

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO.953
TO BE ANSWERED ON 3rd DECEMBER, 2021

MANUFACTURING OF DEFENCE EQUIPMENT

953. SHRI BALAK NATH:

SHRI SUMEDHANAND SARASWATI:

SHRI PARVESH SAHIB SINGH VERMA:

Will the Minister of DEFENCE
be pleased to state:

- (a) the details of initiatives taken up by the Government to reduce import of arms and promote indigenous manufacturing of defence equipment under the 'Make in India' programme;
- (b) the percentage of arms and ammunition used by the military that are produced indigenously along with the percentage of such equipment imported from other countries;
- (c) the types and quantum of defence equipment imported by India prior to the year 2014;
- (d) the name of countries and the quantum of defence equipment being exported at present along with the major arms and ammunitions exporters to India, percentage-wise; and
- (e) the proportionate distribution of arms and ammunition production between private and public sector enterprises in the country?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

- (a) The Government has taken several policy initiatives and brought reforms to encourage indigenous design, development and manufacture of defence equipment within the country, with

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an aim to reduce dependency on imports. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of two 'Positive Indigenisation Lists' of total 209 items for which there would be an embargo on the import beyond the timeline indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of FDI policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Innovations for Defence Excellence (iDEX) scheme involving Startups & 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.

(b) As per the data received from Controller General of Defence Accounts (CGDA), the details of procurement of defence equipment (both Capital and Revenue) by the three Services (Army, Navy and Air Force) in the last three years and the current year (Upto September, 2021) are as follows:

(Value in Rs Crore)

Year	Total expenditure on Procurement (both capital and revenue)	Expenditure on Procurement (both capital and revenue) from Domestic sources	Expenditure on Procurement (both capital and revenue) from Foreign sources
2018-2019	93474	50500	42974
2019-2020	108340	63722	44618
2020-2021	139341	88632	50709
2021-22 (Upto September, 2021)	62975	41724	21251

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(c) Capital Procurement of defence equipment are undertaken from various domestic as well as foreign vendors, based on threat perception, operational challenges and technological changes and to keep the Armed Forces in a state of readiness.

Prior to 2014, during 2012-13 & 2013-14, 115 contracts were signed, out of which 49 contracts were signed with foreign vendors for capital procurement of defence equipment for Armed Forces. The major defence equipments imported during the said period include aircrafts, helicopters, missiles etc.

(d) Based on the export Authorisations/ Licenses issued by Department of Defence Production and actual exports done by Defence Public Sector Undertakings (DPSUs) and private industries, some of major items exported in the past few years, are Fast Patrol Vessels, Coastal Surveillance System (CSS), Light Weight Torpedoes, Light Weight Torpedo Launcher and Parts, Do-228 Aircraft, Wheeled Infantry Carrier, Light Specialist Vehicle, Mine Protected Vehicle, Passive Night Sights, Battle Field Surveillance Radar Extended Range, Integrated Anti-Submarine Warfare, Advanced Weapons Simulator, Personal Protective items, 155mm Artillery Gun Ammunition, Small Arms and Ammunitions, Weapon locating Radars, Identification of Friend or Foe (IFF) –Interrogator etc. Further, the value of defence exports during the last four year and the current year (Upto November, 2021) is as under:

Year	2017-18	2018-19	2019-20	2020-21	2021-22 (Upto November, 2021)
Value of Export Authorisation (Rs. in Crore)	4682	10746	9116	8435	4586

Considering the strategic sensitivity of the matter and in the interest of national security, the country-wise details of exports and imports cannot be divulged.

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(e) Further, year-wise annual Turnover as obtained from Defence Public Sector Undertakings (PSUs), other PSUs and private companies operating in defence for the last four years and the current year (Upto September, 2021) is as below:

Year	Private Companies	DPSUs & Other Public Sector Undertakings	Total Production (in Rs Cr)
2017-18	15347	63473	78820
2018-19	17350	63770	81120
2019-20	15894	62676	78570
2020-21	17292	67375	84667
2021-22 (Till September, 2021)	8483	25860	34343
