

2014-15 to 2019-20 (upto Dec 2019), Government has accorded Acceptance of Necessity (AoN) to 226 proposals,, worth ₹ 415,006 Crore approximately, under these categories of capital procurement. Indian companies, including private sector companies are allowed to participate in the procurement process of these categories as per eligibility criteria prescribed in DPP. DPP stipulates a time schedule for completion of the procurement cycle. The time taken to undertake capital procurement for defence equipment depends on the nature and complexity of the equipment being procured.

The following agreements have been signed by Mhe Government of India with Governments of other countries under Make in India Initiative since the Year 2019:

Sl. No.	Details of Agreement
1.	An Agreement was signed between Union of India and Russian Federation on 18th Feb 2019. In accordance with the agreement, a Joint Venture Company IRRPL (Indo-Russian Rifles Private Limited) under the Companies Act, -2013 has been incorporated between Ordnance Factory Board (OFB) and JSC Rosoboronexport (JSC ROE) and JSC Concern Kalashnikov (JSC CK), for production of AK series Assault Rifles including AK-203 and other small arms in India.
2.	An Inter-Governmental Agreement (IGA) on "Mutual Cooperation in Joint Manufacturing of Spares, Components, Aggregates and other material related to Russian/Soviet Origin Arms and Defence Equipment" was signed between India and Russia on 04 Sep 2019. The objective of the IGA is to enhance the After Sales Support and operational availability of Russian origin equipment currently in service in Indian Armed Forces by organizing production of spares and components in the territory of India by Indian Industry by way of creation of Joint Ventures/Partnership with Russian Original Equipment Manufacturers (OEMs).

At present, Request for Proposals (RFPs) for 387 items have been issued to select the vendors for manufacture of these items in India.

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#### **Performance of Indian Ordnance Factories**

38. SHRI SAMBHAJI CHHATRAPATI: Will the Minister of DEFENCE be pleased to state:

(a) whether Ordnance Factory Board has not been able to keep pace with research and modern development in production of sophisticated defence goods;

(b) if so, the details of products supplied to the defence forces by the Ordnance Factories;

(c) whether Government has any plan to modernise the Ordnance Factories to produce best quality defence equipment at par with global standards for defence and para-military forces and further reduce imports; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) No, Sir. To focus on in-house research activities, OFB created Ordnance Development Centers (ODCs) in all Ordnance Factories. These ODCs have been mandated for a dedicated technological area related to the activities, core technology and infrastructure available in the parent production Units. Further, OFB has also entered into MOU with BEL, BEML and CSIR for facilitating collaboration in Research and Development (R&D). Technical/Research assistance from premier research institutes/Academia/Laboratory such as IITs/IISc/NITs, CIPET is also solicited by way of Contract for Acquisition of Research Services (CARS) for developing futuristic products. The actions initiated by OFB to boost in house R&D activities, have resulted in development of 123 items so far. Out of these, 67 items through in-house research in OFB, 26 items based on DRDO technology and 31 items by Indigenization of foreign ToT. Also, about 25% Vol (Value of Issue) of OFB products is v based on in house R&D.

(c) and (d) Modernization of Ordnance factories have been the prime focus of Government of India and the process is going on continuously by preparing five-year Comprehensive Modernization Plan. OFB modernization program is primarily focused on introduction of State-of-the-Art machine to manufacture quality product at par Global standards with cost effectiveness, taking into account the current and long term future requirements of our esteemed customers.

The modernization is planned under the following two major categories:—

- (i) Renewal and Replacement (RR): For replacement/reconditioning of outlived Plant and Machinery to sustain the original capacity.
- (ii) New Capital (NC): Acquisition of modern technology/manufacturing processes for capacity augmentation of existing product mix or creation of capacity for new product, namely, Battlefield tanks, Arms, Ammunition and Rocket etc.