

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 1070
TO BE ANSWERED ON 05TH DECEMBER, 2025

DEFENCE PRODUCTION AND EXPORT PROMOTION POLICY

1070. SHRI RAMASAHAYAM RAGHURAM REDDY:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has launched any initiatives to boost indigenous production of defence equipment under the 'Atmanirbhar Bharat' campaign;
- (b) if so, the details thereof along with the key components of the Defence Production and Export Promotion Policy (DPEPP) 2020;
- (c) whether any financial incentives or subsidies is provided to indigenous manufacturers;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government has made any amendments to the Defence Acquisition Procedure (DAP) favouring domestic procurement; and
- (f) if so, the details thereof and if not, the reasons therefor?

A N S W E R

MINISTER OF STATE

(SHRI SANJAY SETH)

IN THE MINISTRY OF DEFENCE

(a) to (d) Several policy initiative and reforms have been taken by Government in the past few years to encourage indigenous design, development, R&D in manufacturing of defence equipment, thereby boosting indigenous production of defence equipment under the 'Atmanirbhar Bharat' campaign and promoting self-reliance in defence manufacturing in the country. These policy initiatives and reforms, inter-alia, include: -

- (i) According priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020. In order to promote Indigenous design and development of defence equipment 'Buy {Indian-IDD (Indigenously Designed, Developed and Manufactured)} category has been accorded top most priority in Defence Acquisition Procedures-2020 for procurement of capital equipment.

- (ii) Notification of five 'positive Indigenization Lists' of total 509 items of Services and five 'Positive Indigenization Lists' of total 5012 items of Defence Public Sector Undertakings (DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them.
- (iii) Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs.
- (iv) Simplification of Industrial licensing process with longer validity period.
- (v) Liberalization of Foreign Direct Investment (FDI) policy allowing up to 74 % FDI under automatic route and upto 100% FDI under government route.
- (vi) Simplification of Make Procedure.
- (vii) Launch of Innovations for Defence Excellence (iDEX) and Acing Development of Innovative Technologies with iDEX (ADITI) schemes involving startups & Micro, Small and Medium Enterprises (MSMEs) to foster innovation & technology development in defence and aerospace.
- (viii) Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers.
- (ix) Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu to develop domestic supply chain and strengthen defence manufacturing ecosystem in the country.
- (x) Transfer of Technology developed by DRDO to industries through Licensing Agreement for Transfer of Technology (LAToT) and Development cum Production Partner (DePP).
- (xi) Providing Test Facility Support to Industries in DRDO labs.
- (xii) Launch of Technology Development Fund (TDF) which provides financial support to Indian industries for design and development of Innovative Defence Products.
- (xiii) Providing details of DRDO Patents available on the DRDO website for industries to use free of cost, supporting the vision of Aatmanirbhar Bharat.
- (xiv) Providing Scientific and Technological support to industries by DRDO.

2. Defence Production & Export Promotion Policy (DPEPP) 2020 was only at the draft stage and not finalised.

(e) & (f) Defence Acquisition Procedure (DAP) 2020 has been amended from time to time in order to further tilt procurement in favour of Indian industries by mandating higher Indigenous Content, prioritizing under Indian categories and streamlining acquisition procedures for MSMEs and Startups.
