

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO.3796
TO BE ANSWERED ON 11th December, 2019

NEW DEFENCE PROJECTS

3796. DR. T. SUMATHY (a) THAMIZHACHI THANGAPANDIAN:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has taken special measures to promote new and innovative defence production projects under the “Make in India” programme in Tamil Nadu and other States;
- (b) if so, the details thereof and the list of projects given approval during the last five years;
- (c) whether the Government has taken note on certain defence production projects particularly in the manufacturing of small arms under the “Make in India” programme are not been given approval by the Ordnance Factory Board;
- (d) if so, the details thereof and the list of those projects pending for approval during the last five years, year-wise; and
- (e) the decision taken by the Government and the Ordnance Factory Board (OFB) in this regard and to expedite the process of approval?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

रक्षा राज्य मंत्री

(SHRI SHRIPAD NAIK)

(श्री श्रीपाद नाईक)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) LOK SABHA UNSTARRED QUESTION NO. 3796 FOR ANSWER ON 11.12.2019 REGARDING 'NEW DEFENCE PROJECTS'.

(a) Yes, Sir.

- i. A new category of procurement 'Buy {Indian-IDDM (Indigenously Designed, Developed and Manufactured)}' has been introduced in Defence Procurement Procedure (DPP)-2016 to promote indigenous design and development of defence equipment.
- ii. The 'Make' Procedure has been simplified with provisions for funding of 90% of development cost by the Government to Indian industry and reserving Government funded Make-I projects not exceeding development cost of Rs. 10 Crore & procurement cost Rs. 50 Crores per year for MSMEs. Industry funded Make-II Projects not exceeding development cost of Rs. 3 Crore & procurement cost Rs. 50 Crores per year have also been reserved for MSMEs.
- iii. A separate procedure for 'Make-II' category has been notified to encourage indigenous development and manufacture of defence equipment including provisions such as relaxation of eligibility criterion, minimal documentation, provision for considering proposals suggested by industry/individual etc.
- iv. 'Innovations for Defence Excellence (iDEX)' was launched in April, 2018 to create an ecosystem to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia including grants/fund.
- v. The 'Strategic Partnership (SP)' Model for establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process, enabling tie up with global Original Equipment Manufacturers (OEMs) for technology transfers to set up domestic manufacturing infrastructure and supply chains was notified.

- vi. FDI Policy has been revised to allow FDI under automatic route upto 49% and beyond 49% through Government approval for technology acquisition etc.
- vii. A 'Policy for Indigenisation of Components and Spares used in Defence Platforms' was notified in March, 2019 to support indigenization of imported components (including alloys & special materials).
- viii. 'Mission Raksha Gyan Shakti' was notified in November, 2018 to support Intellectual Property Rights (IPR) culture in indigenous defence industry.
- ix. Defence Products list requiring Industrial Licences was rationalised and initial validity of the Industrial Licence granted under the IDR Act increased from 03 years to 15 years with provision of extension by 03 years.
- x. 112 items were notified under Public Procurement Order 2017 of Department for Promotion of Industry and Internal Trade (DPIIT) whereby Defence PSUs/OFB give preference to deomestic manufacturers in procurement.
- xi. Government announced two defence industrial corridors to promote defence industrial base in the country in Tamil Nadu and Uttar Pradesh (UP).

(b) In the last five financial years i.e. from 2014-15 to 2018-19, Government has accorded Acceptance of Necessity (AoN) to 204 proposals worth Rs. 4,04,880 Crore approximately under 'Buy (Indian-IDDMM)', 'Buy (Indian)', 'Buy and Make (Indian)', 'Strategic Partnership Model' or 'Make' categories of capital procurement as per Defence Procurement Procedure (DPP) – 2016, in which Request for Proposal (RFP) is issued only to Indian Vendors.

(c) to (e): No project proposal for manufacturing of Small Arms under the 'Make in India' program is pending approval by Ordnance Factory Board.