

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 3871
TO BE ANSWERED ON 25TH MARCH, 2022

DEFENCE PRODUCTION AND EXPORT PROMOTION POLICY

3871. SHRIMATI SAJDA AHMED:

Will the Minister of Defence be pleased to state:

- (a) the steps taken by Government to minimize the defence import by the Defence Public Sector Undertakings (DPSUs);
- (b) whether the Government has finalized the Defence Production and Export Promotion Policy 2020;
- (c) the policy adopted by the Government to ease the approval/certifications for Indian Industries for defence productions;
- (d) whether the Government proposes to set up defence production Unit in West Bengal; and
- (e) if so, the details thereof?

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 in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment in the country and to minimize the defence import by the Defence Public Sector Undertakings, thereby ensuring delivery of indigenous modern defence hardware to Indian Armed Forces. These initiatives, inter-alia, include, priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Announcement of 18 major defence platforms for industry led design and developments; Notification of 'Positive Indigenisation List' of total 2851 items of Defence Public Sector Undertakings(DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; 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.

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(b): A Draft Defence Production and Export Promotion Policy was placed in Public Domain.

(c): Various policy measures have been adopted by the Government to ease the approval/certifications for Indian Industries for defence production. Defence Products list requiring Industrial Licenses has been rationalised and manufacture of most of parts or components does not require Industrial License. The initial validity period of the Industrial License granted under the Industries (Development & Regulation)- I(D&R) Act has been increased from 03 years to 15 years with a provision to further extend it by 03 years on case –to-case basis. A new online portal has been developed for facilitating filing of online applications for Industrial Licence under Industries (Development & Regulation)-IDR Act 1951/Arms Act 1959 with effect from 16.10.2018. Further, Government has also launched a scheme for awarding self-certification status to DPSUs and Private Industry wherein these have been delegated the responsibility of certifying the quality of products.

(d) & (e): There are 5 (five) existing Public Sector Defence production units working in West Bengal, namely Garden Reach Shipbuilders & Engineers Ltd., Ordnance Factory Dum Dum, Gun & Shell Factory Cossipore, Metal & Steel Factory Ishapore and Rifle Factory Ishapore. In addition, 8 (eight) licenses have been issued by the Government to private companies for manufacture of defence items in West Bengal under I(D&R) Act, 1951 and Arms Act, 1959 / Arms Rules, 2016.
