

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:5056
ANSWERED ON:07.05.2012
DEFENCE RESEARCH AND PRODUCTION
Tewari Shri Manish

Will the Minister of DEFENCE be pleased to state:

- (a) the steps initiated in the last three years to open up the sector of defence research and production for private participation;
- (b) whether the policy of giving financial incentives to the Public Sector Undertakings (PSUs) enunciated in 2010 to compete with private sector entities has been implemented and if so, the quantum of financial support given to defence PSUs in the last two years;
- (c) whether defence research is being outsourced to private sector entities and if so, the details thereof;
- (d) the manner in which the security of such research faculties in the private sector is secured;
- (e) the number of patents or copyrights held by all the Defence PSUs and Ordnance factories collectively by the end of March, 2012; and
- (f) the amount of money spent on defence research annually as a proportion of the total defence budget during the last ten years?

Answer

MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI M.M. PALLAM RAJU)

(a) Defence research is primarily in Government domain. In respect of production, in May 2001, the defence sector was opened up to 100% for Indian private sector participation with FDI permissible up to 26%, both subject to licensing. So far, 181 Industrial Licences/Letters of Intent have been issued to various companies in the private sector for manufacture of a wide range of defence items.

In the last three years, 34 companies have been given defence industrial license.

(b) There is no such policy.

(c) & (d): Research is primarily carried out in-house. Certain research activities are outsourced to private sector. However, high security research activities are done in-house only. The security of research activities outsourced to private sector is ensured through non-disclosure.

(e) The number of patents or copyrights held by all the Defence PSUs and Ordnance factories collectively by the end of March 2012 is enclosed at Annexure-A.

(f) The Department of Defence Research & Development (DRDO) carried out the research activities and the amount of money spent on defence research annually as a proportion of the total defence budget during the last ten years is enclosed at Annexure-B.