

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
RAJYA SABHA
UNSTARRED QUESTION NO. 3562
TO BE ANSWERED ON 4TH APRIL, 2022

INDIGENISATION OF DEFENCE PRODUCTION

3562. SHRI SAMIR ORAON:

Will the Minister of Defence be pleased to state:

- (a) whether Government has any scheme for indigenisation of defence production;
- (b) if so, the percentage increase noted in indigenous defence production during the last two years; and
- (c) the total number of new defence production factories established during the last two years and the details thereof?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): 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 Lists' of 2851 items and 107 Line Replaceable Units (LRUs) 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;

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Liberalisation of Foreign Direct Investment(FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Innovations for Defence Excellence (iDEX) scheme involving startups & 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.

(b): The year-wise Value of Production of Defence and Aerospace Sector of the country for the last two financial years, is as below:

Year	Total Production (in Rs Cr)
2019-20	79071
2020-21	84643

(c): Further, 68% of the Capital acquisition budget has now been earmarked for domestic sources. To enhance functional autonomy, efficiency and unleash new growth potential and innovation in Ordnance Factories, the production units of Ordnance Factory Board have been converted into 7 Defence Public Sector Undertakings with 41 units, with effect from 1st October 2021. Further, to increase the production capacity of Light Combat Aircraft (LCA), a second plant of LCA 'Tejas' Division was established at Bangalore in February 2021. Moreover, 85 new defence industrial licenses to private Industries have also been issued during last two years.
