

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:622

ANSWERED ON:09.12.2013

DEFENCE PRODUCTION

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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to strengthen the indigenization of the defence production;
- (b) if so, the details thereof;
- (c) the details of the funds spent on indigenously produced defence equipments vis-a-vis funds spent on imported equipment during the last three years and the current year, country-wise; and
- (d) the details of the funds spent on procurement of indigenously produced equipment from Ordnance Factories and Defence Public Sector Undertaking vis-a-vis funds spent on procurement from the private sector companies, during the said period?

Answer

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

(a) & (b): A statement is attached.

(c) & (d): The requisite information is being compiled and will, subsequently, be laid on the Table of the House.

STATEMENT REFERRED IN THE REPLY GIVEN IN PARTS (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO. 622 FOR ANSWER ON 9.12.2013

In order to strengthen the indigenisation of defence production, the government has formulated a Defence Production Policy which came into effect from January 2011.

2. In pursuance to implementation of Defence Production Policy, the revised Defence Procurement Procedure (DPP), 2013 inter-alia, provides for the following:

(a) Preference to 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories over 'Buy (Global)' or 'Buy & Make' categories of Capital Acquisition cases.

(b) The procedure for 'Buy and Make (Indian)' category introduced in 2009, has been further simplified in order to make the category more attractive for Indian Defence Industry.

(c) A clear definition of indigenous content has been provided which would not only bring more clarity on the indigenous content required for different categorization, but also enhance the indigenization of defence products in India.

(d) In Buy (Global) cases, it will now be possible for the Indian vendor to give Maintenance ToT to another Indian vendor of their choice. The MTOT partner is no longer required to be nominated by the DDP.