GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEFENCE RESEARCH & DEVELOPMENT ORGANISATION
LOK SABHA
UNSTARRED QUESTION NO. 2693
TO BE ANSWERED ON 04th August, 2023

SELF-RELIANCE IN DEFENCE SECTOR

2693. SHRI CHANDRA PRAKASH JOSHI:
SHRIMATI REKHA VERMA:

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government has taken adequate steps to make the country self-reliant by developing indigenous advanced technologies and complex systems;

(b) if so, the details thereof and if not, the reasons therefor;

(c) the progress made so far in the direction of becoming self-reliant in the defence sector during the last three years, year-wise;

(d) the status regarding the ratio of import-export in defence sector before the year 2014 as compared to 2021-22; and

(e) the number of indigenous arms manufacturing companies in the country, State/UT-wise?

A N S W E R

MINISTER OF STATE (SHRI AJAY BHATT)
IN THE MINISTRY OF DEFENCE

(a) & (b): Yes, Sir. Government has taken adequate steps to make the country self-reliant by developing indigenous advanced technologies and complex systems. Following are the initiatives/ steps taken by Government for indigenization of manufacturing of technology intensive defence equipments and weapons and for creating a domestic defence production eco-system: -

- Defence Acquisition Procedure (DAP 2020) is promulgated to maximize acquisition of defence equipment through indigenous sources and promote domestic manufacturing. Government of India has ensured that the most preferred option for capital acquisition is 'Buy Indigenously Designed Developed and Manufactured (IDDM)' category equipment followed by 'Buy (Indian)' category. The 'Make' categories aim to achieve the objective of self-reliance by involving greater participation of Indian industrial eco-system including private sector.

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- The provisions of Government funding have been introduced for Make-I, Technology Development Fund (TDF) and Innovations for Defence Exellence (iDEX) projects. TDF Scheme executed by DRDO supports indigenous development of components, products, systems and technologies by MSMEs and Start-ups. Funding under TDF scheme was enhanced from Rs. 10 Cr. to Rs. 50 Cr. per Project, and the same under iDEX Prime scheme has been enhanced from Rs. 1.5 Cr. to Rs. 10 Cr. It will give further boost to the vision of 'Aatmanirbharta in defence'.
- Four 'Positive Indigenization Lists' of defence equipment and platforms for which there would be an embargo on the import.
- The 'Development cum Production Partner (DcPP)' model of DRDO is implemented where-in Industry is taken up as DcPP in system development projects. Both development and production units are manufactured by industry along with life cycle support.
- DRDO test facilities have been opened to the industries for utilization. The test facilities have been listed on DRDO website and have been communicated to them. The facilities are being utilized by the industries.
- Two Defence Industrial Corridors have been set up in Uttar Pradesh and Tamil Nadu to catalyze indigenous production of defence and aerospace related items.
- Defence R&D has been opened up for industry, start-ups and academia with 25% of defence R&D budget earmarked for the purpose. This is being implemented through various existing schemes and new schemes have been proposed.
- In order to promote indigenous design and manufacturing, funds have also been earmarked for procurement from indigenous sources. For the FY 2023-24, funds have been earmarked in the ratio 67.75:32.25 between Domestic and Foreign procurement in the Capital Acquisition Budget of the Ministry of Defence (MoD). In addition, the MoD has also directed for spending an amount of Rs. 1500 Cr. towards procurement from Start-ups.
- Nil Transfer of Technology (ToT) fees are being charged from DcPPs /PAs/ LSI.
- Industries have been provided with free access for DRDO patents.
- Lists of systems which will be developed by industry only have been identified by DRDO. The same has been promulgated by MoD. DRDO will not develop such systems.
- DRDO is skilling youth (Internships, apprenticeship, electives in B.Tech, M.Tech courses) to make ready for Defence industries.

(c): Acceptance of Necessity (AoN) for 43 DRDO developed/ being developed systems has been accorded for induction in the Services during the last three years i.e. 11 in 2021, 25 in 2022 and 07 in 2023.

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(d): During the last three financial years (2020-21 to 2022-23), 122 contracts have been signed for capital procurement of defence equipment, out of which, 100 contracts accounting for 87% of total contracts value, have been signed with Indian vendors for capital procurement of Defence equipment.

Ratio of import-export in defence sector for the year 2013-14 as compared to 2021-22 is given below: -

(Rs. in Crore)

Year	2013-14	2021-22
Import Value (Capital + Revenue)	41,198.61	50,061.67
Export value	1153	12815
Ratio (Import to Export)	35.73	3.90

(e): The desired information is sensitive in nature and its disclosure is not in the interest of the National Security.

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