

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 5048
TO BE ANSWERED ON 31st March, 2023
DEFENCE INDUSTRIAL CORRIDOR

5048. SHRI VISHNU DATT SHARMA:
SHRI NAMA NAGESWARA RAO:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has issued licenses to private companies/MSMEs for manufacture of defence items across the country and is providing any incentives in this regard, if so, the details thereof;
- (b) whether the Government proposes to set up 3rd defence industrial corridor in Bundelkhand; and
- (c) if so, the details thereof and if not, the reasons therefor?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): Defence Industry sector was opened up in May 2001 upto 100% for Indian private sector participation. Since the opening up of Defence sector till date, a total of 606 Industrial Licenses have been issued to 369 companies operating in Defence sector. Further in order to promote domestic production, the Government has taken several policy initiatives in past few years and brought reforms to encourage indigenous design, development and manufacture of defence equipment in the country. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four 'Positive Indigenisation 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; Liberalisation 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 startups & 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.

(b) & (c): The Government of India has established two Defence Industrial Corridors (DICs) in the country, one in the State of Uttar Pradesh and other in Tamil Nadu. In Uttar Pradesh Defence Industrial Corridor (UPDIC), 06(six) nodes viz. Agra, Aligarh, Chitrakoot, Jhansi, Kanpur and Lucknow are identified. Jhansi & Chitrakoot nodes are in Bundelkhand region. There is no proposal to set up any new Defence Industrial Corridor.
