

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA

UNSTARRED QUESTION NO.3627
TO BE ANSWERED ON THE 2ND JANUARY, 2019

DEFENCE PROCUREMENT FROM PRIVATE SECTOR

3627. SHRI MANSHANKAR NINAMA:

Will the Minister of DEFENCE $j\{kk\ ea=h$
be pleased to state:

- (a) whether the Government has permitted the procurement of defence equipment from the private sector during the current financial year 2018-2019;
- (b) if so, the details thereof;
- (c) whether the Government has decided to make maximum procurement of defence equipment from the private sector; and
- (d) if so, the details thereof and the reasons therefor?

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): Capital procurement of defence equipment from domestic and foreign vendors is undertaken as per the extant Defence Procurement Procedure (DPP). During current financial year 2018-19 (upto October, 2018), out of 22 contracts signed with Indian vendors, 8 contracts have been signed with Indian private vendors for procurement of defence equipment.

Government is pursuing initiatives to achieve higher levels of indigenization and self-reliance in the defence sector by harnessing the capabilities of the public and private sector industries in the country.

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These measures include according priority and preference to procurement from Indian vendors and liberalization of the licensing regime. Defence Procurement Procedure (DPP) accords the highest priority to Buy Indian (Indigenously Designed, Developed and Manufactured) (IDDM). The 'Make' procedure has been simplified with provisions for earmarking projects not exceeding development cost of Rs.10 crores (government funded) and Rs.3 crores (Industry funded) for micro, small and medium enterprises (MSMEs); and with provisions for involving private industry as production agencies and technology transfer partners. Government has also promulgated the policy on Strategic Partnership in the Defence Sector to encourage broader participation of the private sector in manufacture of major defence platforms and equipment.
