

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:877

ANSWERED ON:19.03.2012

DEFENCE PRODUCTION POLICY

Dharmshi Shri Babar Gajanan;Kataria Shri Lal Chand;Lal Shri Kirodi ;Pal Shri Jagdambika;Singh Shri Dushyant;Singh Shri Uday Pratap;Yadav Shri Dharmendra

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

- (a) whether the Government has formulated a new Defence Production Policy in order to reduce dependence on import of defence equipment from other countries;
- (b) if so, the details thereof;
- (c) whether the private sector and foreign companies are also proposed to be involved in defence production activities and the public sector companies will be allowed to enter into partnership with them and if so, the guidelines/rules framed and safeguards adopted in this regard;
- (d) the measures being taken by the Government regarding restructuring of the Defence Research and Development Organisation and defence production units to bring about efficiency/improvement in production systems; and
- (e) the extent upto which the Government is likely to achieve self-reliance in defence production?

**Answer**

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) Yes, Madam.

(b) The Defence Production Policy came into effect from 1st January 2011. The policy endeavours to build up a robust indigenous defence industrial base by proactively encouraging larger involvement of the Indian private sector in design, development and manufacture of defence equipment. A copy of the Defence Production Policy is enclosed at Annexure-I.

(c) Yes, Madam. Guidelines in this regard have been issued in February 2012. A copy of JV Guidelines is enclosed at Annexure-II.

(d) The modernization programmes are under implementation in DPSUs & OFB.

In regard to restructuring of DRDO, the two review committees headed by Prof. P. Rama Rao and Defence Secretary respectively had submitted their recommendations. The following recommendations have been accepted by Government:-

- (i) Formation of Defence Technology Commission (DTC).
- (ii) Restructuring of DRDO Management/Re-shaping of R&D Headquarters.
- (iii) Administrative decentralization of DRDO.
- (iv) Financial decentralisation.
- (v) Revamping of HR structure.
- (vi) Creation of a Commercial Arm of DRDO.
- (vii) Continuation of major ongoing programmes.
- (viii) Selection of Industry Partner.

DRDO has initiated the process of implementation of the above recommendations.

(e) While DPP-2011 aims to achieve greater self reliance in coming years in continuous manner, no target can be fixed in this regard.