

India's Positive Indigenisation List (PIL):

What It Means for Ammunition and Energetics Manufacturers

A strategic and compliance analysis of the Ministry of Defence's phased import embargo on defence items — and how Indian private manufacturers can convert these embargo windows into supply chain advantage.

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Executive Summary

Since August 2020, the Ministry of Defence has issued five successive Positive Indigenisation Lists (PILs) under each of its two administering arms — the Department of Military Affairs (DMA) and the Department of Defence Production (DDP) — placing a time-bound prohibition on the import of specified defence items. The policy instrument is straightforward in concept: after a notified date, the Indian Armed Forces and Defence Public Sector Undertakings (DPSUs) may no longer procure listed items from foreign sources, regardless of price, delivery, or specifications. Procurement must be from Indian manufacturers.

As of mid-2024, the two PIL tracks together cover over 5,500 line items. **The DMA track** has issued five PILs encompassing 509 items of military significance — complete weapons platforms, sensors, ammunition, fuze systems, and high-end munitions. **The DDP track** has issued five PILs covering 5,012 items, comprising Line Replacement Units (LRUs), sub-systems, assemblies, sub-assemblies, spares, components, and raw materials for DPSUs. Both tracks are of direct relevance to ammunition and energetics manufacturers.

STRATEGIC SIGNIFICANCE

The PIL framework is the single most consequential demand-creation mechanism in the history of Indian private defence manufacturing. For manufacturers who are positioned, licensed, and qualified in advance of embargo deadlines, it represents a legally protected domestic market with no foreign competition.

This brief examines the PIL framework as it applies specifically to ammunition and energetics items, identifies the key embargo windows of relevance, and outlines the qualification pathway a manufacturer must complete to be eligible as a domestic supplier when an embargo takes effect.

1. The Policy Framework — From DPP 2016 to DAP 2020

The Positive Indigenisation List mechanism does not originate in a single piece of legislation. It is an executive policy instrument administered jointly by the Department of Military Affairs (DMA) and the Department of Defence Production (DDP) under the Ministry of Defence, drawing authority from the Defence Production Policy 2011 and its successor frameworks.

Under DAP 2020, the PIL mechanism is formally integrated into the procurement categorisation system. When a new acquisition proposal for a PIL-listed item is initiated by a Service Headquarters, the Acceptance of Necessity (AoN) must by default be in an indigenous procurement category — Buy (Indian-IDD), Buy (Indian), or Buy & Make (Indian). A departure from this default to a foreign procurement category requires specific approval from the Defence Acquisition Council (DAC) and is only permissible in defined operational urgency scenarios.

It is important to distinguish between the two PIL tracks that operate in parallel under this framework:

Feature	DMA PIL Track	DDP PIL Track
Administering Authority	Department of Military Affairs (DMA)	Department of Defence Production (DDP)
Target Procurer	Indian Armed Forces	Defence Public Sector Undertakings (DPSUs)
Item Character	Complete systems, weapons, sensors, ammunition	LRUs, sub-systems, assemblies, spares, components, raw materials
Lists Issued (as at mid-2024)	Five PILs	Five PILs
Total Items Covered	509 items	5,012 items
Procurement Basis	DAP 2020 indigenous categories (AoN mandatory)	DPSU indigenisation via Make, industry partnerships, MSMEs

COMPLIANCE DIMENSION	<p><i>The PIL framework has a direct SCOMET interface. Items placed on the PIL frequently involve technology that falls within SCOMET control categories. Indian manufacturers seeking to domestically produce PIL-listed items must ensure they hold the appropriate SCOMET authorisations for the technology content — particularly where the domestication pathway involves absorption of foreign technology under a Buy & Make arrangement.</i></p>
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2. PIL Coverage in Ammunition and Energetics

The PIL notifications are publicly available on the MoD website and through the SRIJAN portal (srijandefence.gov.in). The following table summarises the categories most directly relevant to manufacturers in the ammunition and energetics space. Items listed under the DMA track represent the most commercially significant opportunity for private sector manufacturers, as they relate to Armed Forces end-use procurement:

Category	Selected PIL-Listed Items
Artillery Ammunition	155mm ammunition (all natures), 105mm ammunition, propellant charges, fuzes for artillery projectiles
Mortar Ammunition	81mm and 120mm mortar bombs, illuminating rounds, smoke rounds, fuzes
Small Arms Ammunition	9mm, 5.56mm, 7.62mm ammunition across service calibres
Explosives & Propellants	TNT, RDX, HMX, composite propellants, modular artillery charges
Fuze Systems	Point detonating fuzes, proximity fuzes, electronic time fuzes
Naval Ammunition	Various naval gun natures, torpedo warheads, depth charge components

It is important to note that PIL listing does not automatically generate an immediate procurement order. The embargo creates the policy condition — procurement against that condition is initiated separately when a Service Headquarters raises an indent or a Request for Proposal under the applicable DAP 2020 category. A manufacturer must therefore monitor both the PIL timeline and the Services’ procurement planning cycle to anticipate when a commercial opportunity will crystallise.

