

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO.1242
TO BE ANSWERED ON THE 25TH JULY, 2018

PSUs IN DEFENCE

1242. SHRI RAJENDRA AGRAWAL:

Will the Minister of DEFENCE be pleased to state:

- (a) the details of the Public Sector Undertakings (PSUs) under the administrative control of her Ministry;
- (b) whether the Government has signed a Memorandum of Understanding with foreign countries for production of equipment and if so, the details thereof, company-wise;
- (c) whether the Government has any plan to revitalize and make Defence PSUs and Ordnance factories more dynamic and if so, the details thereof along with the action taken by the Government so far; and
- (d) the steps taken / being taken by the Government to modernize?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

रक्षा राज्य मंत्री

(डा. सुभाष भामरे)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 1242 FOR ANSWER ON 25.7.2018

(a) There are 9 Public Sector Undertakings (PSUs) under the administrative control of Department of Defence Production, Ministry of Defence as per following details:

- (1) Hindustan Aeronautics Limited, HAL.
- (2) Bharat Electronics Limited, BEL.
- (3) Bharat Earth Movers Limited, BEML.
- (4) Bharat Dynamics Limited, BDL.
- (5) Garden Reach Shipbuilders & Engineers Limited, GRSE.
- (6) Goa Shipyard Limited, GSL.
- (7) Hindustan Shipyard Limited, HSL.
- (8) Mishra Dhatu Nigam Limited, MIDHANI.
- (9) Mazagon Dock Shipbuilders Limited, MDL.

(b) The details of Memorandum of Understanding (MoU) signed by Ordnance Factory Board (OFB) and Defence Public Sector Undertakings (DPSUs) with Foreign Countries for production of equipments are as under:

- i. **OFB:** Ordnance Factory Board has signed only one MoU with M/s BAE systems, Sweden for development in production of 155mm Mounted Gun system.
- ii. **HAL:** To implement Inter Government Agreement (IGA) for manufacture of Kamov Ka-226T helicopters in India, a Joint Venture Company (JVC) between Hindustan Aeronautics Limited, Russian Helicopters and Rosoboronexport has been incorporated in May 2017, as Indo Russian Helicopters Ltd (IRHL).
- iii. **BDL:** Bharat Dynamics Limited has signed following MoU with Foreign Countries:
 - ✓ M/s THALES, UK : Transfer of Technology of State Streak Missile System.
 - ✓ M/S Chemring UK: Transfer of Technology for Chaffs and Flares.

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- iv. **BEL:** Details of major Transfer of Technology agreements signed with foreign companies in the defence sector for production of equipment are given below:

Company	Project
Elbit Systems Electro-Optics ELOP Ltd, Israel	Compact Multi-purpose Advanced Stabilized system (COMPASS)
Reshef Technologies Israel	Percussion, Time and Proximity Fuzes Setter for Artillery Ammunition
INDRA Sistemas, Spain	Mobile Ground Based ELINT System (MGBES)
Thales Air Systems, France	Low Level Transportable Radar (LLTR)

- v. **GSL:** Goa Shipyard Limited has signed following MoU with Foreign Countries:

- ✓ MoU with M/S NAIAD, UK for Indigenous manufacturing of Steering Gear and Fin / Roll Stabilisers.
- ✓ MoU with M/S FHS, Germany for Indigenous manufacturing of Helicopter Landing Grid, Traversing System and Hanger Doors.
- ✓ MoU with M/S Griffon, UK for range of Amphibious hovercrafts for Indian Army, Indian Navy & Coast Guard.
- ✓ MoU with M/s DCNS, France (Now Naval Group, France) for setting up of advanced submarine escape training tower(SeTT), IPMS Simulator and Combat Management Simulator for Submarine of Indian Navy.
- ✓ MoU with Thales, France for Transfer of Technology for Hull Mounted sonar, sweep system, Mcube CMS and Towed side scan sonar (TSAS) for forthcoming MCMV project.
- ✓ MoU with DRASS, ITALY for midget submarines scheduled to be constructed by Hindustan Shipyard Limited.
- ✓ MoU with MITU Friedrichshafen GMBH for indigenous manufacturing of MTU Engine series 8000MXIL.

