

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:1130

ANSWERED ON:28.11.2011

DEFENCE PRODUCTION

Agarwal Shri Jai Prakash;Ahir Shri Hansraj Gangaram;Hussain Shri Syed Shahnawaz;Jaiswal Shri Gorakh Prasad ;Rama Devi Smt.  
;Singh Shri Ravneet;Siricilla Shri Rajaiah

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government is heavily dependent on import for most of the defence requirements and if so, the details thereof alongwith the relative import of defence equipment/material by the neighbouring countries during the last three years and the current year;
- (b) the share of indigenous defence production in the total defence requirements of the country;
- (c) whether the defence equipment/items produced by the ordnance factories are inferior in both quality and cost-effectiveness and several factories have been reported to be running behind their production schedule;
- (d) if so, the concrete measures taken/proposed to be taken for restructuring/modernization of the ordnance factories;
- (e) whether the Government proposes to encourage private sector participation in the indigenous defence production; and
- (f) if so, the measures including the provisions made in the new defence production policy in this regard and likely impact of change in policy on the existing ordnance factories?

**Answer**

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

- (a) Madam, Government constantly reviews the security scenario and accordingly decides to induct appropriate defence equipment/platforms. This is a continuous process undertaken through procurement from various indigenous as well as foreign sources to keep the armed forces in a state of readiness to meet any eventuality. Divulging further details in this regard would not be in the national interest.
- (b) The defence requirements of the country are met through imported equipment as well as indigenous production. The primary objective is to ensure expeditious procurement of the requirements of the armed forces in terms of capabilities sought and time-frame prescribed by optimally utilizing the allocated budgetary resources, keeping in view the goal of self-reliance.
- (c) Defence equipment/items produced by ordnance factories are of requisite specification and quality standard. All the products produced by Ordnance Factories are inspected and passed by the designated agency before issue. Modern quality systems are in place in all the ordnance factories and all the factories are ISO certified. Products manufactured by OFB are also cost effective. Some factories are running behind schedule due to sudden break down of critical plant and machinery and some others due to delay in getting product support ex-import.
- (d) Alternate action has been initiated for positioning of the items, which were to be produced on the machines under break down. Modernisation/capacity augmentation, in line with the long term requirement of armed forces, has also been taken up in the ordnance factories.
- (e) & (f): With a view to achieve greater self-reliance in Defence production, Government has announced a Defence Production Policy in January, 2011. Besides, the Government has included a new categorization 'Buy & Make (Indian)' in the Defence Procurement Procedure in November, 2009 to encourage indigenous production in the country. These measures are expected to promote indigenous design, development and manufacture of defence equipment by private sector, Defence public sector undertakings and the ordnance factories. Participation of private sector is also being encouraged through outsourcing of material and components by OFB and DPSUs.