

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
STARRED QUESTION NO.252
TO BE ANSWERED ON THE 2ND DECEMBER, 2016

PRODUCTION OF MILITARY HARDWARE

*252. SHRI GEORGE BAKER:

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

- (a) the present status of Make in India initiative with regard to military hardware in the country;
- (b) the number of companies involved in this initiative, State / UT-wise;
- (c) whether the Government has purchased military hardware from the said companies;
- (d) if so, the details thereof along with the funds incurred for this purchase; and
- (e) the steps taken by the Government to increase the production capacity of military hardware in the country?

A N S W E R

MINISTER OF DEFENCE

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(SHRI MANOHAR PARRIKAR)

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(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 252 FOR ANSWER ON 2.12.2016

Since the launch of 'Make in India' in September 2014, several measures have been taken by the Government to promote indigenous design, development and manufacture of military hardware in the country by harnessing the capabilities of the public and private sector. These measures include according priority and preference to procurement from Indian vendors under the Defence Procurement Procedure (DPP) 2016, liberalization of the licensing regime and providing access to modern technology to Indian industry by raising the cap on FDI in the defence sector, simplification of export procedure, streamlining of defence offset guidelines etc.

2. The new Defence Procurement Procedure (DPP) 2016 has been promulgated for capital procurements and has come into effect from 1st April 2016. DPP-2016 has a focus on achieving the "Make in India" vision by according priority to 'Buy Indian – IDDM (Indian Designed, Developed and Manufactured) and 'Buy (Indian)' categories. It also focuses on enhancement and rationalization of indigenous content. The 'Make Procedure has been simplified with provisions for funding of 90% of development cost by the Government to Indian industry and earmarking projects not exceeding development cost of Rs.10 crore (government funded) and Rs.3 crore (industry funded) for MSMEs.

3. After opening up of the Defence Industry Sector for private sector participation in 2001, so far 342 Letters of Intent (LOIs) / Industrial Licenses (ILs) have been issued to 205 Indian companies till June 2016 for manufacture of a wide range of defence items to public / private companies. The State / Union Territory-wise, number of LOIs / ILs issued is placed at Annexure-I.

4. Government has purchased Military hardware from Indian companies. The details of fund spent on procurement of defence items from Indian companies in the last 2 years and current year (upto October 2016) are given below:

(Rs. in crore)

	Total Procurement	Procurement from Foreign Vendors	Procurement from Indian Vendors (%)
2014-15	77986.32	29159.69	48826.63 (62.6%)
2015-16	76178.80	26190.46	49988.34 (65.6%)
2016-17 (upto October 2016)	32073.18	9278.26	22794.92 (71.1%)

5. Apart from the measures taken by the government as enumerated at para 1 above, 73 contracts involving a value of Rs.72,303.34 crore were signed with Indian vendors during the last two financial years (2014-15 and 2015-16).

6. 85 cases involving Rs.1,60,362 crore have been accorded Acceptance of Necessity (AON) by Defence Acquisition Council under the 'Buy (Indian)' 'Buy & Make (Indian)' and 'Buy & Make' categories.

ANNEXURE-I REFERRED IN THE REPLY GIVEN IN THE STATEMENT IN PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 252 FOR ANSWER ON 2.12.2016

State / Union Territory-wise number of Letters of Intents (LOIs) / Industrial Licenses (ILs) issued to Indian Companies till June 2016:

Sr. No.	State / Union Territory	No. of LOIs / ILs issued
1.	Andhra Pradesh	2
2.	Chandigarh	2
3.	Delhi	1
4.	Goa	2
5.	Gujarat	25
6.	Haryana	24
7.	Himachal Pradesh	2
8.	Jharkhand	2
9.	Karnataka	72
10.	Kerala	2
11.	Madhya Pradesh	15
12.	Maharashtra	44
13.	Puducherry	1
14.	Punjab	4
15.	Rajasthan	4
16.	Tamil Nadu	20
17.	Telangana	67
18.	Uttar Pradesh	31
19.	Uttarakhand	8
20.	West Bengal	4
21.	More than one Location *	10
