

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 447**  
TO BE ANSWERED ON 21<sup>st</sup> July, 2023

**VALUE OF DEFENCE PRODUCTION**

447. SHRI PRATAPRAO JADHAV:  
SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:  
SHRI BIDYUT BARAN MAHATO:  
SHRI SUDHEER GUPTA:  
SHRI SHRIRANG APPA BARNE:  
SHRI SANJAY SADASHIVRAO MANDLIK:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the value of defence production has crossed the figure of Rs. One lakh crore for the first time ever during financial year 2022-23;
- (b) if so, the details thereof along with the policy reforms taken by the Government to achieve the objective of 'ease of doing business' in the defence manufacturing;
- (c) whether the industries including MSMEs and start-ups have shown interest in design, development and manufacturing of defence equipment resulting in exponential growth in this sector;
- (d) if so, the details of the various initiatives taken, assistance provided/being provided by the Government to various MSMEs and start-ups expressing interest in defence equipment manufacturing; and
- (e) the manner in which these MSMEs and startups have given boost to the defence industrial manufacturing ecosystem in the country and helped in generating employment opportunities thereof?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): Yes, Sir.

(b) to (e): 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 by Indian Industry including MSMEs and Startups, thereby promoting ease of doing business

...2/-

in defence manufacturing & technology in the country. Government promotes participation of MSMEs/ Start-ups for development of defence technology under various schemes like Innovations for Defence Excellence (iDEX), Technology Development Fund (TDF), Make procedure under Defence Acquisition Procedure (DAP) 2020. The DAP 2020 provides special provisions to encourage MSMEs and Start-ups. Moreover, Public Procurement Policy for MSEs Order, 2012 has been implemented at DPSUs under which the price preference is given to MSME bidders under certain conditions. Further, DPSUs and services have uploaded more than 30,000 defence items on 'Srijan portal for indigenisation' and offered them to Industry including MSMEs to become partners in indigenisation process.

Further, 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. iDEX provides grants/funding and other support to carry out R&D activities for futuristic technologies. The industries including the MSMEs and Startups have given an enthusiastic response to iDEX for defence innovation works including design, development and manufacturing of Defence equipment. iDEX has given boost to defence industrial manufacturing ecosystem by promoting formation of Start-ups by individual innovators, and supporting sustenance to existing Start-ups/MSMEs. This has also led to the generation of employment opportunities.

Moreover, to bring MSMEs into the defence supply chain and thereby boost the self-reliance in defence sector in the country and also to contribute towards defence exports, Ministry of Defence has made a scheme of promotion of MSMEs in defence. Under this scheme, workshops/seminars are organized in collaboration with Industry Associations and other stakeholders from different parts of the country.

\*\*\*\*\*