

**PRESS INFORMATION BUREAU (DEFENCE WING)
GOVERNMENT OF INDIA**

‘हर काम देश के नाम’

New Delhi, Sravana 10, 1944
Monday, August 01, 2022

**MANDATORY PROCUREMENT FROM MSMEs FOR DEFENCE
ESTABLISHMENTS**

The Government has taken the following policy initiatives for promotion of Micro, Small & Medium enterprises (MSMEs) in defence sector:

- In the Defence Acquisition Procedure 2020, there are specific reservations on Orders up to Rs 100 crore/year for MSMEs.
- An innovation ecosystem for Defence titled Innovations for Defence Excellence (iDEX) has been launched in April 2018. iDEX is aimed at creation of 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 and provide them grants/funding and support to carry out R&D which has potential for future adoption for Indian defence and aerospace needs.
- The Defence Offset guidelines have further paved the way for proactive participation of MSMEs of India by incorporating a scheme of multipliers of 1.5 for engaging MSME as Indian Offset Partners (IOP), which promotes their integration in global supply chain.
- MSMEs are important partners in DRDO projects and DRDO transfers technologies to them. They are important partners in industry ecosystem for the production of DRDO developed products. DRDO through its scheme Technology Development Scheme (TDF) funds industries, especially Start-ups and MSMEs up to an amount of Rs 10 crore, for innovation, research and development of Defence Technologies in the field of Defence and Aerospace.
- Public Procurement Policy for MSEs Order 2012, notified by Ministry of Micro, Small & Medium Enterprises has also been adopted by all Defence PSUs.

- Department of Defence Production(DDP) conducts outreach programs in various parts of the country to interact with Industry Associations, Industry, especially MSMEs and academia, to spread awareness about the potential export opportunities. A scheme aimed to promote MSMEs in defence is in place. Under this scheme, conclaves/seminars are being organized in Tier-II and Tier-III cities across the country having strong industrial MSMEs presence with the support of the DDP.
- Regular interactions are taking place to settle the grievance of vendors at DPSUs. Defence Investor Cell has been opened in DDP to address the issues being faced by vendors especially MSME vendors.

Further, 137 contracts have been signed for capital procurement of defence equipment with Indian vendors including MSMEs. No separate data for MSMEs is centrally maintained in this regard.

Details of the annual procurement of general goods and services from MSEs including SC/ST and Women by the Ministry of Defence are given as under:

Financial year	(In Rs crore)
2018-19	3531.74
2019-20	3204.24
2020-21	4303.13
2021-22	5760.14
2022-23 (Till 26.07.2022)	759.37

This information was given by Raksha Rajya Mantri Shri Ajay Bhatt in a written reply to Shri Kanakamedala Ravindra Kumar in Rajya Sabha today.

ABB/Savvy

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SELF-RELIANCE IN DEFENCE PRODUCTION

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. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Announcement of 18 major defence platforms for industry led design & development in March 2022; Notification of three ‘Positive Indigenisation Lists’ of total 310 items of Services and two ‘Positive Indigenisation 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 for Defence Excellence (iDEX) scheme involving start-ups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenisation portal namely SRIJAN to facilitate indigenisation by Indian Industry, including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Opening up of Defence Research & Development (R&D) for industry, start-ups and academia with 25 per cent of defence R&D budget; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

Three Positive Indigenisation Lists comprising of 310 (101+108+101) items were promulgated by Department of Military Affairs (DMA), Ministry of Defence on 21st August 2020, 31st May 2021 & 7th

April 2022 respectively. In addition, to minimise import by Defence Public Sector Undertakings (DPSUs), Department of Defence Production (DDP), MoD has notified two Positive Indigenisation Lists (PIL) of sub-systems/assemblies/sub-assemblies/ components on 27th December 2021 & 28th March 2022 respectively. The 1st list contains 2,851 items out of which 2,500 items have already been indigenised. The 2nd PIL consists of 107 strategic important Line Replacement Units/major sub-assemblies.

