

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
LOK SABHA  
UNSTARRED QUESTION NO.2106  
TO BE ANSWERED ON THE 29<sup>TH</sup> JULY, 2016  
DEFENCE MANUFACTURING PROJECTS

2106. SHRI R. GOPALAKRISHNAN:

Will the Minister of DEFENCE j{k k ea=h  
be pleased to state:

- (a) whether the Government has listed out defence manufacturing projects of the armed forces for execution through private industries of the country;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken by the Government to provide assistance such as indigenous technology or acquisition of the same from other countries, to the domestic private industries showing interest in defence projects?

A N S W E R

MINISTER OF DEFENCE

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(SHRI MANOHAR PARRIKAR)

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**(a) to (c): A statement is attached.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 2106 FOR ANSWER ON 29.7.2016**

Defence capital acquisitions are carried out as per Defence Procurement Procedure (DPP) wherein emphasis has been given to boost domestic defence industry by according higher preference to 'Buy (Indian-IDDMM)', 'Buy (Indian)' and 'Buy & Make (Indian)' categories of capital acquisition over 'Buy (Global)' category. Any Indian company, as defined in the DPP, can participate in the procurement cases categorized as 'Buy (Indian-IDDMM)', 'Buy (Indian)' and 'Buy and Make (Indian)'.

In the financial year 2015-16, the Government has accorded Acceptance of Necessity (AoN) for proposals worth Rs.45,900 Crore approximately, in 'Buy (Indian)' and 'Buy and Make (Indian)' categories of capital acquisition. Some of the major projects categorized under these categories are Successor 1099 Air Defence Gun, Multi-Purpose Vessels, High Mobility Vehicles (HMV GS 6x6), Short Span Bridges, Multi Special Camouflage Net (MSCN) etc.

Some of the major policy initiatives taken by the Government to assist the domestic private sector towards acquisition of indigenous technology or from other countries are as follows:

- \* Indian companies are allowed for tie-ups with a foreign Original Equipment Manufacturer (OEM) for Transfer of Technology (ToT) under 'Buy & Make (Indian)' category.
- \* Under 'Buy & Make' Category of Capital Acquisition, the foreign vendor is required to transfer the Technology to Indian Production agency for indigenous production of the items. Provisions have also been made to allow Foreign OEM to select Indian Production agency of its choice for transfer of technology.
- \* Defence Offset Guidelines provides for Transfer of Technology to Indian Companies as one of the eligible avenues for discharge of offsets.
- \* Defence Research and Development Organisation (DRDO) has issued Guidelines for Transfer of Technology which provides for an institutional mechanism for transfer of technology developed by DRDO to public and private sector industry.

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