

Department of Industrial Policy & Promotion

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Discussion Paper
NIC Codes for “Defence Product List for Industrial License” and
“List of Products and Services Eligible for Discharge of Defence
Offset Obligations”

The Department has adopted the advanced version of NIC Code (NIC 2008) vide Press Note 4(2014). NIC 2008 is a highly contemporary industrial classification. As a part of the Department’s measure for ease of doing business and also to facilitate the entrepreneurs in applying for Industrial License through eBiz portal, an exercise was undertaken in the Department to allocate NIC-2008 Codes to the “Defence Product List for Industrial License” [as listed in by Press Note 3 (2014)] and “List of Products and Services Eligible for Discharge of Offset Obligations” (available at Department of Defence Production Website: <http://ddpmod.gov.in>)

2. Accordingly, a draft indicating the NIC Code in respect of each item in the two lists, is being shared to seek the views of stakeholders. All concerned are requested to provide their feedback by 9th January, 2015.

Defence Product List(iissued vide Press Note3(2014) along with NIC 2008

Codes

List of defence items as finalized by Department of Defence Production, Ministry of Defence, to be read in conjunction with Entry No. 13 of Schedule II of the Notification No. S.O.477(E) dated 25th July 1991 as amended by Notification No. S.O.11(E) dated 3rd January 2002.

13 Electronic aerospace and defence equipment : all types.

ITC (HS) Code	Category	Defence Items Included	NIOC 2008 Code
87.10	Tanks and other armoured fighting vehicles.	<ul style="list-style-type: none">• Ground vehicles, as follows:-<ul style="list-style-type: none">(a) Ground vehicles namely tanks and other military armoured/armed vehicles and military vehicles fitted with mountings for arms or equipment for mine laying or the launching of munitions includes all tracked and wheeled self-propelled armoured and non-armoured weapon systems and trailers for towed and static weapon systems.(b) Other ground vehicles namely all-wheel drive vehicles capable of off road use which have been manufactured or fitted with materials or components to provide Ballistic protection to level III (NIJ 0108.01, September 1985, or comparable national standard or above) with mountings for arms or equipment for mine laying specially designed for military use.(c) Amphibious, hovercrafts and deep water fording vehicles for military use.• Cryogenic and superconductive equipment especially designed or configured to be installed in military vehicle.	<p>30400</p> <p>30400</p> <p>30112</p> <p>30400</p>

88.01 to 88.05	Defence aircraft, space craft and parts thereof.	<ul style="list-style-type: none"> • “Aircraft” including but not limited to helicopters, “lighter-than-air vehicle”, “Unmanned Aerial Vehicles” (UAVs), Remotely Piloted Vehicles (RPVs), autonomous programmable vehicles, unmanned lighter than air vehicle (to include all variety of manned and unmanned airborne vehicles – includes target systems, loitering missiles, drones, balloons, blimps, aerostat, parachutes, paragliders, ground effect machines, air cushion vehicles/hovercraft, UAVs and launchers, designed for military application). 	30301
8906.01	Warships all kinds.	<ul style="list-style-type: none"> • Vessels of war (surface or underwater), other surface vessels (Fitted with automatic weapons having a caliber of 12.7 mm or higher, CBRN protection, active weapon countermeasure systems), special naval equipment, anti-submarine/torpedo nets, hull penetrators and connectors “specially designed for military use”. • Air Independent Propulsion (AIP) systems (nuclear/conventional) for marine applications. 	30112 30112
93.01 to 93.07	Arms and ammunition and allied items of defence equipment; parts and accessories thereof.	<ul style="list-style-type: none"> • All Rifle & Smooth-bore weapons and other arms, automatic/Semi-automatic or pump action type weapons, Weapons using case less ammunition, Silencers, special gun-mountings, weapons sights, signature reduction devices and flash suppressors to include rifles, carbines, revolvers, pistols, machine pistols, multi barrel rocket, machine guns, guns, rocket, cannon & missile systems –used on land, ships & shore based and airborne, howitzers, mortars, anti-tank weapons, projectile launchers, military flame throwers, rifles, recoilless rifles. • Ammunition and fuze setting devices including the following: <ul style="list-style-type: none"> (a) Safing and arming devices, fuzes, sensors and initiation devices; 	25200 25200

