

- (i) OFB has been delegated with the enhanced financial powers for Revenue and Capital procurement in September, 2016.
- (ii) OFB has been granted Approval-in-Principle by the Government for Capital procurement of Plant and Machinery for up-gradation and modernisation with estimated cost of about ₹ 1727 crores since September, 2016.
- (iii) To streamline the purchase process of OFB, Procurement Manual - 2018 (Stores Procurement) has been approved and has come into effect from September, 2018.
- (iv) Towards ease of doing business, revised Standard Operating Procedure (SOP) for vendor registration by OFB has been formulated in January, 2019, thereby making vendor registration process in OFB simplified and more business friendly.
- (v) OFB has been geared up to focus on the export market and adequate thrust has been given to export of Arms and Ammunition by way of re-structuring export governance in OFB. To provide flexibility to OFB to bid in export enquiry in a time bound manner, powers have been delegated to Member/ OFB (in March, 2019) to bid in export enquiry provided the bidding cost covers the cost of production.

Land acquired for defence corridor

†3214. SHRI REWATI RAMAN SINGH: Will the Minister of DEFENCE be pleased to state:

- (a) the Total area of land, in hectares, which has been acquired for Defence corridor, till date;
- (b) the steps being taken by Government to increase the investment opportunities in Defence manufacturing sector, in view of Defence Expo recently organised in Uttar Pradesh;
- (c) the foreign companies with whom talks have been established for the investment in Defence manufacturing sector; and
- (d) if so, the details thereof and if not, the reasons therefor?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHRIPAD YESSO NAIK): (a) As per information received from respective state Government viz Uttar Pradesh and Tamil Nadu, the Total land acquired so far is 1182 hectares and 1537 hectares for Uttar Pradesh and Tamil Nadu Defence Industrial Corridors respectively.

(b) The following policy initiatives taken by the Government to increase the investment opportunities in Defence Manufacturing sector:

- (i) Defence Procurement Procedure (DPP) has been revised in 2016 wherein specific provisions have been introduced for stimulating growth of the domestic defence industry.
- (ii) Government has notified the 'Strategic Partnership (SP)'- Model which envisages establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process,' wherein they would tie up with, global. Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.
- (iii) "Buy & Make (Indian)" category of procurement under DPP-2016 provides for initial procurement of equipment in Fully Formed (FF) state in quantities as considered necessary from an Indian vendor engaged in a tie-up with a foreign OEM, followed by indigenous production in a phased manner involving Transfer of Technology (ToT) of critical technologies.
- (iv) "Buy & Make" category of procurement under DPP-2016 provides for initial procurement of equipment in Fully Formed (FF) state from a foreign vendor, in quantities as considered necessary, followed by indigenous production through an Indian Production Agency (PA), in a phased manner involving Transfer of Technology (ToT) of critical technologies.
- (v) FDI Policy has been revised and under the revised policy, FDI is allowed under automatic route upto 49% and beyond 49% through Government route wherever it is likely to result in access to modern technology or for other reasons to be recorded.
- (vi) Defence Investor Cell has been created in Feb.-2018 in the Ministry to provide all necessary information including addressing queries related to investment opportunities, procedures and regulatory requirements for investment in the sector.

- (vii) 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 of the Industrial License granted under the IDR Act has been increased from 03 years to 15 years with a provision to further extend it by 03 years on a case-to-case basis.
- (viii) DPP-2016 provides for FDI in Joint Ventures (JVs) with Indian enterprises (equity investment). Investment in 'kind' in terms of ToT to Indian enterprises through JVs for manufacture and/or maintenance of eligible products and provision of eligible service as Offset discharge avenues.
- (ix) During DefExpo-2020, all the above policies were disseminated prominently through seminars/webinars and dedicated event "BHANDHAN" was organised for signing of Memorandum of Understanding (MoU). Over 200 partnerships involving signing of Memorandum of Understanding (MoUs), Transfer of Technology (ToTs) and Product launches were concluded during this event at Lucknow in Uttar Pradesh.

(c) and (d) In May, 2001 the Defence Industry sector, which was hitherto reserved for the public sector, was opened up to 100% for Indian private sector participation, with Foreign Direct Investment (FDI) up to 26% both subject to licensing. Further, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry *vide* Press Note No. 5 (2016 Series), has allowed FDI under automatic route upto 49% and above 49% through Government route wherever it is likely to result in access to modern technology or for other reasons to be recorded. So far, 43 FDI proposals/Joint Ventures have been approved for manufacture, of various defence equipment, both in public and private sector and investment of ₹ 3155 crore has been reported. Out of which, over ₹ 1834 crore has been reported in defence and aerospace sectors after 2014.

Vacancies in ordnance factories

3215. SHRI M. SHANMUGAM:
DR. T. SUBBARAMI REDDY:

Will the Minister of DEFENCE be pleased to state:

- (a) whether it is a fact that there is a big gap between existing strength and operational strength, especially in technical fields in ordnance factories across the country;