

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:849  
ANSWERED ON:27.02.2015  
DEFENCE PRODUCTION  
Noor Smt. Mausam

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

- (a) the details of private defence equipment manufacturers and joint ventures involved along with the total investment committed by them in defence manufacturing in the country;
- (b) the number of Letters of Intent received by the Government for defence production from private companies in 2013-14;
- (c) whether the Government proposes to relax procedures and existing norms for encouraging private participation;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the details of the ratio component of import and indigenous manufacture of weapons and ammunition and the quantities of such weapons and ammunition during the last three years, category-wise and year-wise?

**Answer**

MINISTER OF STATE (RAOINDERJIT SINGH) IN THE MINISTRY OF DEFENCE

(a) to (e): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 849 FOR ANSWER ON 27.2.2015

(a) & (b): After opening up of the defence industry sector for private sector participation in 2001, 144 Indian private companies have been issued 229 Letters of Intent (LOIs) / Industrial Licenses till January 2015 for manufacture of licensable defence items. Further, 29 Joint Ventures (JVs) / FDI proposals have been approved in the sector for manufacture of various defence equipments to the private sector companies.

(c) & (d): The following major steps have been taken for encouraging private sector participation for domestic manufacturing of defence equipments:

(i) Technology Perspective and Capability Roadmap (TPCR), which gives out the details of the equipment and technologies required by our Armed Forces, has been put in public domain to provide the industry an overview of the direction in which the Armed Forces intend to head in terms of capability in future.

(ii) Preference to 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories of acquisition over 'Buy (Global)' category, thereby giving preference to Indian industry in procurement.

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

(iv) 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.

(v) Indian private sector industry has also been allowed to receive Maintenance Transfer of Technology (MTOT) in 'Buy (Global)' cases.

(vi) FDI Policy in Defence sector has been reviewed and as per the new policy, composite foreign investment up to 49% has been allowed through FIPB route and beyond 49% with the approval of Cabinet Committee on Security (CCS).

(vii) Defence Products List for the purpose of industrial licensing has been revised and in the revised list most of the components / parts / raw materials have been taken out from the purview of the industrial licensing.

(viii) Defence Exports Strategy has been formulated and put in public domain. The Standard Operating Procedure (SOP) for issuing NOC for export of military stores has been simplified and made online.

(e) Details of the defence procurement from indigenous and foreign sources is at Annexure-I.