		<p>(b) Power supplies with high one-time operational output;</p> <p>(c) Combustible cases for charges;</p> <p>(d) Submunitions including bomblets, minelets and terminally guided projectiles.</p> <ul style="list-style-type: none"> • Bombs, torpedoes, grenades, smoke canisters, rockets, mines, missiles, depth charges, demolition-charges, demolition-devices, demolition kits, aircraft missile protection systems (AMPS), “pyrotechnic” devices, cartridges and simulators (i.e. equipment simulating the characteristics of any of these items), specially designed for military use. • “Energetic materials” and related substances includes all explosives like primers, boosters, initiators, igniters, detonators, smoke bomb, colour signals, propellants and pyrotechnics, oxidizers, binders, plasticizers, mobomers, additive scuopling agents, Precursors and other related ammunition. • High velocity kinetic energy weapon systems and related equipment: <ul style="list-style-type: none"> (a) Kinetic energy weapon systems specially designed for destruction or effecting mission-abort of target; (b) Specially designed test and evaluation facilities and test models, including diagnostic instrumentation and targets, for dynamic testing of kinetic energy projectiles and systems. • Directed Energy Weapon (DEW) systems, related or countermeasure “equipment and test models” as follows:- <ul style="list-style-type: none"> (a) “Laser” systems specially designed for, destruction or effecting mission, abort of a target; (b) Particle beam systems capable of 	<p>25200</p> <p>25200</p> <p>25200</p> <p>25200</p>
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		<p>destruction or effecting mission- abort of a target;</p> <p>(c) High power Radio-Frequency (RF) systems capable of destruction or effecting mission-abort of target;</p> <p>(d) Equipment specially designed for the detection or identification of; or defence against, systems at (a) and (c) above.</p> <p>(e) Physical test models for the systems, equipment and components, specified under this head.</p> <p>(f) 'Laser protection equipment (e.g. eye and sensor protection)'.</p> <ul style="list-style-type: none"> • Electronic Equipment used for electronic counter measure (ECM) and electronic counter countermeasure (ECCM), surveillance, intelligence, Command and Control systems, Global Navigation satellite systems (GNSS) jamming equipment. Data processing, storage and transmission security equipment, identification and authentication equipment (including identification Friend or Foe and non-Cooperative Target Return Identification systems), guidance and navigation equipment' Troposcatter-radio communications equipment' and Military Information Security assurance systems and equipment (like cryptographic devices including military Cryptographic key management and Cryptanalytic systems), communication equipment, frequency modules and secrecy devices, specially designed for Military use. • Armoured or protective equipment as follows:- <ul style="list-style-type: none"> (a) Constructions of metallic or non-metallic materials, or combinations thereof, specially designed to provide ballistic protection for military systems (b) Body armour or protective garments of level III (NIJ 0101.06, July 2008 or 	<p>26515</p> <p>30400</p>
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		national equivalent and above).	
		<ul style="list-style-type: none"> • ‘Specialised equipment for military training’ or simulators specially designed for training in the use of any firearm or weapon. 	25200
		<ul style="list-style-type: none"> • Imaging or countermeasure equipment, as follows, specially designed for military use:- <ul style="list-style-type: none"> (a) Recorders and image processing equipment;” (b) Image intensifier equipment; (c) Infrared or thermal imaging equipment; (d) Imaging radar sensor equipment; (e) Countermeasure or counter-countermeasure equipment 	26515
		<ul style="list-style-type: none"> • Miscellaneous: Concealment and deception equipment specially designed for military application, including but not limited to special paints, decoys smoke or obscuration equipment and simulators, and Metal embrittling agents. 	25200

**LIST OF PRODUCTS AND SERVICES ELIGIBLE FOR DISCHARGE OF
OFFSET OBLIGATIONS WITH NIC 2008 CODE**

	Description of Defence products	NIC Code 2008
a	Small arms, mortars, cannons, guns howitzers, anti tank weapons and their ammunition including fuzes.	25200
b	Bombs, torpedoes, rockets, missiles, other explosive devices and charges, related equipment and accessories specially designed for military use, equipment specially designed for handling, control, operation, jamming and detection.	25200
c	Energetic materials, explosives, propellants and pyrotechnics.	25200
d	Tracked and wheeled armored vehicles, vehicles with ballistic protection designed for military applications, armored or protective equipment.	30400
e	Vessels of war, special naval systems, equipment and accessories to include following:	30112
e(i)	Design, manufacture or upgrade of weapons, sensors, armaments, propulsion systems, machinery control systems, navigation equipment/ instruments other marine equipment and hull forms of warships, submarines and auxiliaries.	30112, 26515
e (ii)	<u>Facilities and equipment required for testing, certification, qualification and calibration of hull forms, platform, propulsion and machinery control systems. weapons, sensors and related equipment including enhancement of stealth features and EMI/EMC studies for warships, submarines and auxiliaries.</u>	71200
e(iii)	<u>Software specially designed, developed and modified for design of all types of warships, submarines and auxiliaries or their hull forms.</u>	62011
e(iv)	<u>Setting up of maintenance and repair facility for equipment/weapons and sensors and other marine systems including related technical civil works.</u>	33150
f	Aircraft, unmanned airborne vehicles, <u>aero engines and air craft equipment</u> , related equipment specially designed or modified for military use, parachutes and related equipment.	30301, 30305