vi. **GRSE:** Garden Reach Shipbuilders & Engineers Limited (GRSE) has signed following MoU with Foreign Countries:

- ✓ **Marine Diesel Engine:** GRSE has signed a License Agreement with M/s MTU Friedrichshafen GmbH, Germany on 04th March 2017 for Indigenization of MTU 12V/16V4000M90 Diesel Engines.
- ✓ **Rail LessHelo Traversing System:** GRSE has a License Agreement for a period of 10 years with M/s Mac Teggart, Scott & Co. Ltd. UK regarding indigenization and supply of Rail Less Helo Traversing System for Warships and other ships within the periphery of India.
- ✓ **Memorandum of Understanding between GRSE & CDCL, Bhutan:** The Memorandum of Understanding (MoU) for promulgation of export business and cooperation on mutual interests was signed between GRSE and M/s Construction Development Corporation Ltd (CDCL), a state owned company under Druk Holdings and Investments [DHI], Royal Government of Bhutan on 19th March 2018 for procurement of components, equipment & services of GRSE manufactured Pre-Fabricated Portable Bridges.
- ✓ **Signing of Memorandum of Understanding between GRSE & ELBIT Systems Ltd., Israel:** GRSE has tied up with Elbit, Israel to develop and market a multi-mission Unmanned Surface Vessel (USV).

The MoU between GRSE and ELBIT Systems Ltd., Israel that became effective from 27th March 2018 was formally signed on 11th April 2018 during the Def-Expo-2018 at Chennai.

- ✓ **Signing of Memorandum of Understanding between GRSE & Khulna Shipyard Limited, Bangladesh:** The MoU between GRSE and Khulna Shipyard Limited, Bangladesh was signed on 08th May 2018. Khulna Shipyard Limited (KSY), an independent commercial enterprise under Ministry of Defence, Government of Bangladesh and operated by Bangladesh Navy earlier expressed their keenness to develop their skill & know-how for design and construction of ships at their facility at Khulna, Bangladesh and other subsidiary locations under them.

vii. **MIDHANI**: MIDHANI has signed following MoU with Foreign Countries:

- ✓ M/S Coresol, USA.
- ✓ M/S Viam, Russia.
- ✓ M/S Ukroboronprom, Ukraine.

viii. **HSL**: Hindustan Shipyard Limited has signed a Memorandum of Understanding with JSC United Shipbuilding Corporation, Russia for cooperation in construction of civil vessels, vessels & crafts for use in inland Waterways of Andhra Pradesh and Cooperation in area of Military & Technical Cooperation (including development/ upgradation production facilities in India to ensure comprehensive after sales service of delivered Navy Products) following RFPs from Indian side duly approved by the Russian authorities (FSMTC of Russia).

(c) DPSUs have been instrumental in developing a robust Defence manufacturing eco-system in the country. DPSUs aim to be lead integrators, primarily through robust private partnership, while retaining its core competencies, thus ensuring availability of a vibrant defence manufacturing system in the country. To strengthen and consolidate Research and development functions, DPSUs / Ordnance factories are taking research assistance from academic institutes like IIT, NITs etc. The Government has also been encouraging all DPSUs for their meritorious performance by conferring Raksha Mantri awards.

Moreover, DPSUs and Ordnance Factories have been permitted to export up to 10% of their annual production. For items where there is a capacity constraint, in DPSUs export, they would be required to ramp up their capacity accordingly in subsequent years. The strategy provides for creation of an Export Promotion Body, engaging Indian Missions / Embassies abroad in export promotion, better use of offset policy, export of indigenously developed defence systems and streamlining of the export regulation process. Standard Operating Procedure (SOP) for issue of "Authorisation" for export has been simplified and put in public domain and requirement of Government signed End User Certificate (EUC) for export of parts and components and other non-sensitive military store, sub-assemblies, sub-systems has been done away with.

(d) Modernizing the existing Production facilities is a continuous process of DPSUs. Modernization is taken up to enhance capability and capacity. This includes up-gradation of technology through establishment of new processes, state-of-the art manufacturing and design facilities with an aim of increased productivity efficiency and improved work condition.

DPSUs have modernized its infrastructure by increasing capital expenditure to meet the requirements of Indian Armed forces.
