

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO.500**  
TO BE ANSWERED ON 20<sup>th</sup> November, 2019

**DEFENCE DEALS**

500. SHRI SISIR KUMAR ADHIKARI:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has signed agreements with the foreign countries to setup equipment manufacturing units and defence production units in the country during the last three years;
- (b) if so, the details thereof;
- (c) the present status of all defence deals in respect to foreign agreements done since 2013-14 as on date;
- (d) the details of capacity, production and participation of Public Sector Units (PSUs) to promote indigenisation and self-reliance in the defence sector under the agreements towards commitment of the Government; and
- (e) the details of domestic private partners coordinating and/or participating in such defence deals of the country since 2013-14?

**A N S W E R**

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

रक्षा राज्य मंत्री

(SHRI SHRIPAD NAIK)

(श्री श्रीपाद नाईक)

(a) & (b): Since 2016-17, Government has signed Agreements with Russia for (i) production of AK-203 rifles as a Joint Venture, (ii) manufacturing of spares, components,

etc required for Russian/Soviet origin platforms and defence equipment, and (iii) for manufacture of frigates 1135.6.

(c) Some of the major contracts related to procurement/supply of defence equipment signed with foreign countries since 2013-14 include, Joint Venture for manufacturing of AK-203 rifles, agreement for manufacturing of spares, components, etc required for Russian/Soviet origin platforms and defence equipment, manufacture of Ka-226T helicopters, supply of S-400 long range surface to air missile system, Rafale fighter aircraft, M777 Ultra Light Howitzer, C-17 aircraft, etc.

(d) Agreement for supply/manufacture of AK-203 rifle is with the Ordnance Factory Board, Agreement for Ka-226T helicopter is with Hindustan Aeronautics Limited (HAL), Agreement for 1135.6 frigates is with Goa Shipyard Limited (GSL). Each agreement provides for indigenization framework to be achieved.

(e) Private industry benefits from indigenization/outsourcing efforts wherein such requirement is envisaged as part of the deal. Besides, private industry also benefits from the defence offset which arises from such agreements. Further, the Agreement with Russia on spares, components, etc required for Russian/Soviet origin platforms and defence equipment also allows Joint Ventures to be formed between Indian private industry and Russian OEMs (Original Equipment Manufacturers) to manufacture spares/components of Russian/Soviet origin platforms and defence equipment.

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