

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 4955
TO BE ANSWERED ON 1ST APRIL, 2022

INDIGENIZATION OF DEFENCE SECTOR

4955. SHRI ARVIND GANPAT SAWANT:
SHRI KRUPAL BALAJI TUMANE:

Will the Minister of Defence be pleased to state:

- (a) the details of constructive works done for promoting indigenization in the defence sector;
- (b) whether the Government has received any proposal from public and private sector companies for indigenous manufacturing of defence equipment;
- (c) if so, the details thereof and the action taken by the Government thereon;
- (d) whether the Government has made any assessment of the amount likely to be saved due to reduction in defence imports as a result of the indigenous production of defence equipment and if so, the details thereof; and
- (e) the estimated capacity of defence production likely to be increased as a result of the said indigenous manufacturing of defence equipment?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (e): The Government has taken several policy initiatives in the past few years under 'Make in India' program and brought in reforms to encourage indigenous design, development and manufacture of defence equipment in the country, thereby reducing import of defence equipment. These initiatives, inter-alia, include according 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 & development; Notification of two 'Positive Indigenisation Lists' of total 209 items of Services and two 'Positive Indigenisation List' of 2851 items and 107 Line Replaceable Units (LRUs) respectively, 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 Innovations for Defence

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Excellence (iDEX) scheme involving start-ups & 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.

Ministry of Defence has also launched a SRIJAN portal to promote indigenization by the industry. As on date, 19509 defence items, which were earlier imported, have been uploaded on the portal for indigenisation. Out of them, the Indian industry has shown interest for indigenisation of 4006 defence items so far.

With the actions of the Government, the expenditure on defence procurement from foreign sources has reduced from 46% to 36%, thereby reduced import burden, in the last 3 (three) years i.e. from 2018-19 to 2020-21. Further, the Value of Production of Public & Private Sector Defence Companies have increased from Rs. 79,071 crore to Rs. 84,643 crore in last two years i.e. 2019-20 and 2020-21.
