

# INNOVATIVE DEFENCE PROJECTS

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Ministry of Defence

## Innovative Defence Projects

Posted On: 11 MAR 2020 3:19PM by PIB Delhi

Government has taken various policy measures to promote new and innovative defence production projects under the “Make in India” program:-

- 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 provision 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 Crore per year for MSMEs. The Industry funded Make-II Projects not exceeding development cost of Rs.3 Crore and procurement cost of 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 which envisages 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 route approval for technology acquisition etc.
- vii. A ‘Policy for indigenization of components and spares used in Defence Platforms’ was notified in March, 2019 to support indigenization of imported components (including alloys & special materials).

viii. 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 a provision of extension by 03 years.

ix. 127 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 domestic manufacturers in procurement.

x. Government announced two defence industrial corridors to promote defence industrial base in the country Tamil Nadu and Uttar Pradesh (UP).

In the last three financial years i.e. from 2016-17 to 2018-19 and current year upto December, 2019, Government has accorded Acceptance of Necessity (AoN) to 138 proposals worth Rs.2,69,465 Crore approximately under 'Buy (Indian-IDDM)', 'Buy (Indian)', 'Buy and Make (Indian)', 'Buy & Make', 'Strategic Partnership Model' or 'Make' categories of capital procurement which promotes domestic manufacturing as per Defence Procurement Procedure (DPP)- 2016.

No project proposal for manufacturing of Small Arms under the 'Make in India' program is pending approval by Ordnance Factory Board.

This information was given by Raksha Rajya Mantri Shri Shripad Naik in a written reply to Dr T Sumathy (a) Thamizhachi Thangapandian in Lok Sabha today.

**ABB/SS/Nampi/KA/DK/Savvy**

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