

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
RAJYA SABHA
UNSTARRED QUESTION NO. 1163
TO BE ANSWERED ON 13th February, 2023

STATUS OF THE PRODUCTION OF DEFENCE EQUIPMENTS

1163 SHRI S. SELVAGANABATHY:

Will the Minister of Defence be pleased to state:

- (a) the steps taken by Government to ensure that the country becomes self-reliant in production of defence equipments;
- (b) the details of procurement and production undertaken during the last five years;
- (c) whether Government is considering to expedite the implementation of 'Make in India' initiative for manufacturing of defence equipments in the country and if so, the details of the framework prepared in this regard; and
- (d) whether any targets have been set for the next five years regarding production of indigenous defence equipments and if so, the details thereof?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): The Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, there by promoting self-reliance in defence manufacturing in the country. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Announcement of 18 major defence platforms for industry led design & development in March 2022; Notification of four 'Positive Indigenization Lists' of total 411 items of Services and three 'Positive Indigenization Lists' of total 3738 items of Defence Public Sector Undertakings(DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment(FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission DefSpace; Launch of Innovations for Defence Excellence (iDEX) scheme involving start-ups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Opening up of Defence Research & Development (R&D) for industry, startups and academia with 25 percent of defence R&D budget; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

The details of value of production undertaken by private companies, DPSUs and other PSUs in defence sector for the last 5 years are as under:

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Value of Production (in Rs. Crores)	78,820	81,120	79,071	84,643	94,846

Further, the details of indigenous procurement of defence equipment (both Capital and Revenue) by the three Services (Army, Navy & Air Force) in the last five years is as under:

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Indigenous Procurement (in Rs. Crores)	54,951.30	50,499.96	63,722.37	88,631.75	86,078.06

(d): Government has set the target of achieving defence manufacturing worth Rs. 1,75,000 Crore including defence exports of Rs. 35,000 Crore by the year 2024-25.
