

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

UNSTARRED QUESTION NO.3864
TO BE ANSWERED ON 11th December, 2019

PROCUREMENT AND PRODUCTION OF DEFENCE EQUIPMENTS

3864. SHRI GAUTAM SIGAMAANI PON:
SHRI PARTHIBAN S.R.:

Will the Minister of DEFENCE be pleased to state:

- (a) the details of procurement and production of defence equipment undertaken during the last five years;
- (b) whether any targets have been set for the next five years regarding production of indigenous defence equipments and if so, the details thereof;
- (c) if not, the framework made by the Government in this regard;
- (d) the details of the policies regarding the manufacturing of state-of-the-art defence products; and
- (e) the details of the efforts made by the Government for the transfer of state-of-the-art defence technology to India?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

रक्षा राज्य मंत्री

(SHRI SHRIPAD NAIK)

(श्री श्रीपाद नाईक)

(a) to (e): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 3864 FOR ANSWER ON 11.12.2019 REGARDING 'PROCUREMENT AND PRODUCTION OF DEFENCE EQUIPMENTS'.

(a) The details of procurement and production of defence equipments in the last five years i.e. 2014-15 to 2018-19 is given in the table below:-

(Value in Rs Cr)

Year	Capital Expenditure (Based on data received from CGDA)	Value of Production (VoP) of OFB and DPSUs
	Total	
2014-15	65859.98	46389.99
2015-16	62341.86	52773.72
2016-17	69150.12	55614.29
2017-18	72732.29	58330.00
2018-19	75920.75	58246.00

(b) & (c): Targets for the production of indigenous defence equipment are decided based on requirements of the Armed Forces. Armed Forces undertake Capital procurement of defence equipment from various domestic as well as foreign vendors, based on threat perception, operational challenges and technological changes so as to keep the Armed Forces in a state of readiness to meet the entire spectrum of security challenges.

(d) & (e): Government has undertaken following policy initiatives for indigenous manufacturing of state-of-the-art defence products and transfer of state-of-the-art defence technology to India :-

- i. Specific provisions have been introduced in Defence Procurement Procedure (DPP) under 'Buy and Make (Indian)' and 'Buy and Make' category, wherein indigenous production is carried out with Transfer of Technology (ToT) from foreign Original Equipment Manufacturer (OEM). Another category of 'Buy {Indian-IDDMM (Indigenously Designed, Developed and Manufactured)}' provides for indigenous design and development of defence equipment and this category has been accorded top most priority for procurement of capital equipment.
- ii. Discharge of offset obligations by foreign OEMs through ToT to Indian enterprises including government institutions has been incorporated.

- iii. Government has notified the 'Strategic Partnership (SP)' Model which envisages establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfer to set up domestic manufacturing infrastructure and supply chains.
- iv. An innovation ecosystem for Defence titled 'Innovations for Defence Excellence (iDEX)' has been launched in April, 2018. iDEX is aimed at creation of an ecosystem to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia and provide them grants/funding and other support to carry out R&D which has potential for future adoption for Indian Defence and Aerospace needs.
- v. Apart from the above, Defence Research & Development Organisation (DRDO) has launched a program termed as Technology Development Fund (TDF) for meeting the requirements of Tri-Services, Defence Production and DRDO. The scheme has been established to promote self-reliance in Defence Technology as part of the 'Make in India' initiative by encouraging participation of public/private industries.
- vi. FDI Policy has been revised and under the revised policy, FDI is allowed under automatic route upto 49% and beyond 49% through Government route wherever it is likely to result in access to modern technology or for other reasons to be recorded.
- vii. The Ministry has instituted a new framework titled 'Mission Raksha Gyan Shakti' in November, 2018 which aims to provide boost to the Intellectual Property Rights (IPR) culture in indigenous defence industry.
- viii. The Test facilities/infrastructure available with various Government agencies have been made available to private sector with the objective to assist them in design & development of defence systems.
