<u>रक्षा मंत्रालय</u> <u>Ministry of Defence</u> <u>सैन्यकार्य विभाग</u> <u>Department of Military Affairs</u> <u>संयुक्त सचिव(नौसेना और रक्षा स्टाफ)</u> <u>JS (Navy and Def Staff)</u>

## Subject: Guidelines On Positive Indigenisation List - reg.

1. In pursuit of self-reliance in defence manufacturing as part of **Atmanirbhar Bharat**, the Competent Authority has approved Guidelines on formulation, promulgation, monitoring and implementation of '**Positive Indigenisation Lists**', which are being issued by the Ministry from time to time. Copy of the Guidelines is placed at **Appendix** for dissemination to all stakeholders.

2. These Guidelines will be applicable prospectively with effect from the date of issuance.

3. This issues with approval of the *Hon'ble Raksha Mantri*.

्रमनमीत एस खुराना) (Manmeet S Khurana) कप्तान (भारतीय नौसेना) Captain (IN) निदेशक( सै. अ. स.-॥) Director (MIC-॥)

<u>Appen</u>	dix: As abo	ove.		
<u>CISC</u>		VCOAS	VCNS	VCAS
<u>AS(DN</u>	<u>1A)</u>	JS (Army & TA)	JS (Navy & Def Staff)	<u>JS (Air)</u>
<u>Copy to</u> : -				
1.	PS to Raksha Mantri			
2.	PS to Raksha Rajya Mantri			
3.	DA to Secretary (DMA)			
4.	PPS to Defence Secretary/ PPS to Secretary (DP)/ PPS to Secretary (DDR&D)			
5.	PPS to FA(DS)			

MoD ID No. DMA/JS (N)/2020/1/ANB dated 02 Nov 21

Ph 011-24156091

## **GUIDELINES ON 'POSITIVE INDIGENISATION LIST'**

1. <u>Background</u>. To provide impetus to self-reliance in Defence manufacturing as part of '*Atmanirbhar Bharat*', MoD will promulgate '**Positive Indigenisation Lists**'. The List will give out details of weapons/ platforms/ systems/ equipment/ ammunition along with indicative timelines, after which these will be procured from 'Indian Vendors'. A reference to these Lists is also made in the Defence Acquisition Procedure 2020 in Chapter 1. The process for formulation, promulgation, monitoring and implementation of Positive Indigenisation Lists is elucidated in succeeding paragraphs.

2. The Competent Authority for the purpose of all matters concerning the 'Positive Indigenisation List' will be *Raksha Mantri*, while DMA would be the lead agency to coordinate and execute all issues.

3. <u>Formulation Process</u>. As the aim of the 'Positive Indigenisation List' is to give boost to indigenous manufacturing, development of Intellectual Property (Know-why) besides acquiring 'know-how' of advanced technologies, the extant design, development and manufacturing capability in the country, will need to be matched with requirements of the Services. This will require detailed capability mapping, as well as extensive consultations. Accordingly, the under mentioned process will be followed in formulation of the list:-

(a) DMA will seek inputs on equipment/ systems/ platforms/ weapons/ ammunition proposed to be included in the 'Positive Indigenisation List' from SHQs/DRDO/DDP/DoD as well as Private Industry. Interaction will be held with all stakeholders including private industry to fully factor existing indigenous capabilities while formulating the List.

(b) Post receipt of comments, a draft List will be formulated in consultation with all stakeholders, and put up for consideration of the Defence Indigenisation Committee (DIC), prior seeking approval of the Competent Authority on file.

UK

(c) The list will be hosted on the MoD Website as 'Positive Indigenisation List', post approval of the Competent Authority.

(d) The aim will be to progressively target technology intensive equipment/ systems/ platforms/ weapons, as also niche' technologies and lay down realistic timelines predicated on assessment of indigenous R&D/industrial capability.

(e) Items that have already been indigenised and successfully tried & tested by the Armed Forces would continue to be procured from the Domestic industry in accordance with the DAP in force.

## 4. Applicability.

(a) These Guidelines will be applicable prospectively with effect from date of issuance. The equipment/ systems/ platforms/ weapons included in the Lists, will only be procured from Indian Vendors after the timeline indicated in the List, other than in cases, where the Contract has already been concluded.

(b) As the aim of the '*Atmanirbhar Bharat*' Abhiyan is to bring in ToT /manufacturing 'Know-how' for setting-up a defence eco-system in the country, items under the list cannot be procured under Buy (Global) category. For items being procured under Buy & Make (Indian), Buy & Make, Buy (Global – Manufacture in India) categories, the 'Buy' quantity will be restricted to 'Nil', as per provisions of DAP – 20.

(c) There may be some equipment in the Positive Indigenisation List, which are being manufactured in India, through Transfer of Technology (ToT) from a foreign firm. The future upgrade of such equipment through ToT from foreign firm, where a new technology has been introduced and no capability exists within the domestic industry, may be permitted on case to case basis by Acquisition Wing/ DMA for Capital and Revenue cases, respectively. In such cases, the effort shall be to encourage OEM or firm capable of undertaking upgrade, to engage an indigenous industry partner to jointly

undertake upgradation or set up a subsidiary in the country with majority stake owned by Indians, as applicable.

(d) The import restriction will only be applicable to the fully-formed equipment/ systems/ platforms/ weapons included in the List and not to its constituent sub-systems, assemblies and components (other than those mentioned in the List), which may have to be imported, subject to the condition that the fully formed equipment/ system/ platform/ weapon has minimum 50% Indigenous Content in accordance with Defence Acquisition Procedure in force.

5. **Defence Indigenisation Committee (DIC)**. To oversee the implementation of the List and give further thrust to indigenous development, an empowered monitoring committee, *viz.*, **Defence Indigenisation Committee (DIC)** will be constituted under the Chairmanship of Secretary DMA with members drawn from all stakeholders. The Committee besides formulation of Positive Indigenisation Lists will also be *inter alia* responsible for reviewing progress of listed equipment/ systems/ platforms/ weapons, and to apply correctives where required so as to ensure that the listed items translate into production/ developmental orders. DMA is to issue detailed orders.

6. It is expected that the Indian Industry will invest in R&D, such that the items once placed in the Indigenous List will be upgraded along with advancement in, global technologies, failing which the specific items could be recommended to Defence Indigenisation Committee for review/ removal from the List.

7. In the event the domestic Industry is not able to supply equipment in the stipulated time-frame/ quantity, or where there are inadequacies in the equipment affecting safety of troops, or in case of any other technical issues, such as no valid response to a RFP, *etc.* specific cases for import could be taken up to meet immediate requirement, based on the recommendations of Defence Indigenisation Committee.

8. <u>Process of Issuing Clarification</u>. Clarification(s) for items, which have been included in the 'Positive Indigenisation List', may be raised by any of the

UN

3

stakeholders, *viz.*, Department, SHQ or Industry. All clarifications would be responded to by DMA post obtaining inputs from requisite stakeholders.

White