

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
RAJYA SABHA
UNSTARRED QUESTION NO.2438
TO BE ANSWERED ON 20th DECEMBER, 2021

NEW ARMAMENT PRODUCTION UNITS

2438. MS. SAROJ PANDEY:

Will the Minister of Defence be pleased to state:

- (a) the number of new units for production of armaments and other military equipments like automatic weapons, canons, etc., for the Army set up in the country on Government as well as PPP model during last five years;
- (b) the amount of forex reserve saved by the country on account of setting up of these units and the action plan to enhance the capacity of these units in future?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) & (b): In the last five years, a total of 194 Industrial Licenses have been issued to private companies in Defence sector for manufacturing of items like ammunitions, artillery guns, howitzers, air defence guns, UAVs, destroyers, frigates, night vision devices, ballistic protection items, radars, opto-electronic devices etc. License to manufacture defence equipment is granted by the licensing authorities namely, Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of Home Affairs under Industries (Development & Regulation) Act and Arms Act respectively, in consultation with Ministry of Defence. Further, to provide autonomy and enhance efficiency and unleash new growth potential in the Ordnance Factories, the Government has corporatized OFB and converted it into seven (07) new Defence Public Sector Undertakings (DPSUs). All new Defence PSUs have become operational from 1st October, 2021. The Government has decided to grandfather the indents/orders, worth more than Rs.62,000 Crore, pending with the OFB post corporatisation, to ensure continuity in supply of strategic arms and ammunitions to the services.

Moreover, two positive indigenization lists for total 209 items have also been notified by the Government with an embargo on the import beyond the timeline indicated against each of them.

There has been a decline in percentage of capital expenditure on procurement of defence equipment from foreign vendors from 48% in 2018-19 to 36% in 2020-21.
