

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:172
ANSWERED ON:05.08.2013
JOINT VENTURES IN DEFENCE SECTOR
Singh Shri Dhananjay

Will the Minister of DEFENCE be pleased to state:

- (a) the details of joint ventures along with total investment made by the private players in defence manufacturing in the country;
- (b) the number of letters of intent received by the Government for defence production from private companies in 2012-13;
- (c) the procedure to be followed to obtain an industrial licence for defence production;
- (d) whether the Government is planning to relax procedures for obtaining production licences to encourage private participation; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE (SHRI JITENDRA SINGH) MINISTRY OF DEFENCE

- (a) The details of joint ventures by the private players in defence manufacturing is enclosed at Annex-I. Foreign Direct Investment (FDI) amounting to Rs.24.36 crore (US\$ 4.94 millions) has been received in defence industry sector from April 2000 to April 2013. The data regarding investment made by the Indian Private Sector Firms is not maintained.
- (b) 63 applications have been received for Industrial License for manufacture of defence items from private companies in 2012-13.
- (c) The applicant has to file an application for grant of Industrial License in DIPP under Rule 7 of the Registration and Licensing of Industrial Undertaking Rules, 1952 (RLIU). The application is circulated to / examined by the Administrative Ministry i.e. Department of Defence Production (DoDP); Ministry of Home Affairs (MHA); Department of Economic Affairs, Ministry of Finance and the concerned State Government besides other members of the Licensing Committee. Based on the comments received from the concerned Departments / Agencies, a decision is taken by the Licensing Committee.
- (d) & (e): The process of issue of IL is being streamlined and simplified through decision to issue licenses based on affidavit from the applicants pending finalization of Security and audit procedures. The Defence items list has been finalized to bring clarity in disposing applications.