

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

‘हर काम देश के नाम’

New Delhi, Agra Hayana 28, 1943
Monday, December 19, 2022

IMPORT AND EXPORT IN DEFENCE SECTOR

Details of net Budget provided to Ministry of Defence (All four Grants) in Budget Estimates (BE), Revised Estimates (RE) from 2017-18 to 2022-23 are tabulated below:

(Rs. in crore)

Years	BE Allocations	RE Allocations
2017-18	3,59,854.12	3,74,003.85
2018-19	4,04,364.71	4,05,193.85
2019-20	4,31,010.79	4,48,820.10
2020-21	4,71,378.00	4,84,736.06
2021-22	4,78,195.62	5,02,883.54
2022-23	5,25,166.15	----

The quantum of import and export carried out in defence sector from 2017 to 2022, year-wise is tabulated below:

(Rs. in crore)

IMPORT	
Year	Foreign Procurement*
2017-18	37,030.89
2018-19	45,705.57
2019-20	47,961.47
2020-21	53,118.58
2021-22	50,061.68

*Foreign procurement includes procurements made towards purchase of Defence stores/equipments under both, Revenue and Capital segments.

(Rs. in crore)

EXPORT	
Year	Export Value of Authorisations issued
2017-18	4,682
2018-19	10,746
2019-20	9,116
2020-21	8,435
2021-22	12,815

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

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CONSTRUCTION OF ROADS IN BORDER AREAS

State/UT-wise length of roads constructed in the border areas by Border Roads Organisation during the last five years is as under:

S No	State/UT	Constructed Length (Kms)
1	UT of Ladakh	760.331
2	UT of J&K	723.056
3	UT of Andaman & Nicobar	5.957
4	Uttarakhand	479.903
5	Arunachal Pradesh	664.099
6	Mizoram	69.897
7	Nagaland	37.036
8	Manipur	72.594
9	Sikkim	258.42
10	West Bengal	28.713
11	Himachal Pradesh	277.263
12	Rajasthan	551.896
13	Punjab	61.32
	Grand Total	3990.485

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

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NEW SAINIK SCHOOLS IN THE COUNTRY

There is no provision for allocation of fund for opening of a new Sainik School by Ministry of Defence under the new initiative to set up 100 Sainik Schools in the Country. The initiative envisages creation of all necessary infrastructure, faculty and other requirements prescribed for new Sainik Schools in partnership mode by the entity setting up and operating the School (State Govt./Pvt. Sector/Trust/Society/NGO). There is no provision of expenditure to be incurred by Government of India towards the same. However, an annual support on Merit-Cum-Means basis of up to 50% fee support (subject to an upper limit of Rs 40,000/- per student per annum) for up to 50% of class - strength (subject to an upper limit of 50 students per class per annum) for the approved school, will be provided by Govt. of India through Sainik Schools Society.

Seven Sainik Schools under the erstwhile pattern have been approved, opened and made operational during last five years, out of which no Sainik School under erstwhile pattern has been opened or made operational in the State of Haryana during the last five years including current financial year 2022-23. However, under the new initiative of Government of India for setting up of 100 New Sainik Schools, a Memorandum of Agreement has been signed by Sainik Schools Society with 18 New Sainik Schools in partnership mode out of which 17 Schools, including two Schools from Haryana, have commenced classes from Academic Year 2022-23.

This information was given by Raksha Rajya Mantri Shri Ajay Bhatt in a written reply to Shri Deepender Singh Hooda in Rajya Sabha today.

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SELF RELIANCE IN DEFENCE SECTOR

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 of Buy Indian (IDDM) category from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four ‘Positive Indigenisation Lists’ of total 411 items of Services and three ‘Positive Indigenisation Lists’ of total 3,738 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 Mission DefSpace; Launch of Innovations for Defence Excellence (iDEX) scheme by involving Start-ups & 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 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; Earmarking of 25% of R&D Budget for Industry led R&D; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc.

