretariat is manned by the Acquisition Wing of MoD.

4. **Defence Budget 2018-19.**

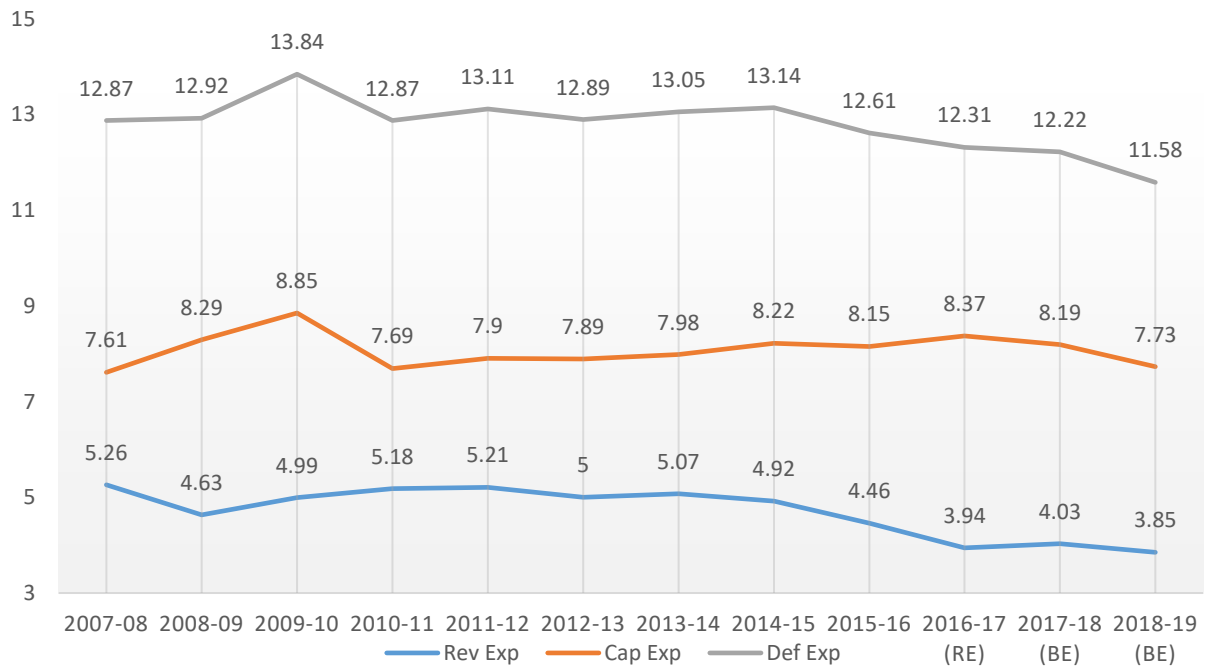
HEAD	DEMAND No	AMT IN CR	% age
MOD (MISC)	19	35,109.77	7.92
DEF SERVICES (REVENUE)	20	2,05,125.80	46.30
DEF SERVICES (CAPITAL)	21	93,982.13	21.21
DEFENCE PENSIONS	22	1,08,853.30	24.57
TOTAL OUTLAY		4,43,071.00	100

Variation of Defence Budget as Percentage of GDP



Source: Collated from open source information in scholarly papers, information on MoF website on internet. For understanding only - **'not to be quoted as authority for official purposes'**.

Variation of Defence Budget as Percentage of Central Government Expenditure



Source: Collated from open source information in scholarly papers, information on

MoF website on internet. For understanding only - **‘not to be quoted as authority for official purposes’**.

5. **Interaction with IBO / DPSUs**. HQ IDS holds regular interactions with representatives of Indian industry, industry associations and DPSUs to share details of upcoming proposals which are being fielded in the Categorisation Committees. This also serves as a platform for the industry reps to make presentations about their capabilities and share issues of mutual interest with the Services.