

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:3289  
ANSWERED ON:16.03.2000  
MANUFACTURING OF BOFORS GUNS  
JAYASHREE BANERJEE

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government propose to manufacture 155 mm. Bofors Guns indigenously;
- (b) if so, the details thereof and the site selected therefor;
- (c) whether the requisite technology has since been acquired for the same; and
- (d) if so, the details thereof and the time by which the production is likely to start?

**Answer**

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 3289 16.3.2000.

A contract dated 24.3.1986 was concluded with M/s A.B. Bofors, Sweden for procurement of 410 nos. of 155mm FH 77B Gun System with accessories and ammunition. In addition, a license agreement was also concluded on the same date with the said company for the license manufacture of the systems in India.

The Gun Systems under the supply contract were received and introduced in service. However, before indigenous production could be launched, there were certain allegations regarding illegitimate payment to various persons. Thereupon, on 31.1.1990 it was decided that no further steps will be taken to operationalise the license production agreement until Bofors reveals the names and full details of recipients and returns the amount paid.

In June, 1999, the ban placed on M/s A.B. Bofors in the light of its impact and the changed situation, was re-examined and it was decided that without prejudice to the ongoing investigations, actions due and reserving to Government the right to be reimbursed amounts illegitimately paid, the embargo placed on M/s Bofors need not visit the successor company, the present Celsius of Sweden which is state controlled. No final decision has yet been taken by the Government regarding the 155mm 45 calibre gun offered by M/s Celsius for summer trials in 2000.

A decision to manufacture 155mm guns of any make indigenously would be taken after the acceptance of guns in trials and availability of resources.