Our defence industry is now capable of manufacturing wide variety of high-end requirements e.g. Tanks, Armoured vehicles, Fighter aircrafts, Helicopters, warships, Submarines, Missiles, Electronic equipment, Special alloys, special purpose steels, and variety of ammunition. Rapid progress has been made towards achieving complete Aatmanirbharta in the manufacturing of defence equipment required by our Armed Forces within the country. As a result of these initiatives, many State-of-the-art products including 155 mm Artillery Gun system ‘Dhanush’, Light Combat Aircraft ‘Tejas’, Surface to Air Missile system ‘Akash’,

Main Battle Tank 'Arjun', T-90 Tank, T-72 Tank, Armoured Personnel Carrier 'BMP-II/IIC', Su-30 MK1, Cheetah Helicopter, Advanced Light Helicopter, Dornier Do-228, High Mobility Trucks, INS Kalvari, INS Khanderi, INS Chennai, Anti-Submarine Warfare Corvette (ASWC), Arjun Armoured Repair and Recovery Vehicle, Bridge Laying Tank, Bi-Modular Charge System (BMCS) for 155 mm Ammunition, Medium Bullet Proof Vehicle (MBPV), Weapon Locating Radar (WLR), Integrated Air Command and Control System (IACCS), Software Defined Radios (SDR), Lakshya Parachute for Pilotless Target Aircraft, Opto Electronic Sights for Battle Tanks, Water Jet Fast Attack Craft, Inshore Patrol Vessel, Offshore Patrol Vessel, Fast Interceptor Boat, Landing Craft Utility, 25 T Tugs, etc. have been produced in the country during the last few years.

Further, for the first time, a made-in-India Advanced Towed Artillery Gun (ATAG) howitzer gun developed by our industry was part of the 21-gun salute during the Independence Day celebration at Red Fort in Delhi.

An innovation ecosystem for Defence titled Innovations for Defence Excellence (iDEX) was launched in April 2018 to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia. iDEX provides them grants/funding and other support to carry out innovations/R&D which has potential for future adoption for Indian defence and aerospace needs. Under iDEX, 233 problems have been opened, 310 Start-ups have been engaged, 140 contracts have been signed. 'iDEX Prime' framework under iDEX has been launched in 2022 to support Start-ups with Grant-in-Aid up to Rs 10 crore to enable the development of high-end solutions.

Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.

Government has also established two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu to attract investments in Aerospace & Defence sector and established a comprehensive defence manufacturing ecosystem in the country. Moreover, the respective State Governments have also published their Aerospace & Defence Policies to attract private players as well as foreign companies including Original Equipment Manufacturers (OEMs) in these two corridors. The two State Governments have already signed MoUs/Agreements with various industries for investment worth total value of about Rs 24,000 crore. Investments worth Rs 2,242 crore and Rs 3,847 crore have been made in Uttar Pradesh Defence Industrial Corridor (UPDIC) and Tamil Nadu Defence Industrial Corridor (TNDIC) respectively.

The Government, in the last three years i.e. from 2019-20 to 2021²² and current year (2022-23 up to September, 2022), has accorded Acceptance of Necessity (AoN) to 163 proposals worth Rs 2,46,989.38 crores approximately,

under various categories of Capital procurement which promote domestic manufacturing as per DAP-2020.

The share of domestic procurement in the total procurement has been on an uptrend. In 2018-19, the domestic procurement stood at 54% of the total procurement, this figure jumped to 59% in 2019-20 and to 64% in 2020-21. This year it has been increased to 68% for domestic procurement, of this 25% budget has been earmarked for procurement from private industry.

With focus of Government on indigenisation and procurement of defence products from the domestic resources, the expenditure on defence procurement from foreign sources has reduced from 46% to 36% in the last four years i.e. from 2018-19 to 2021-22.

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

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STATUS OF COUNTRY'S DEFENCE EXPORTS

Department of Defence Production issues authorisation for export of Munitions List items covered in Category 6 of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET). At present, the exports are being made to more than 75 countries all over the world. Names of the countries cannot be divulged due to strategic reasons. Based on the value of Export Authorization issued by DDP to Private companies and actual export/contract done by DPSUs/OFB, the export value during the last three years is as under:

	2019-20	2020-21	2021-22	2022-23 (till date)
Total Export Value (in Crores)	9,116	8,435	12,815	6,058

To foster defence manufacturing ecosystem in the country, 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 falling in Buy Indian (IDDM) Category from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four ‘Positive Indigenization Lists’ of total 411 items of Services and three ‘Positive Indigenization Lists’ of total 3,738 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; Rationalised Defence Product List which required Industry License; Liberalization of Foreign Direct Investment(FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission DefSpace; 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 indigenization 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; Earmarking of 25% defence R&D Budget for industry led R&D; and Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources.