g	Electronics and communication equipment specially designed for military use such as electronic counter measure and counter measure equipment surveillance and monitoring, data processing and signalling, guidance and navigation equipment, imaging equipment and night vision devices, sensors.	26515
h	specialized equipment for military training or <u>for simulating military scenarios</u> , specially designed simulators for use of armaments and trainers and training aids viz. Simulators, <u>associated equipment</u> , software and computer based training modules.	25200, 62011
i	<u>Forgings, castings and other unfinished products which are specially designed for products for military applications and troop comfort equipment.</u>	25910
j	<u>Miscellaneous equipment and materials designed for military applications, specially designed environmental test facilities and equipment for the certification, qualification, testing or production of the above products.</u>	71200
k	<u>Software specially designed or modified for the development, production or use of the above items. This includes software specially designed for modeling, simulation or evaluation of military weapon systems, modeling or simulating military operation scenarios and Command, Communications, Control, Computer and Intelligence (C41) applications.</u>	62011
l	High velocity kinetic energy weapon systems and related equipment.	25200
m	Direct energy weapon systems, related or counter measures equipment, super conductive equipment and specially designed for components and accessories.	25200
	<u>Products for Inland/Coastal Security</u>	
a	Arms and their ammunition including all types of close quarter weapons.	30400
b	Specialized Protective Equipment for Security personnel including body armour and helmets.	30400, 32902
c	Vehicles for internal security purposes including armored vehicles, bullet proof vehicles and mine protected vehicles.	30400

d	Riot control equipment and protective as well as riot control vehicles.	30400
e	Specialized equipment for surveillance including hand held devices and unmanned aerial vehicles.	30301, 26515
f	Equipment and devices for night fighting capability including night vision devices.	26515
g	Navigational and communications equipment including secure communications.	26515
h	Specialized counter terrorism equipment and gear, assault platforms, detection devices, breaching gear etc.	30400
i	Specialized equipment for Harbour Security and Coastal Defence including seabed/maritime surveillance sensor chains, sonars, radars, optical devices, AIS	26515
j	Vessel Traffic Management systems (VTMS/VATMS) and appropriate vessels/crafts/boats..	30112
k	Miscellaneous maritime equipment for undertaking investigations, Boarding, Search and seizure of ships/vessels.	30112
l	Software specially designed, developed and modified for all types of Coastal and maritime security domain awareness, operations and data exchange	62011
m	Training Aids viz simulators, associated equipment, software and computer based training modules.	62011
	<u>Civil Aerospace Products</u>	
a	Design, development, Manufacture and Upgrade of all types of fixed wing and rotary wing aircraft or their airframes, aero engines, avionics, instruments and related components.	30301
b	Composites, forgings and castings for the products.	25910
c	Training Aids viz simulators, associated equipment, software and computer based training modules.	26516
d	Guidance and Navigation equipment	26515
e	Test facilities and equipment required for testing,	26516

	certification, qualification and calibration of the above products	
f	Software specially designed, developed or modified for the above products.	62011
	<u>Services (Related to eligible Products)</u>	
a	<u>Maintenance, repair and overhaul.</u>	33150
b	<u>Up-gradation/life extension*.</u>	33150, 25200
c	<u>Engineering, design and testing.</u>	71100
d	<u>Software development</u>	62011
e	<u>Quality assurance</u>	71100
f	<u>Training</u>	85499
g	<u>Research and Development Services (from government recognized R&D facilities)</u>	72100

Note :

1. Items underlined don't require Industrial License from Defence Angle for discharging offset obligation.
2. Investment in civil infrastructure is excluded from the list of eligible products and services, unless specifically indicated.
3. The 'services' related paragraphs of Defence procurement Procedure is under abeyance, till such time further instructions are issued.

* Up-gradation of an equipment requires grant of IL under IRD Act, 1951 only for the licensable defence items.