



Ministry of Defence

# Government Working towards Developing Indigenous Defence Manufacturing Capability

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The Government is working towards progressively reducing dependency on foreign manufacturers and developing the defence capabilities indigenously. This was informed by Minister of State for Defence Dr Subhash Bhamre while addressing a seminar, jointly organised by the Indian Air Force (IAF) and Confederation of Indian Industry (CII), here today.

Dr Bhamre further said, "We have included a new procurement category called the Buy Indian – IDDM (Indigenously Designed, Developed and Manufactured) category in the DPP [Defence Procurement Procedure]. This would be the most preferred category for procurement and it is expected to promote indigenously designed products and bring significant investment in defence R&D."

Speaking of partnership with defence industry, Dr Bhamre informed that "The Government of India has been working on formulating a 'Strategic Partnership' model for creating capacity in the private industry on a long term basis." The Government had constituted a task force with experts from various fields to recommend criteria and prescribe methodology for selection of Strategic Partners. The report submitted by the task force has been examined at length and Government shall be issuing the policy for selection of strategic partners shortly.

Alleviating concerns of the industry, the Minister said, the exchange rate variation protection has been made applicable for the Indian private sector at par with public sector undertakings for all categories of capital acquisitions. The preferential treatment given to DPSUs in excise duty/custom duty has been discontinued, as per the revised policy; all Indian industries (public and private) are subject to the same kind of exercise and custom duty levies. This would ensure a level playing field between the private and public sector. Another step that the Government has taken is to remove the custom duty exemption on import of defence equipment to encourage 'Make in India'.

Chief of the Air Staff Air Chief Marshal B S Dhanoa, while giving keynote address, said, "The modernisation plan of the IAF is being pursued with an aim to give impetus to 'Make in India' and to beef up the defence manufacturing base. We in IAF are keen to see that 'Make in India' initiative gets converted to a reality."

Speaking about self-reliance the Air Chief Marshal B S Dhanoa said, a high degree of indigenisation has been achieved in the field of radars and all the radars planned for induction in future are from Indian firms. The IAF is completely self-reliant in the field of software applications and a number of projects are functioning successfully on software developed by Indian firms.

The CII National Defence Committee member, Shri Pratyush Kumar also addressed the gathering. Senior officials of Ministry of Defence and the IAF were present at the seminar.

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