

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO.5047
TO BE ANSWERED ON THE 16TH DECEMBER, 2016

MAKE IN INDIA INITIATIVE

5047. SHRI RABINDRA KUMAR JENA:
SHRI CHANDU LAL SAHU:

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

- (a) the details of enhancement in defence production and exports after implementation of Make in India initiative in the defence sector;
- (b) whether the Government has received any representation from Indian defence manufacturers or any company for reviewing certain clause of the Defence Procurement Procedure 2016; and
- (c) if so, the details thereof and the action taken by the Government thereon?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

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(डा. सुभाष भामरे)

(a) to (c): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA UNSTARRED QUESTION NO. 5047 FOR ANSWER ON 16.12.2016

After the launch of 'Make in India' initiative by the Government in September, 2014, so far, 116 Industrial Licenses have been issued for manufacture of various licensable defence items to Indian companies. The expenditure on purchase of defence equipment for the three services in the last two years and current financial year from the foreign vendors and Indian vendors is given below:

(Rs. in Crores)

	Total Procurement	Procurement from foreign vendors	Procurement from Indian vendors
2014-15	77986.32	29159.69	48826.63
2015-16	76178.80	26190.46	49988.34
2016-17 (upto October, 2016)	32073.18	9278.26	22794.92

2. Detail of defence export based on export by Defence Public Sector Undertakings (DPSUs) / Ordnance Factory Board (OFB) and the No Objection Certificates (NOCs) issued to private sector companies by Department of

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Defence Production (DDP) during the last three years is as under:

Year	Total value of export (Rs. in Crores)	No. of NOCs issued
2013-14	1153.35	39
2014-15	1940.64	42
2015-16	2059.18	241

3. The Government has received suggestions from Indian industry chambers for reviewing certain clauses of Defence Procurement Procedure (DPP) 2016. These suggestions include reduction in time from Request for Information (RFI) to procurement, assessment of combined financial and technical bids of the partners in consortium, Government to bear the development and prototype cost of the equipment offered in case of retraction of Request for Proposal (RFP), Purchase price preference for higher indigenous content, providing price indexation for Long Term Contracts due to high cost of capital and inflation vis-à-vis foreign original equipment manufacturer (OEM), fixing of timeline for inspection etc. All such suggestions are examined and considered by the Government while reviewing the Defence Procurement Procedure (DPP), which is a continuous exercise.