Government has brought in various reforms including ease of doing business to achieve the target of US \$5 billion for defence exports by 2024-25 and to boost Defence exports.

- Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) Category 6 titled 'Munitions List' that was hitherto 'Reserved' has been populated and Military Stores list notified vide Notification No.115(RE-2013)/2009-2014 dated 13th March 2015 stands rescinded.
- The Director General of Foreign Trade (DGFT) vide Public Notice No. 4/2015-20 dated 24th April, 2017 has delegated its authority and notified Department of Defence Production (DDP) as the Licensing Authority for export items in Category 6 of SCOMET. The export of items specified in Category 6 (Munitions List) except those covered under Notes 2 & 3 of Commodity Identification Note (CIN) of the SCOMET is now governed by the Standard Operating Procedure issued by the Department of Defence Production (DDP), Ministry of Defence.
- Standard Operating Procedure (SOP) for the export of munitions list items have been simplified and placed on the website of the DDP.
- A completely end-to-end online portal for receiving and processing export authorisation permission has been developed. The applications submitted on this portal are digitally signed and the authorisation are also issued digitally, at faster pace.
- In repeat orders of same product to the same entity, consultation process has been done away with and permission is issued immediately. For the repeat order of same product to different entity, the consultation earlier done with all stakeholders is now limited only with MEA.
- In Intra-Company business (which is especially relevant for outsourcing of work by defence related parent company abroad to its subsidiary in India), the earlier requirement of getting End User Certificate (EUC) from the Government of importing country has been done away with and 'Buying' Company is authorized to issue the EUC.
- The requirement of Government signed EUC in cases of providing engineering services (ToT related to Munitions List) to Wassenaar Arrangement (WA) Countries has been dispensed with.
- Legitimate export of systems/platforms for civil end use to WA Member countries is considered subject to submission of EUC or import certificate or equivalent document issued by the Government of importing country.

- The legitimate export of the parts and components for civil use are now being permitted to WA Countries after prior consultation with MEA.
- For export of items for exhibition purposes, the requirement of consultation with stakeholders has been done away with (except for select countries).
- Powers have been delegated to DRDO and CMDs of DPSUs for exploring export opportunities and participation in global tenders.
- New simplified End User Certificate Format for Parts & Components has been provided in SOP.
- Validity of Export Authorization for export of parts & components has been increased from 02 years to date of completion of order/component whichever is later.
- A new provision for re-exporting parts and components for undertaking repair or rework to provide replacement for a component under warranty obligation is inserted in the SOP as a sub-classification of repeat orders.
- MHA vide Notification dated 1.11.2018 has delegated its powers to Department of Defence of Production to issue export license under Arms Rules 2016 in Form X-A, for parts & components of small arms. With this, the Department of Defence Production becomes the single point of contact for exporter for export of parts and components of Small Arms & Ammunitions.
- The Government has notified the Open General Export License (OGEL) – one-time export license, which permits the industry to export specified items to specified destinations, enumerated in the OGEL, without seeking export authorisation during the validity of the OGEL. OGEL has been integrated with end to end online Portal.
- Scheme for Promotion of Defence Exports has been notified to provide an opportunity to the prospective exporters an option to get their product certified by the Government and provides access to the testing infrastructure of Ministry of Defence for initial validation of the product and its subsequent field trials. The certificate can be produced by the prospective exporter for marketing their products suitably in the global market.
- A separate Cell has been formed in the Department of Defence Production to co-ordinate and follow up on export related action including enquiries received from various countries, sharing the leads with private sector & public sector companies and facilitate exports.
- In order to boost defence exports, regular webinars are organized with Friendly Foreign Countries (FFCs) under the aegis of DDP, MoD through Indian Mission abroad and Industry Associations with active participation from Indian Defence Industries.
- A Scheme to provide financial support to Defence Attaches for taking up actions for promoting Indian defence exports of both public and private sector in the countries to which they are attached, has been notified.
- A High-Level Committee (HLC) has been constituted under the Chairmanship of Raksha Mantri to facilitate faster clearances to export of major indigenous defence platforms to Friendly Foreign Countries.

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

ABB/Savvy