

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA
UNSTARRED QUESTION NO. 319
TO BE ANSWERED ON 03rd February, 2023

C-295 DEFENCE AIRCRAFT

319. SHRI RAJA AMARESHWARA NAIK:
DR. SUKANTA MAJUMDAR:
SHRI VINOD KUMAR SONKAR:
SHRI BHOLA SINGH:
SHRI RAJVEER SINGH (RAJU BHAIYA):

Will the Minister of DEFENCE be pleased to state:

- (a) whether an Indian company has joined hands with aviation giant Airbus Defence and Space to develop C-295 defence aircraft for the Indian Air Force (IAF);
- (b) if so, the details thereof;
- (c) whether the Government has approved the deal worth Rs. 21,935 crore between the Indian Company and Airbus to jointly manufacture 56 units of C-295 MW transport aircrafts, if so, the details thereof;
- (d) whether the new C-295 aircraft will replace the ageing Avro HS748 fleet in the Indian Air Force, if so, the details thereof; and
- (e) other steps being taken by the Government to provide a significant boost to the country's defence manufacturing capabilities?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (d): Ministry of Defence has signed a contract with M/s Airbus Defence and Space, S.A, Spain on 24 September, 2021 for procurement of fifty six C-295MW transport aircraft for Indian Air Force to replace the ageing AVRO fleet. Under this contract, 16 aircraft will be delivered in 'Fly Away' condition and 40 aircraft will be manufactured in India by M/s Airbus selected 'Tata Consortium' of Tata Advanced Systems Limited (TASL) and Tata Consultancy Services (TCS) with TASL as prime.

(e): The Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, thereby promoting self-reliance in defence manufacturing & technology in the country. These

initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Announcement of 18 major defence platforms for industry led design & development in March 2022; Notification of four 'Positive Indigenization Lists' of total 411 items of Services and three 'Positive Indigenization Lists' of total 3738 items of Defence Public Sector Undertakings (DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission DefSpace; Launch of Innovations for Defence Excellence (iDEX) scheme involving startups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to facilitate indigenization by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Opening up of Defence Research & Development (R&D) for industry, startups and academia by earmarking 25 percent of defence R&D budget; and Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

To enhance functional autonomy, efficiency and unleash new growth potential and innovation in Ordnance Factories, the production units of erstwhile Ordnance Factory Board have been corporatized into 7 Defence Public Sector Undertakings with 41 units, with effect from 1st October 2021.
