

Q1 - What is the procedure for obtaining industrial licence for the manufacturing of defence items?

All applications for grant of license for manufacture of Small Arms (caliber upto 12.7 mm) are to be made directly to Ministry of Home Affairs in Form A-6 along with security clearances proforma manually to Under Secretary (Arms Section), Ministry of Home Affairs, Major Dhyani Chand National Stadium, IInd floor, Near India Gate, New Delhi.

All applications for grant of license for manufacture of arms and ammunitions (caliber above 12.7 mm) configured for defence purposes viz. tanks and other armoured fighting vehicles, defence aircrafts, spacecrafts, warships of all kinds, arms and ammunition and allied items of defence equipment other than small arms as indicated in the schedule to the MHA Notification dated 19.05.2017, are to be made to DPIIT in Form A-6 at Industrial License Section, Department for Promotion of Industry and Internal Trade, Udyog Bhawan, New Delhi.

All other applications for the rest of the items which are not mentioned in the MHA Notification dated 19.05.2017 but are mentioned in Press Note No. 3 of 2014 Series are to be made online on ebiz portal provided at DPIIT's website (www.dipp.nic.in).

Q2 - How does DIC help for new products, innovation/technology in Defence Sector?

Projects under 'Make-II' category will involve prototype development of equipment/ system/ platform or their upgrades or their sub-systems/ sub-assembly/assemblies/ components, primarily for import substitution/innovative solutions, for which no Government funding will be provided for prototype development purposes.

Industries may show innovative product/technology via submitting suo-moto proposal to DIC vide following link: <https://makeinindiadefence.gov.in/SUO%20MOTO%20PROPOSAL.pdf>

DIC puts forward the proposal to Nodal Officers of Service Head Quarters (SHQs) for assessment and evaluation. After examination and deliberation by professional directorates at IHQ, MoD, feedback is provided to firm in due time.

Q3 - How the private sector can be partner in indigenization with Defence Public Sector Undertakings (DPSUs), and the Armed Forces.

To provide impetus to 'Atmanirbhar Bharat', Government of India has developed the portal named, srijandefence.gov.in. The main objective of the portal is to partner the private sector in indigenization efforts of Defence Public Sector Undertakings (DPSUs) and the Armed Forces. The portal will be a non-transactional online market place platform.

DPSUs/SHQs will display their items on this portal, which they have imported or going to import, with sizeable import value. They will also display those items which have been planned/targeted in the coming years for indigenization. The Indian industry will be able to show their interest in those items for which they can design, develop and manufacture as per their capability or through joint venture with OEMs.

Q4 - Does DIC provide any advisory regarding Offset Policy?

DIC assist and provide necessary support to investors as per the query raised and guide them in an appropriate way. For more details regarding Offset Policy, investor can refer to the following link:

<https://www.makeinindia.defence.gov.in/admin/writereaddata/upload/2018-09-11-185655DefenceOffsetGuidelines.pdf>

Q5- How DIC help in utilizing of testing facilities available with DPSUs/DRDO/DGQA/SHQs?

In order to facilitate the Indian private industry for testing/ trials, proof firing or field firing of their products, Government has offered the test facilities/ proof ranges/ Field firing ranges available with OFB, DPSUs, DGQA, DGAQA, DRDO,SHQ(Army), SHQ(Navy), SHQ(Air Force) to private industry.

Companies/Individual has to directly contact, however, in case of no response/inordinate delay/technical issues, they can approach DIC.

Q6 - What is IDEX and who can apply?

Innovations for Defence Excellence (iDEX) is the operational framework of the Defence Innovation Organization (DIO), a special purpose vehicle under the aegis of the Department of Defence Production, Ministry of Defence. The iDEX framework was launched by the Hon'ble Prime Minister Shri Narendra Modi in 2018 to support innovation for Indian Defence and create pathways for adoption of technologies in the Indian Armed Services, as well as seeding India's future Defence enterprises.

1. Start-ups, as defined and recognized by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India.
2. Any Indian company incorporated under the Companies Act 1956/2013, primarily a Micro, Small and Medium Enterprises (MSME) as defined in the MSME Act, 2006.
3. Individual innovators are also encouraged to apply (research & academic institutions can use this category to apply).

In case of any assistance/help, DIC/iDEX can be approached directly.

Q7 - How an investor can be assisted for funding in defence sector?

There are two ways for applying for fund in defence sector:

- (i) **Make I Procedure : 'Make-I' (Government Funded):** Projects under 'Make-I' sub-category will involve Government funding of 90%, released in a phased manner and based on the progress of the scheme, as per terms agreed between MoD and the vendor.
- (ii) **Technology Development Fund (DRDO):** The TDF Scheme extends financial support and expertise to upgrade existing products/ systems, processes and its applications by reducing production costs, improving functionality and quality by promoting *Make in India*, and the development of futuristic technologies with defence applications. The Scheme enlists requirements of Service Headquarters of upgrading products/ systems and futuristic defence technologies as *Projects* for which eligible stakeholders can apply through this platform.

Q8 – What is Make III in Defence Sector?

1. Make-III category has been introduced in Oct 2020 under Ch-III of DAP-2020. Projects under Make II and Make III would encompass equipment/ system/ platform or their upgrades or their subsystems/ sub-assembly/ assemblies/ components/ materials/ ammunition/ software, primarily for import substitution. This although would not be designed/developed indigenously, but can be manufactured in India as import substitution for product support of weapon systems/equipment held in the inventory of the Services. Indian firms may manufacture these either in collaboration or with ToT from foreign OEMs. In this category, an Indian vendor can enter into a JV with OEM.

2. Schemes under Make III will be procured under the Buy 'Indian' category with a minimum of 60% IC.

Q9 – How does DIC help to Foreign Companies to set up business in India?

DIC facilitate, collaborate & follow up with Invest India and help the Foreign Companies. However, Invest India is the concerned office for Investment in India.

Invest India is the first point of contact for global companies whom they handhold from the day they start exploring India as an investment destination and at every step of the way throughout their journey in the world's most liberal investment destination.

Q-10 How MSMEs can be helped with any query pertaining to Defence Production.

DIC help and assist MSMEs with any grievance related to Defence Production like Payments issues/procurement and finding out the opportunities available for them with DPSUs/OFs.