All these lists have been placed in the public domain on the website of MoD/SRIJAN Defence portal of Ministry of Defence. These lists include wide range of defence products including Light Tanks, Helicopters, Unmanned Aerial Vehicles etc. for which there would be an embargo on the import beyond the timelines indicated against them.

This information was given by Raksha Rajya Mantri Shri Ajay Bhatt in a written reply to Shri M Shanmugam in Rajya Sabha today.

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ENHANCEMENT OF CAPABILITIES OF AI TECHNOLOGY

As per the recommendation of a task force set up by DDP under the Chairmanship of Shri N Chandrasekaran, Chairman Tata Sons, and in consultation with all stakeholders, Defence Artificial Intelligence Council (DAIC) has been set up under the Chairmanship of Raksha Mantri to provide necessary guidance and structural support. Further, Defence AI Project Agency (DAIPA) has been created under the Chairmanship of Secretary DDP for enabling AI based processes in defence Organisations.

Artificial Intelligence framework and guidelines for projects and programmes in DRDO have been issued. All DRDO system laboratories have started AI technology groups to introduce AI features in all products.

Further, an AI roadmap has also been finalised for each DPSU under which 70 defence specific AI projects have been identified for development. Out of these projects, 40 projects have been completed by the DPSUs. Steps taken to train youth are as given below:

- DRDO has three dedicated laboratories, Centre for Artificial Intelligence and Robotics (CAIR), Bengaluru and DRDO Young Scientist Laboratory (DYSL)-AI and DYST-CT (Cognitive Technology) for application orientated research in AI in different domains.
- CAIR is nurturing start-ups & also conducting workshops for DRDO scientists to create skill sets on AI in Defence Systems.
- Defence Institute of Advanced Technology (DIAT) is conducting Certified courses in AI & Machine Learning and so far more than 1000 professionals have been trained in these domains.
- AI is also promoted in academia and industry through R&D projects under Defence Industry Academia Centre of Excellences, Extramural Research and Technology Development Fund schemes of DRDO.

- DDP has earmarked Rs 100 crore per year for AI projects for Armed Forces.
- IAF has established the Unit for Digitization Automation, AI an App Networking (UDAAN) which is in the process of developing many applications for Campaign Planning and Analysis System, e-Nirikshan etc.

This information was given by Raksha Rajya Mantri Shri Ajay Bhatt in a written reply to Shri Sushil Kumar Gupta in Rajya Sabha today.

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TRAINING OF UNSKILLED PEOPLE

The 16 Defence Public Sector Undertakings (DPSUs) under the Administrative control of the Department of Defence Production, Ministry of Defence, every year impart apprenticeship training under the Apprentice Act 1961 in various trades to unskilled youth, including the locals to improve their skills and enhance their employability into the industries in Defence Sector, including the small scale industries. Besides, DPSU Shipyards viz. Goa Shipyard Limited (GSL) and Mazagon Dock Shipbuilders Limited (MDL) have also set up Centre of Excellence at Society for Industrial & Technical Education Goa (SITEG) and School of Welding and Piping respectively for training local students in the manufacturing of Ships and Submarines.

This information was given by Raksha Rajya Mantri Shri Ajay Bhatt in a written reply to Shri Vinay Dinu Tendulkar in Rajya Sabha today.

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DEFENCE EXPORTS

The value of defence exports during the financial year 2021-22 has been Rs 12,815 crore. Authorisations were issued for export of SCOMET Category-6 items to about 61 countries during the year 2021-22. However, names of countries cannot be divulged due to strategic reasons. The year-wise value of defence exports since 2018-19 to 2022-23 (till June, 2022) is as under:

	2018-19	2019-20	2020-21	2021-22	2022-23 (till June 2022)
Total Export Value	10746	9116	8435	12815	1387*

*provisional

This information was given by Raksha Rajya Mantri Shri Ajay Bhatt in a written reply to Shri Neeraj Shekhar in Rajya Sabha today.

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