

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 1624
TO BE ANSWERED ON 16th December, 2022

VALUE OF INDIGENOUS DEFENCE PRODUCTION

1624. PROF. RITA BAHUGUNA JOSHI:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:
DR. KRISHNA PAL SINGH YADAV:
SHRI UNMESH BHAIYYASAHEBPATIL:
DR. SHRIKANT EKNATH SHINDE:
DR. HEENA GAVIT:

Will the Minister of DEFENCE be pleased to state:

- (a) the value of indigenous defence production in the country during the last two years;
- (b) the details of additional employment generated during the last two years;
- (c) whether the Government proposes to establish defence parks in the country during the next three years;
- (d) if so, the details thereof; and
- (e) the details of growth plans for the newly independent units, carved out of the earlier board?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

- (a): The value of indigenous defence production for the Financial Years 2020-2021 and 2021-2022 are Rs.84,643 Crores and Rs. 94,846 Crores, respectively.
- (b): Ministry of Defence does not maintain data for employment generation.
- (c) & (d): To achieve Atmanirbharta and realize the goal of "Make in India", Government of India has established two Defence Industrial Corridors (DICs) in the country, one in Uttar Pradesh and other in Tamil Nadu. 06(six) nodes viz. Agra, Aligarh, Chitrakoot, Jhansi, Kanpur and Lucknow have been identified for developing Uttar Pradesh Defence Industrial Corridor (UPDIC). Similarly, 05(five) nodes viz. Chennai, Coimbatore, Hosur, Salem, and Tiruchirappalli have been identified for developing Tamil Nadu Defence Industrial Corridor (TNDIC). Government intends to develop defence manufacturing ecosystem having conducive

conditions including supply chain for giving push to production and testing & certification to create economies of scale and facilitate development of internationally competitive enterprises in the country.

As per the information received from Government of Uttar Pradesh for UPDIC, 105 Memorandum of Understandings (MoUs) have been signed with industries/organizations worth potential investments of Rs. 12,139 Crore. Already, Rs. 2,422 Crore have been invested in UPDIC. Total 1,608 Hectare of land has been acquired for development of UPDIC. Further, as per the information received from Government of Tamil Nadu for TNDIC, arrangements have been made through Memorandum of Understandings (MoUs) etc. for potential investment of Rs. 11,794 Crore by 53 industries. Already, Rs. 3,847 Crore have been invested in TNDIC. Total 910 Hectare of lands has been acquired for development of TNDIC.

(e): The seven new DPSUs carved out of erstwhile Ordnance Factory Board, have been incorporated as Government companies (wholly owned by the Government of India) under the Companies Act 2013 in October, 2021. Government has taken steps to initially handhold and support these new defence companies in starting their business as corporate entities. In this regard, outstanding indents with erstwhile OFB were grandfathered and converted into deemed contracts valuing about Rs. 70,776 crore for the next five years. These deemed contracts provide annual targets for delivery of products. Every year, 60% of amount pertaining to that year's target would be paid by the Services to the new DPSUs as advance as per the terms and conditions stipulated in the deemed contract. The advances provide the working capital to the newly constituted DPSUs. With more functional and financial autonomy, these new DPSUs are focusing on widening their customer base, including exports to augment the volume of defence production. The DPSUs are pursuing export opportunity through interaction with Defence Attaches at various Indian Embassies and Missions abroad.
