

MoD notifies positive indigenisation list

By IAS Toppers | 2021-12-31 17:50:00



MoD notifies positive indigenisation list

Recently, positive indigenisation list of sub-systems, assemblies, sub-assemblies, components has been notified to minimise imports by **Defence Public Sector Undertakings (DPSUs)** by defence ministry.



[Ref- Logopedia]

Positive indigenisation list

- **Aim:** to boost indigenisation in defence manufacturing and to ensure foreign exchange savings of ₹3,000 crore a year.
- **Objective-**
 - To make India a hub for developing and manufacturing military hardware by reducing dependency on imported hardware.
 - To produce weapons and platforms that can be used by the Indian military and exported to other countries.
- It is the **third list issued** by defence ministry.
 - **First list** has announced that India will stop importing 101 weapons and military platforms such as transport aircraft, light combat helicopters and sonar systems by 2024.
 - **Second list** has restricted the import of 108 more weapons such as airborne early warning systems, tank engines, radars and next-generation corvettes.
- The list contains **2,500 imported items** which have already been indigenised.
- Once the restrictions take effect, these items can be **procured only from Indian industries**.
- **Benefit-** the foreign direct investment (FDI) limit under the automatic route in the defence sector was hiked from 49% to 74% in 2020.

Initiatives taken by Indian govt. for indigenization of defense:

- **Defence Acquisition Procedure (DAP) 2020**
 - **Key features of DAP 2020**
 - Buy {**Indian-IDDM (Indigenously Designed, Developed and Manufactured)**}
 - This category has been accorded on priority for procurement of capital equipment.
 - The '**Make**' **Procedure** of capital procurement has been simplified.
 - There is a provision for funding up **to 70% of development cost** by the Government to Indian industry under Make-I category.
 - Procedure for '**Make-II**' **category** (Industry funded) has been introduced.
 - 58 projects relating to Army, Navy & Air Force, have been accorded 'Approval in Principle'.
- The Government has enhanced FDI in Defence Sector up **to 74%** through the Automatic Route and up to 100% by Government Route.
- **SRIJAN portal**
 - **Launched-** 2020
 - **Aim-** to provide development support to MSMEs/Start-ups/Industry for import substitution.
- **Policy for indigenisation of components and spares used in Defence Platforms.**
 - **Launched-** 2019
 - **Objective-** to create an industry ecosystem which is able to indigenize the imported components (including alloys & special materials) and sub-assemblies for defence equipment and platform manufactured in India.
- Government has established two **Defence Industrial Corridors** in Uttar Pradesh and Tamil Nadu.
- **Inter-Governmental Agreement (IGA)-**
 - **Signed-** 2019
 - **Objective-** to enhance the "After Sales Support" and operational availability of Russian origin equipment currently in service in Indian Armed Forces.
- **Innovations for Defence Excellence (iDEX)**
 - **Launched-** 2018
 - **Aim-** creation of an ecosystem to foster innovation and technology development in Defence and Aerospace
- **Defence Investor Cell (DIC)**
 - **Created-**2018
 - **Aim-** to provide all necessary information including addressing queries related to investment opportunities, procedures and regulatory requirements.
- **Strategic Partnership (SP)' Model**
 - **Launched-** 2017
 - Partnership with global Original Equipment Manufacturers (**OEMs**).
 - **Aim-** to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.