

This has resulted in employees becoming tech savvy with improved digitization and more productive and faster mode of correspondence within and outside the organization.

(ii) Digitization of Performance Management System

Appraisal process has been made fully online. Due to this, appraisal ratings are available for all related decision making with respect to foreign training, promotion etc. in time.

(iii) Increased and purposive communication and training programmes

Regular meetings of different functions (*e.g.* Medical, Legal, HRD, IR etc.) and training programmes are being conducted regularly on various issues of concern/clarifications, which has resulted in improvement of work culture and focus on result orientation.

(iv) Job Rotation and Transfer Policy

Job rotation concept has been introduced in the CPSEs. This will bring transparency in the working of the CPSEs.

(v) Human Resource (HR) Audit and People Capability Maturity Model (P-CMM)

Due to evaluation processes of HR Audit and P-CMM, areas of improvement are being noticed, which result in proper efficiency management of CPSEs.

(vi) Online Vigilance Clearance

The Vigilance Clearance System for employees has been made online. This has made the tracking of case easier, expedited the process and help in timely completion.

**Fund allocation for armed forces**

†1134. DR. KIRODI LAL MEENA: Will the Minister of DEFENCE be pleased to state:

(a) the details of budget estimates, revised estimates and actual expenditure incurred on modernisation of armed forces during last three years;

(b) whether any underutilisation of funds has been reported during the said period;

(c) if so, the details thereof and reasons for underutilisation of funds;

(d) the details of amount spent on import of defence equipment by Government during last three years; and

---

†Original notice of the question was received in Hindi.

(e) whether Government has taken any steps to promote indigenous production of state-of-the-art defence systems and to use indigenous technologies for the same?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHRIPAD YESSO NAIK): (a) The details of Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure (Actuals) on the modernisation of Armed Forces under Defence Services Estimates (DSE) for the last three years and this financial year, are as under:-

(₹ in crore)			
Year	Budget Estimates (BE)	Revised Estimates (RE)	Expenditure (Actuals)
2016-17	69,898.51	62,619.36	69,280.16
2017-18	69,473.41	68,965.24	72,732.20
2018-19	74,115.99	73,836.43	75,892.85
2019-20	80,959.08	89,836.16	77,494.82*

\*Expenditure is upto January, 2020.

(b) The Ministry has fully utilized the allocated budget and there has been no under utilization in the last three years.

(c) Does not arise in view of (a) and (b) above.

(d) During the last three financial years (2016-17 to 2018-19), 58 contracts worth about ₹ 138727.16 crore have been signed with foreign vendors for capital procurements of defence equipment for Armed Forces.

(e) The policy initiatives taken to promote indigenous production of State-of-the-art defence systems and to use indigenous technologies for the same are as following:-

- (i) Defence Procurement Procedure (DPP) has been revised in 2016 wherein specific provisions have been introduced for stimulating growth of the domestic defence industry.
- (ii) A new category of procurement 'Buy {Indian—IDDM (Indigenously Designed, Developed and Manufactured)}' has been introduced in DPP-2016 to promote indigenous design and development of defence equipment. It has been accorded top most priority for procurement of capital equipment.

Besides this, preference has been accorded to 'Buy (Indian)', 'Buy and Make (Indian)' and 'Make' categories of capital acquisition over 'Buy (Global)' and 'Buy & Make (Global)' categories.

- (iii) Government has notified the 'Strategic Partnership (SP)' Model which envisages establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.
- (iv) The 'Make' Procedure has been simplified with provisions for funding of 90% of development cost by the Government to Indian industry and reserving Government funded Make-I projects not exceeding development cost of ₹10 crore and procurement cost of ₹ 50 crore per year for MSMEs. The industry funded Make-II Projects not exceeding development cost of ₹3 crore and procurement cost of ₹ 50 crore per year have also been reserved for MSMEs.
- (v) Separate procedure for 'Make-II' category has been notified under Defence Procurement Procedure (DPP) to encourage indigenous development and manufacture of defence equipment. Number of industry friendly provisions such as relaxation of eligibility criterion, minimal documentation, provision for considering proposals suggested by industry/individual etc. have been introduced in this procedure. Till date, 44 proposals for development by industry have been given 'In-principle' approval under Make-II.
- (vi) Government has decided to establish two defence industrial corridors to serve as an engine of economic development and growth of defence industrial base in the country. These are spanning across Chennai, Hosur, Coimbatore, Salem and Tiruchirappalli in Tamil Nadu and spanning across Aligarh, Agra, Jhansi, Kanpur and Lucknow in Uttar Pradesh (UP).
- (vii) Government has notified a Policy for indigenisation of components and spares used in Defence Platforms in March, 2019 with the objective to create an industry ecosystem which is able to indigenize the imported components (including alloys and special materials) and sub-assemblies for defence equipment and platform manufactured in India.
- (viii) Defence Investor Cell has been created in the Ministry to provide all necessary information including addressing queries related to investment opportunities, procedures and regulatory requirements for investment in the sector.

- (ix) The Defence Products List for the purpose of issuing Industrial Licenses (ILs) under IDR Act has been revised and most of the components, parts, sub-systems, testing equipment and production equipment have been removed from the list, so as to reduce the entry barriers for the industry, particularly small & medium segment. The initial validity of the Industrial Licence granted under the IDR Act has been increased from 03 years to 15 years with a provision to further extend it by 3 years on a case-to-case basis.
- (x) Offset guidelines have been made flexible by allowing change of Indian Offset Partners (IOPs) and offset components, even in signed contracts. Foreign Original Equipment Manufacturers (OEMs) are now not required to indicate the details of IOPs and products at the time of signing of contracts. 'Services' as an avenue of offset have been re-instated.

**Establishment of proposed Indian Defence University**

1135. SHRI MANISH GUPTA: Will the Minister of DEFENCE be pleased to state:

- (a) whether Government has approved the establishment of an Indian Defence University, if so, the details thereof;
- (b) whether any other existing Defence training and research establishments will be affiliated to this University, if so, the details thereof; and
- (c) the proposed role of this University *vis-a-vis* the paramilitary forces, intelligence services and strategic policy bodies along with the details thereof?

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

- (b) and (c) Question does not arise.

**Start-ups dealing with defence production and  
indigenisation of imported equipment**

1136. SHRI VIJAY GOEL: Will the Minister of DEFENCE be pleased to state:

- (a) whether Government has seen a surge in start-ups dealing with defence production and indigenisation of imported equipment in last three years;