

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 469
TO BE ANSWERED ON 04TH FEBRUARY, 2022

MANUFACTURING OF DEFENCE EQUIPMENT

469. SHRI SANJAY SADASHIVRAO MANDLIK:
SHRI RAVINDRA KUSHWAHA:
SHRI BIDYUT BARAN MAHATO:
SHRI VIVEK NARAYAN SHEJWALKAR:
SHRI RAVI KISHAN:
SHRI SUDHEER GUPTA:
SHRI MANOJ TIWARI:
SHRI SHRIRANG APPA BARNE:
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:
SHRI PRATAPRAO JADHAV:

Will the Minister of DEFENCE
be pleased to state:

- (a) whether the Government has announced a fresh list of 351 sub-systems and components of defence equipment that will not be allowed to be imported under the staggered timeline and if so, the details thereof;
- (b) whether the Government proposes to include more items in the said list in near future and if so, the details thereof;
- (c) whether the Government proposes to make India a hub of manufacturing of military platforms and equipment and if so, the details thereof and the steps taken in this regard;
- (d) the amount of foreign exchange likely to be earned by the country annually as a result thereof;
- (e) the steps taken by the Government to encourage Indian manufacturing companies in defence manufacturing after imposing import restriction on the listed items; and
- (f) the details of the indigenous companies which have showed interest in manufacturing of listed defence items?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) & (b): In continuous pursuit of self reliance in defence manufacturing and to minimize import by DPSUs, the Government has notified a Positive Indigenisation list of sub-systems/ assemblies/ sub-assemblies/ components on 27th Dec 2021. The list contains 2500 items which are already indigenized, and another 351 items for which there would be an embargo on imports beyond the timelines indicated against them. Addition of items in Positive Indigenisation List is a continuous activity which depends on the level of capabilities created in Indian Defence Industry.

(c) to (e): In order to make India a global defence manufacturing hub, the Government has taken several policy initiatives in past few years under 'Make in India' programme and brought reforms to encourage indigenous design, development and manufacture of defence equipment in the country, thereby reducing dependency on imports in coming years. 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 of Services and one 'Positive Indigenisation List' of total 2851 items of 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 FDI policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Innovations for Defence Excellence (iDEX) scheme involving startups and 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; Establishment of two Defence Industrial Corridors one each in Uttar Pradesh and Tamil Nadu. The initiatives taken by the Government have resulted in enhancing the budget for Capital procurement through indigenous sources to 64% in the year 2020-21.

(f): Government has issued 556 numbers of licenses till December 2021 to Indian companies for manufacturing of defence items. Further, 266 vendors have shown interest for indigenisation of items uploaded on the SRIJAN portal.
