

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 4030**  
TO BE ANSWERED ON 24<sup>th</sup> March, 2023

**ACQUISITION OF INDIGENOUSLY PRODUCED DEFENCE PRODUCTS**

4030. SHRI S. JAGATHRAKSHAKAN:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government agrees with the view that there is a need for greater acquisition of indigenously-produced defence products by the Indian armed forces to establish the credibility of these products internationally;
- (b) if so, the details thereof along with the steps taken/proposed to be taken by the Government in this regard; and
- (c) if not, the reasons therefor?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): Yes, Sir. Capital procurement of Defence equipment is carried out as per Defence Acquisition Procedure (DAP-2020) with a focus on “Atmanirbhar Bharat” and “Make in India”. DAP-2020 introduced major policy initiatives for boosting indigenous defence capability and reduction of reliance on imports. Further, DAP-2020 gives the highest preference to Buy Indian (Indigenously designed development & manufactured, IDDM) category of acquisition and Buy (Global) is permitted only in exceptional situations with specific approval of Defence Acquisition Council (DAC)/Raksha Mantri.

To achieve self-reliance in defence Sector and to provide impetus to design, development and manufacture of defence equipment/platforms in India, following policy decision have been taken by the Government: -

- i. A new category of Buy (Global-Manufacture in India) has been introduced. This category encourages Foreign Original Equipment Manufacturers (OEMs) to set up ‘Manufacturing/maintenance entities’ through its subsidiary in India.
- ii. The Government has introduced Make III categories with the objective of self-reliance through import substitution.
- iii. Notification of the ‘Positive Idigenisation lists’ of weapons/platforms which are banned for import and to be indigenously manufactured.
- iv. Reservation of Cases with Acceptance of Necessity (AoN) cost  $\leq$  Rs.100 crores, extendable to Cases of AoN cost  $\leq$  Rs.150 crores if annual cash flow based on deliveries is below Rs. 100 crores for MSMEs.

- v. Simplification of Industrial licensing process with longer validity period.
- vi. Launch of innovations for Defence Excellence (iDEX) scheme involving start-ups & Micro, Small and Medium Enterprises (MSMEs).
- vii. Reforms in Offset policy with thrust on attracting investment and Transfer of Technology of Defence manufacturing by assigning higher multipliers.
- viii. Launch of indigenisation portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs.
- ix. Establishments of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu.
- x. Opening up of Defence Research & Development (R&D) for industry, start-ups and academia with 25 percent of defence R&D budget earmarked to promote development of defence technology in the country.
- xi. Progressive increase in allocation of Defence Budget of military modernisation for procurement from domestic sources.

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