

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1324**  
TO BE ANSWERED ON 19<sup>th</sup> December, 2022

**SELF RELIANCE IN DEFENCE SECTOR**

1324 SHRI RAKESH SINHA:

Will the Minister of Defence be pleased to state:

- (a) the major achievements of the steps taken by Government to achieve self reliance in the field of defence production since 2017;
- (b) the number of defence products which have been imported in the past and now are being produced or likely to be produced in the country; and
- (c) the total saving of the foreign exchange due to these steps taken in the direction of selfreliance?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): (i) The Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, there by promoting self-reliance in defence manufacturing & technology in the country. These initiatives, inter-alia, include according priority to procurement of capital items of Buy Indian (IDDM) category from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four 'Positive Indigenization Lists' of total 411 items of Services and three 'Positive Indigenization Lists' of total 3738 items of Defence Public Sector Undertakings(DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment(FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission DefSpace; Launch of Innovations for Defence Excellence (iDEX) scheme by involving Startups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Earmarking of 25% of R&D Budget for Industry led R&D; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

(ii) Our defence industry is now capable of manufacturing wide variety of high- end requirements e.g. Tanks, Armoured vehicles, Fighter aircrafts, Helicopters, warships, Submarines, Missiles, Electronic equipment, Special alloys, special purpose steels and variety of ammunition. Rapid progress has been made towards achieving complete Atmanirbharta in the manufacturing of defence equipment required by our Armed Forces within the country. As a result of these initiatives, many State-of-the-art products including 155mm Artillery Gun system 'Dhanush', Light Combat Aircraft 'Tejas', Surface to Air Missile system 'Akash', Main Battle Tank 'Arjun', T-90 Tank, T-72 Tank, Armoured Personnel Carrier 'BMP-II/IJK', Su-30 MK1, Cheetah Helicopter, Advanced Light Helicopter, Dornier Do-228, High Mobility Trucks, INS Kalvari, INS Khanderi, INS Chennai, Anti-Submarine Warfare Corvette (ASWC), Arjun Armoured Repair and Recovery Vehicle, Bridge Laying Tank, Bi-Modular Charge System (BMCS) for 155mm Ammunition, Medium Bullet Proof Vehicle (MBPV), Weapon Locating Radar (WLR), Integrated Air Command and Control System (IACCS), Software Defined Radios (SDR), Lakshya Parachute for Pilotless Target Aircraft, Opto Electronic Sights for Battle Tanks, Water Jet Fast Attack Craft, Inshore Patrol Vessel, Offshore Patrol Vessel, Fast Interceptor Boat, Landing Craft Utility, 25 T Tugs, etc. have been produced in the country during the last few years.

(iii) Further, for the first time, a made-in-India Advanced Towed Artillery Gun (ATAG) howitzer gun developed by our industry was part of the 21- gun salute during the Independence Day celebration at Red Fort in Delhi.

(iv) An innovation ecosystem for Defence titled Innovations for Defence Excellence (iDEX) was launched in April 2018 to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia. iDEX provides them grants/funding and other support to carry out innovations/R&D which has potential for future adoption for Indian defence and aerospace needs. Under iDEX, 233 problems have been opened, 310 Start-ups have been engaged, 140 contracts have been signed. 'iDEX Prime' framework under iDEX has been launched in 2022 to support Start-ups with Grant-in-Aid upto Rs. 10 Crore to enable the development of high end solutions.

(v) Till October, 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.

(vi) Government has also established two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu to attract investments in Aerospace & Defence sector and established a comprehensive defence manufacturing ecosystem in the country. Moreover, the respective State Governments have also published their Aerospace & Defence Policies to attract private players as well as foreign companies including Original Equipment Manufacturers (OEMs) in these two corridors. The two State Governments have already signed MoUs/Agreements with various industries for investment worth total value of about Rs. 24,000 Crore. Investments worth Rs. 2,242 Crore and Rs. 3,847 Crore have been made in Uttar Pradesh Defence Industrial Corridor (UPDIC) and Tamil Nadu Defence Industrial Corridor (TNDIC) respectively.

(vii) The Government, in the last three years i.e. from 2019-20 to 2021-22 and current year (2022-23 upto September,2022), has accorded Acceptance of Necessity (AoN) to 163 proposals worth Rs. 2,46,989.38 Crores approximately, under various categories of Capital procurement which promote domestic manufacturing as per DAP-2020.

(viii) The share of domestic procurement in the total procurement has been on an uptrend. In 2018-19, the domestic procurement stood at 54% of the total procurement, this figure jumped to 59% in 2019-20 and to 64% in 2020-21. This year it has been increased to 68% for domestic procurement, of this 25% budget has been earmarked for procurement from private industry.

(ix) With focus of Government on indigenisation and procurement of defence products from the domestic resources, the expenditure on defence procurement from foreign sources has reduced from 46% to 36% in the last 4 (four) years i.e. from 2018-19 to 2021-22.

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