

Manufacturing of defence equipments

47. SHRIMATI NAZNIN FARUQUE: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is taking any steps to manufacture defence equipments under MAKE IN INDIA initiative;

(b) if so, the details thereof and progress so far; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (RAO INDERJIT SINGH): (a) to (c) The Government has so far issued 251 Letters of Intents (LOIs)/ Industrial Licenses (ILs) covering 150 companies till January 2015 for manufacture of a wide range of defence items to public/private companies. 49 license companies covering 72 licenses have so far reported commencement of production.

2. The following major steps have been taken for domestic manufacture of defence equipments:

- (i) FDI Policy in Defence sector has been reviewed and as per the new policy, composite foreign investment up to 49% has been allowed through FIPB route and beyond 49% with the approval of Cabinet Committee on Security (CCS) wherever it is likely to result in access to modern and 'State-of-the-art' technology in the country.
- (ii) Defence Products List for the purpose of industrial licensing has been revised and in the revised list most of the components / parts / raw materials have been taken out from the purview of the industrial licensing. Further, the initial validity of industrial licensing has been increased to three years and, thereafter, two time extension of 02 years each may be granted to a company by the Administrative Ministry.
- (iii) Government has accorded priority to 'Buy (Indian)', 'Buy & Make (Indian)' and 'Make' categories of acquisition over 'Buy (Global)' category to promote domestic manufacturing.

3. So far 33 FDI proposals/Joint Ventures have been approved in Defence sector for manufacture of various defence equipments, both in public and private sector.

Purchase of artillery guns from BAE Systems Inc.

48. SHRI SALIM ANSARI: Will the Minister of DEFENCE be pleased to state:

(a) whether BAE Systems Inc. has offered to supply artillery guns to the Army's new mountain strike corps;