

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO.2836
TO BE ANSWERED ON 11th March, 2020

STATUS OF 'MAKE IN INDIA' INITIATIVE

2836. COL. RAJYAVARDHAN RATHORE:

Will the Minister of DEFENCE be pleased to state:

- (a) the number and the details of programmes year-wise since 'Make' category was introduced which are being developed under 'Make' category for all the three Armed Forces;
- (b) the status of programmes under 'Make' category and the reasons, if any, for the delay/foreclosure and whether such delays/foreclosure are affecting the capability of the Indian Armed Forces;
- (c) if so, the details thereof and the net centric capability of Indian Army and the reasons for the forward looking 'Make' programme Battlefield Management Systems been foreclosed;
- (d) the steps being taken to overcome existing capability gaps due to delays/foreclosure; and
- (e) whether there is any programme in the future which will allow Indian Army to be at par with other Armies in terms of its net centric capability?

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) OF LOK SABHA UNSTARRED QUESTION NO. 2836 FOR ANSWER ON 11.03.2020 REGARDING 'STATUS OF 'MAKE IN INDIA' INITIATIVE'.

(i) The Capital Procurement of defence equipment is undertaken based on threat perception, operational challenges and technological changes and to keep the Armed Forces in a state of readiness to meet the entire spectrum of security challenges. While doing so, attempt is made at achieving substantive self reliance in the design, development and production of equipment, weapon systems, platforms required for defence in as early a time frame as possible and creating conditions conducive for private industry to play an active role in this endeavour and enhancing the potential of SMEs in indigenisation and broadening the defence R&D base in the country. A number of measures have been taken to promote 'Make in India' in defence manufacturing by harnessing the capabilities of the public and private sectors such as introduction of new category of procurement 'Buy {Indian-IDDMM (Indigenously, Designed, Developed and Manufactured)} and 'Strategic Partnership Model' in Defence Procurement Procedure (DPP); according preference to 'Buy (Indian-IDDMM)', 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories of capital acquisition over 'Buy (Global)' & 'Buy & Make (Global)' categories, simplification of Make-II procedure, etc. As a result of the aforesaid initiatives, the Government in the last three years i.e. from 2016-17 to 2018-19 and till December, 2019, has accorded Acceptance of Necessity (AoN) to 138 proposals worth Rs. 2,69,465.26 crore approximately, under these categories of Capital Procurement which promote domestic manufacturing as per DPP-2016.

(ii) The 'Make' procedure seeks to address the multiple objectives of self-reliance, wider participation of Indian Industry, impetus for MSME sector, sound implementation, transparent execution and timely induction of equipment into Indian Armed Forces. The 'Make' category, is further sub divided into the following:-

- (1) **'Make-I' (Government Funded)** - Projects under Make-I sub category have 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 and procurement cost of Rs. 50 crore per year for MSMEs.

(2) **‘Make-II’ (Industry Funded)** - A new separate ‘Make-II (Industry Funded)’ procedure was notified by the Government in February, 2018, to primarily focus upon development of equipment/ system/ platform or their upgrades or their subsystems/ sub-assembly/ assemblies/ components and import substitution. Under this procedure, no Government funding is envisaged for prototype development purposes but there is an assurance of orders on successful prototype development. This procedure has number of industry friendly provisions such as relaxation of eligibility criterion, minimal documentation, reduced timelines, provision for consideration of Suo-moto proposals by industry/individuals, etc. Out of 44 projects which have been accorded AIP, 13 projects have been accorded “Acceptance of Necessity (AoN)” and “Project Sanction Order (PSO)” has been issued for 09 Projects.

(iii) The Defence Procurement Procedure stipulates a time schedule for completion of the development & procurement cycle of Make Procedure. However, the time taken to undertake capital procurement of defence equipment depends on the nature and complexity of the equipment being developed involving rigorous trials, after which detailed bid evaluations and comprehensive commercial negotiations have to be undertaken. Nonetheless, under the Defence Procurement Procedure (DPP)-2016, Government has laid down further provisions for ensuring swift decision making and simplification of the processes.

(iv) Due to strategic consideration, specific details of individual projects is not being disclosed.