3. The Qualification Pathway for Private Manufacturers

Being listed on the PIL is not, by itself, sufficient to generate a supply contract for a private manufacturer. A structured qualification pathway must be completed before a private entity is eligible to respond to Armed Forces procurement for embargo items. The key steps are:

3.1 Industrial Licence

A valid Industrial Licence from DPIIT is the foundational requirement. The IL must specifically cover the item(s) you intend to supply. ILs for ammunition and explosive manufacturing are issued jointly

with clearance from MoD and the Home Ministry's Explosives branch. Lead time from application to issuance typically ranges from 9 to 18 months for new applicants without existing licensed premises.

3.2 Vendor Registration on SRIJAN

SRIJAN is the MoD indigenisation portal through which the Armed Forces and DPSUs post indigenisation requirements and register vendors. Registration requires submission of corporate documents, financial capability data, technical infrastructure details, and — for ammunition-related items — confirmation of explosive storage licensing under the Explosives Rules 2008 and the Petroleum, Explosives and Safety Organisation (PESO) framework.

3.3 Quality Assurance Alignment

All ammunition and ordnance supply to the Indian Armed Forces is subject to quality assurance by the Directorate General of Quality Assurance (DGQA) for Army items, DGAQA for Air Force and combined services items, and DG (Naval Armament Inspection) for naval ammunition. Manufacturers must engage with the relevant QA authority early in their product development cycle. The QA authority issues a Release Note — the formal acceptance document — before any supply against a contract can be effected.

LEAD TIME ALERT

QA alignment for a new ammunition type — particularly a new 155mm shell design — can take 18 to 36 months from initial submission to Release Note. Manufacturers who begin this process only after a contract is signed will find they cannot meet contractual delivery obligations. QA engagement must begin during the R&D and tooling phase, not after.

3.4 Explosive Licensing and Infrastructure Compliance

The manufacture of explosive-filled ammunition and energetic materials requires a Licence to Manufacture Explosives under the Explosives Act 1884 and Explosives Rules 2008, issued by PESO. The licensed premises must comply with specific Quantity Distance (QD) standards — the minimum separation distances between licensed buildings and between the licensed site and public infrastructure — as specified in the PESO licensing conditions. Any expansion of production capacity or addition of new explosive types requires amendment of the PESO licence, which itself requires fresh QD calculations and site inspection.

4. Converting PIL Windows into Competitive Advantage

The PIL framework rewards manufacturers who complete qualification in advance of embargo effective dates. The competitive dynamics are straightforward: once an import embargo takes effect, the Armed Forces' only legal source for the listed item is an Indian manufacturer. Manufacturers who are qualified, licensed, and QA-cleared before that date face no import competition for the duration of the embargo period. Those who begin qualification after the embargo date compete in a market where the Services may have already initiated procurement against available qualified vendors.

The strategic approach, therefore, is to identify PIL items within your manufacturing capability, determine the effective embargo date, and work backwards to ensure your qualification pathway is complete at least 12 months in advance. This requires a cross-functional effort spanning regulatory affairs, QA engagement, production infrastructure, and — where technology gaps exist — structured induction of domestic or foreign technology under a DAP 2020-compliant arrangement.

VNAT ADVISORY NOTE

The overlap between PIL-listed items and SCOMET-controlled technology requires careful navigation. A manufacturer absorbing foreign technology to meet PIL-listed item requirements under a Buy & Make arrangement must hold SCOMET authorisation for the incoming technology simultaneously with pursuing the DAP 2020 commercial arrangement. These regulatory tracks must be progressed in parallel, not sequentially.

5. Monitoring PIL Updates

The PIL is a live policy instrument. MoD has demonstrated its intent to issue further notifications progressively, covering more items and shorter import embargo timelines. As of mid-2024, the

combined PIL count across DMA and DDP tracks had reached ten lists covering over 5,500 items — with both departments signalling continued expansion. Manufacturers should establish a structured monitoring mechanism for:

- MoD PIL notifications on the official MoD / DDP website (mod.gov.in) and the SRIJAN portal (srijandefence.gov.in)
- Defence Acquisition Council (DAC) approval announcements, which signal upcoming AoN categorisation decisions
- Service Headquarters Procurement Planning summaries, published periodically by Army, Navy, and Air Force HQ
- Industry association bulletins from SIDM, FICCI Defence, and CII Defence & Aerospace

VNAT's Intelligence Hub will track material PIL updates and publish analysis briefs as significant notifications are issued. Subscribers in the Export Control & Compliance category will receive notification of relevant updates.

6. VNAT's Positioning Within the PIL Framework

VNAT's manufacturing programme — across 155mm HE ammunition, explosives and propellants, fuze components, and mortar ammunition — is structured specifically around PIL-listed items where domestic supply capacity is currently insufficient or entirely absent. VNAT's integrated manufacturing complex, currently in detailed project planning for the Andhra Pradesh Defence & Aerospace Corridor, is designed from the outset to meet QA standards, PESO explosive licensing requirements, and SCOMET compliance obligations — positioning VNAT as a qualified domestic supplier before PIL embargo windows close.

Enquiries regarding VNAT's manufacturing programme or Advisory & Compliance Services should be directed to enquiries@vennext.in.

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