

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**LOK SABHA**  
**UNSTARRED QUESTION NO.1727**  
TO BE ANSWERED ON 21<sup>st</sup> SEPTEMBER, 2020

**ORDNANCE MANUFACTURING INDUSTRIES AND LABORATORIES**

1727. SHRI UDAY PRATAP SINGH:

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

- (a) whether the Government is considering to set up ordnance manufacturing industries and laboratories in the country including Madhya Pradesh to increase the defence capabilities and upgrade defence equipments in the country and if so, the details thereof;
- (b) the steps taken to strengthen the armed forces and upgrade defence equipments during the last three years and the current year;
- (c) whether recently the Government has launched any scheme with the private industry or foreign entities to design and develop indigenous defence equipments under the "Make in India Programme" and
- (d) if so, the details thereof?

**A N S W E R**

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI SHRIPAD NAIK)

(a) to (d): A statement is attached.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 1727 FOR ANSWER ON 21.09.2020 REGARDING 'ORDNANCE MANUFACTURING INDUSTRIES AND LABORATORIES'.**

(a) & (b): No Sir. At present, there is no proposal under consideration for establishing new ordnance industries and laboratories by the Government. Defence Public Sector Undertakings, Ordnance Factory Board and the private industries have supplied various Defence Equipment such as missiles, torpedoes, Offshore Patrol Vessels, radars, electronic warfare systems, avionics, sonar, fire control systems, survey vessels, assault bridges, armoured recovery and repair vehicle, high mobility vehicle, submarines, 155mmx45 Artillery Gun Systems, Commander's Thermal Imaging Sights for battle tanks, Bridge Laying Tank, Upgraded Anti-Aircraft Gun L-70, 40mm Under Barrel Grenade Launcher, Armoured NBC Recce Vehicle etc to the armed forces to strengthen them.

(c) & (d): The Government has taken the following policy initiatives to promote 'Make in India' in defence sector: -

- i. Separate procedure for 'Make-II' category (Industry funded) has been notified to encourage indigenous development and manufacture of defence equipment. Number of industry friendly provisions such as relaxation of eligibility criterion, minimal documentation, provision for considering proposals suggested by industry/individual etc. have been introduced in this procedure.
- ii. Under 'Atmanirbhar Bharat' campaign of Govt of India, Ministry of Defence (MoD) has prepared a list of 101 items for which there would be an embargo on the import beyond the timeline indicated against them. This would offer a great opportunity to the Indian defence industry to manufacture these items using their own design and development capabilities to meet the requirements of the Armed Forces in the coming years. This list includes some high technology weapon systems like artillery guns, assault rifles, corvettes, sonar systems, transport aircrafts, light combat helicopters (LCHs), radars and many other items to fulfil the needs of our Defence Services.
- iii. An innovation ecosystem for Defence titled Innovations for Defence Excellence (iDEX) has been launched in April, 2018. iDEX is aimed at creation of an ecosystem to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia and provide them grants/funding and other support to carry out R&D which has potential for future adoption for Indian defence and aerospace needs.
- iv. Government has notified a 'Policy for indigenisation of components and spares used in Defence Platforms' in March, 2019 with the objective to create an industry ecosystem which is able to indigenize the imported components (including alloys & special materials) and sub-assemblies for defence equipment and platform manufactured in India.

- v. In February, 2018, Government decided to establish two defence industrial corridors to serve as an engine of economic development and growth of defence industrial base in the country. They span across Chennai, Hosur, Coimbatore, Salem and Tiruchirappalli in Tamil Nadu and across Aligarh, Agra, Jhansi, Kanpur, Chitrakoot and Lucknow in Uttar Pradesh (UP).
- vi. In order to bring more transparency and efficiency into the Offset discharge process, "Offset portal" has been created in May, 2019.
- vii. Defence Investor Cell has been created in February, 2018 in the Ministry to provide all necessary information including addressing queries related to investment opportunities, procedures and regulatory requirements for investment in the sector.
- viii. Under the Public Procurement Order 2017, Department of Defence Production has notified list of 24 items for which there is local capacity & competition and procurement of these items shall be done from local suppliers only irrespective of the purchase value.
- ix. DRDO has established Technology Development Fund (TDF) Scheme under "Make in India" initiative to promote Self Reliance in Defence Technology and to create an eco-system for enhancing cutting edge technology capabilities by inculcating R&D culture in Industry.
- x. The Government has revised the extant FDI Policy in defence sector and enhanced FDI in defence industry from 49% to 74% under automatic route for companies seeking new industrial licenses.

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