

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO.3445
TO BE ANSWERED ON THE 18TH DECEMBER, 2015

INDIGENISATION OF MILITARY HARDWARE

3445. SHRI BAIJAYANT JAY PANDA:

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

- (a) the present status of indigenisation of military hardware in the defence sector;
- (b) the share of procurement of such defence equipment from domestic, public and private sector;
- (c) whether the Government has developed the scientific methodology to assess the level of indigenisation achieved by the defence units in the country; and
- (d) if so, the details thereof and if not, the reasons therefor?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

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(RAO INDERJIT SINGH)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 3445 FOR ANSWER ON 18.12.2015

(a) & (b): As per an internal analysis carried out by the Department of Defence Production the indigenous content in defence procurements for the year 2014-15, is approximately 40%. The details regarding procurement from public and private sector, separately are not maintained in the department. However, the details of procurement of defence items from Indian sources and foreign sources for the year 2014-15 are given below:

THE VALUE OF PROCUREMENT OF DEFENCE ITEMS FROM INDIAN AND FOREIGN SOURCES IN THE YEAR 2014-15 FOR ARMY, AIRFORCE AND NAVY				
				Rs. in crore)
Year	Total Procurement	Procurement from foreign sources	Procurement from Indian sources	Percentage of Procurement from Indian sources
	I	II	III	$\frac{III}{I} \times 100$
2014-15	78753.85	29222.30	49531.55	62.89%

(c) & (d): The methodology for computation of 'Indigenous content' for an equipment or an item has been prescribed in Defence Procurement Procedure-2013. It stipulates that 'Indigenous content' shall be arrived at by excluding from the total cost of that equipment / item, the following elements at all stages (tiers) of manufacturing / production / assembly:

- (i) Direct costs (including freight / transportation and insurance) of all materials, components, sub-assemblies, assemblies and products imported into India;**
- (ii) Direct and Indirect costs of all services obtained from non-Indian entities / citizens;**
- (iii) All license fees, royalties, technical fees and other fees / payments of this nature paid out of India, by whatever term / phrase referred to in contracts / agreements made by vendors / sub-vendors; and**
- (iv) Taxes, duties, cesses, octroi and any other statutory levies in India of this nature.**
