

(a) whether it is a fact that Army's Corps of Electronics and Mechanical Engineers has launched a major initiative under Project Beehive for automation of the entire corps to enable real time monitoring and response of its 2,000 workshops across the country;

(b) if so, the details thereof;

(c) whether it is also a fact that the Operation Beehive will be completed by October, 2020; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHRIPAD YESSO NAIK): (a) No, Sir.

(b) to (d) Do not arise.

Start-ups in Defence sector

1147. SHRI TIRUCHI SIVA: Will the Minister of DEFENCE be pleased to state:

(a) the Total number of start-ups that manufacture defence equipment and focus on defence intelligence development, set up between the years 2014-2019, year-wise; and

(b) whether there are any special schemes that encourage start-ups in the defence sector?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHRIPAD YESSO NAIK): (a) and (b)

1. Innovations for Defence Excellence (iDEX) framework, was launched by the Hon'ble PM in April, 2018, with the aim for achieving self-reliance and to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, startups, individual innovators, R&D institutes and academia. Under iDEX, the projects or problem statements are identified based on the requirements projected by the Armed Forces, OFB & DPSUs. Till date, three phases of Defence India Startup challenges have been launched under aegis of iDEX, with over 700 responses from across the country. Further, as per information provided by Invest India, as in end November, 2019, there are 483 start-ups operating in the Aeronautics, Aerospace & Defence sector. In addition, 2,352 start-ups are engaged in Artificial Intelligence (AI), robotics and analytics.

2. In addition to the above, the following initiatives have been taken by the Government to encourage the private industry including start-ups in defence sector.
- (i) Under iDEX, the selected applicants are eligible for grants upto ₹ 1.5 crore for development of the prototype.
 - (ii) In Make-I category (Govt. funded) of development of prototype of defence products/platforms, projects not exceeding development cost of ₹ 10 crore are reserved for MSMEs. Similarly, under Make-II category of development of prototype of defence products/platforms, projects not exceeding development cost of ₹ 3 crore are reserved for MSMEs.
 - (iii) The 'Make-II' procedure has been simplified to encourage wider participation of Indian industry, with impetus for MSME/start-ups sector and timely induction of equipment into the Indian Armed Forces. The 'Start-ups' recognized by the Department for Promotion of Industry and Internal Trade (DPIIT) from time to time, are eligible to participate under 'Make-II' procedure. In addition, the framework for implementation of 'Make-II' at OFB and DPSU level has also been notified. More than 2500 items have been undertaken by OFB and DPSUs for development under 'Make-II'.
 - (iv) Department of Defence Production has notified 127 items under Public Procurement Order 2017 issued by Department for Promotion of Industry and Internal Trade (DPIIT).
 - (v) Government has notified a 'Policy for indigenisation of components and spares used in Defence Platforms' in March, 2019 with the objective to create a domestic industry ecosystem.
 - (vi) Industrial licensing regime for Indian manufacturers in Defence sector has been liberalized. This has reduced entry barriers for new entrants in defence sector, particularly SMEs.
 - (vii) FDI Policy has been revised and under the revised policy, Foreign Investment up to 49% is allowed through automatic route and above 49% under the Government route.

- (viii) Defence Research & Development Organisation (DRDO) has evolved a new industry friendly ToT policy for transfer of DRDO developed technologies to industries. DRDO has also promulgated new patent policy to facilitate Indian industries to get free access to use DRDO patents.
- (ix) DRDO has launched a program termed as Technology Development Fund (TDF) for meeting the requirements of Tri-Services, Defence Production and DRDO. The scheme has been established to promote self-reliance in Defence Technology as a part of the 'Make in India' initiative by encouraging participation of public/private industries especially MSMEs.
- (x) A Defence Investor Cell (DIC) was set up by the Department of Defence Production in January, 2018 to provide help, support and guidance to defence industry, MSMEs and start-ups.
- (xi) During 2017-2018, DDP had notified 275 items which were previously exclusively sourced from OFB, for sourcing from open industry and 141 items have been placed on Government e-Marketplace.
- (xii) Testing facilities: The Test facilities/ infrastructure available with various Government agencies (OFB, DPSUs, DRDO, DGQA, DGAQA & SHQs) have been made available to private sector with the objective to assist them in design & development of defence systems. The details of test facilities, procedure and other terms and conditions are available on websites of respective Government Agencies.
- (xiii) Third Party Inspection (TPI) of Defence Stores: To align with the Government of India initiative to promote Ease of Doing Business for MSMEs and private sector and achieve national vision of "Make in India", the Department has formulated Policy Document on 'Utilisation of Third Party Inspection Services' for effective administration of inspection function of out-sourced work with involvement of third parties for inspection services.
- (xiv) Mission Raksha Gyanshakti: This Mission was launched with the objective to encourage IPR for self-reliance in defence. IPR is the key enabler for developing an ecosystem of innovation and indigenization. As part of Mission Raksha Gyanshakti, an IPR Division has been constituted in DDP.