

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEFENCE RESEARCH & DEVELOPMENT ORGANISATION  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3245**  
TO BE ANSWERED ON 05<sup>th</sup> August, 2022

**RESEARCH AND DEVELOPMENT IN DEFENCE MANUFACTURING**

3245. SHRI P.V. MIDHUN REDDY:  
DR. SANJEEV KUMAR SINGARI:

Will the Minister of DEFENCE be pleased to state:

- (a) the steps taken by the Government to enhance Research and Development in defence manufacturing;
- (b) the details of various research operations taken up by defence organisations under the Ministry during the last three years along with the amount sanctioned and utilised for the research operations; and
- (c) the steps taken by the Government to promote public and private sector partnerships in the defence industry?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): The steps taken by the Government to enhance Research and Development in defence manufacturing are as follows:

- DRDO has introduced a policy on selection of the Development cum Production Partner (DcPP) for DRDO developed systems, which ensures involvement of industries from the beginning of development cycle and lead to reduction in the time-frame of the development-to-induction cycle.
- DRDO has promulgated new Transfer of Technology (ToT) policy and procedure with 'Nil' ToT fee for its industry partners Development cum Production Partners (DcPP)/ Production Agency (PA) and 'Nil' royalty for supply to Indian Armed Forces and Govt. Deptt. This will enhance capabilities and competitiveness of Indian industries in global market. This will also provide further boost to Indian industries in defence manufacturing sector to achieve higher self-reliance.
- DRDO has promulgated new patent policy to facilitate Indian industries to get free access to use DRDO patents. This will provide an access to Indian industries to the innovations carried out by DRDO to further boost up their R&D and develop new technologies.

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- DRDO has launched Technology Development Fund (TDF) which provides financial support to the Indian industries including MSMEs & Startups for design & development of innovative defence products. It provides funding through the means of grants-in-aid to design & develop technologies for the systems, components and weapons utilized by Armed Forces. TDF contributes towards shaping an enabling environment for nurturing innovation and boosting the development of indigenous defence manufacturing ecosystem.

(b): The details of projects and amount sanctioned for utilization under various R&D projects at DRDO during the last three years are as follows:-

(Rs. in crore)

<b>Year</b>	<b>No of Projects sanctioned</b>	<b>Amount</b>
2019	81	4895.86
2020	88	4031.7
2021	74	19978.90
Jan 2022 – Till date	39	9078.91
<b>Total</b>	<b>282</b>	<b>37,985.37</b>

(c): The 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, thereby promoting self-reliance in defence manufacturing & technology in the country. Some of the important steps are as follows:

- According priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020. The announcement of 18 major defence platforms for industry led design & development in March 2022.
- Notification of three 'Positive Indigenization Lists' of total 310 items of Services and two 'Positive Indigenization Lists' of total 2958 items of Defence Public Sector Undertakings (DPSUs) for which there would be an embargo on the import beyond the timelines indicated against them.
- Simplification of Industrial licensing process with longer validity period.
- Liberalization of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route.
- Simplification of Make Procedure, Launch of Innovations of Defence Excellence (iDEX) scheme involving startups & micro, small and medium enterprises (MSMEs).
- Implementation of Public Procurement (Preference to Make in India) Order 2017.
- Launch of an Indigenization portal namely SRIJAN to facilitate indigenization by Indian Industry including MSMEs

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- Reforms in Offset policy with thrust on attracting investment and transfer of Technology for Defence manufacturing by assigning higher multipliers
- Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu.
- Opening up of Defence Research& Development (R&D) for industry, startups and academia with 25 percent of defence R&D budget.
- Progressive increase in allocation of Defence budget of Military modernization for procurement from domestic sources, etc.

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