

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
LOK SABHA  
UNSTARRED QUESTION NO.940  
TO BE ANSWERED ON THE 21<sup>ST</sup> JULY, 2017  
DEFENCE MANUFACTURING PROJECTS

940. SHRI S.P. MUDDAHANUME GOWDA:  
SHRI B.V. NAIK:

Will the Minister of DEFENCE j{k k ea=h  
be pleased to state:

- (a) whether the Government has listed out defence manufacturing projects of the armed forces for execution through private industries of the country;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken / being taken by the Government to provide assistance such as indigenous technology or acquisition of the same from other countries, to the domestic private industries showing interest in defence projects?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

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(डा. सुभाष भामरे)

**(a) to (c): A statement is attached.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 940 FOR ANSWER ON 21.7.2017**

Defence capital acquisitions are carried out as per Defence Procurement Procedure (DPP) wherein emphasis has been given to procurement from domestic defence industry by according preference to 'Buy [Indigenously Designed, Developed and Manufactured (IDDM)]', 'Buy (Indian)', 'Buy & Make (Indian)' and 'Make' categories of capital acquisition over 'Buy (Global)' category. Any Indian company, including private company, can participate in the procurement process as per the guidelines of Defence Procurement Procedure. In the last three financial years i.e. 2014-15 to 2016-17, the Government has accorded Acceptance of Necessity (AoN) for 103 proposals worth Rs. 2,46,400 Crore approximately, in 'Buy (Indian-IDDM)', 'Buy (Indian)', 'Buy and Make (Indian)' and 'Make' categories of capital acquisition.

2. Some of the major policy initiatives taken by the Government to assist the domestic private sector towards acquisition of indigenous technology or from other countries are as follows:

- ❖ Indian companies are allowed for tie-ups with a foreign Original Equipment Manufacturer (OEM) for Transfer of Technology (ToT) under 'Buy & Make (Indian)' category.
- ❖ Under 'Buy & Make' Category of Capital Acquisition, the foreign vendor is required to transfer the Technology to Indian Production agency for indigenous production of the items. Provisions have also been made to allow Foreign OEM to select Indian Production agency of its choice for transfer of technology.
- ❖ Under chapter VII of the DPP - 2016, the Government will facilitate the selected Strategic Partners (SPs) in acquisition of technology from foreign OEMs, which will be shortlisted through a transparent process.
- ❖ Defence Offset Guidelines provides for ToT to Indian Companies as one of the eligible avenues for discharge of offsets.
- ❖ [Defence Research and Development Organization](#) (DRDO) has issued Guidelines for ToT which provide for an institutional mechanism for transfer of technology developed by DRDO to public and private sector industry.

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