

‘Modified DPP a game changer for MSMEs’

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Crediting the modified DPP (Defence production policy) of 2016 to be a game changer for the MSMEs Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM (Society of Indian Defence Manufacturers) stated that the revised DPP has thrown open the door for more realistic and wider participation by the MSMEs in the country.



Lt Gen Subrata Saha

‘The modified DPP of 2016 has got in some forward looking and striking new features. For the first time we saw a DPP with a preamble’ said Lt Gen Saha.

Two things that have found focus in the revised DPP are the thrust laid on indigenization and promoting MSMEs.

Categories such as buy IDDM i.e. Indian designed, developed and manufactured are set to benefit MSMEs as it gives

IDDM the highest category of procurement.

An indigenization solution is a preferred solution said the director general SIDM.

‘Therefore under IDDM if the equipment is Indian designed, developed and manufactured and if it

has 40% indigenization content then it’s good enough to be procured. Similarly if it’s not Indian designed and developed but only manufactured in India with 60% indigenization then too it is given preference said Lt Gen Saha.

Similarly to counter the contentious issue of L1 (lowest bidder) Lt Gen Saha said that the modified DPP brought in some very interesting aspects like the ‘enhanced performance indicators’. This he said gives Indian manufacturers the opportunity for creating value added features. ‘For each value addition the MSME does to a particular specification it qualifies for a 2% deemed reduction in its commercial rate’. This he says helps gets a convergence between L1 and T2.

Reduced wait times

In order to reduce the timeline for trials the revised DPP has come out with an Essential parameters A and Essential parameters B.

Under essential parameters A it states that the order must be suitable at the time of in trial while under essential parameters B it says it could be shown

at the time of delivery. This helps in clearly identifying priorities for the defence forces.

And to address the industry concern of not getting assured orders Lt Gen Saha says that the Government introduced a radical change under the earlier Make component making a further subdivision i.e. Make 1 and Make 2.

Make 1 he says is predominantly government funded and Make 2 is industry funded wherein both make sure that if your order is developed with a successful prototype then your order is assured.

‘If the prototype is successfully tested and if within 2 years you don’t get the order your money will be refunded’ said Lt Gen Saha.

Reservation for MSMEs

Also under Make 1 if the project outlay is less

than Rs 10 crores it is reserved for MSMEs. It’s only when there are no MSMEs that larger players are asked to come in. Similarly under Make 2 if the project cost is below Rs 3crores then its reserved for MSMEs.

It is stated that there are about 23 projects under Make 2.

Capability of MSMEs

Albeit the opportunity is gargantuan for MSMEs in defence Lt Gen Saha opines that the MSMEs are still not fully equipped to optimize on the opportunities that the defence industry presents itself with.

MSMEs need to gear up much more if they really want to be a significant player in this industry said Lt Gen Saha. The defence industry has stringent quality standards and strict timelines wherein the technology requirements are quite intensive.

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Time for consolidation: Secretary Mines

VIS News Service

Addressing the 7th India Minerals and Metals Forum in New Delhi recently Joint Secretary Ministry of Mines, **Mr Anil Kumar Nayak** said Power and cement industries are aiding growth in the metals and mining sector. Demand for iron and steel is set to grow, given the strong growth expectations for the residential and commercial building industry.

The Union Government has allowed 100 per cent Foreign Direct Investment (FDI) in the mining sector and exploration of metal and non-metal ores under the automatic route, is said to propel growth of this sector.

He also said that there is large number of small players in the mining business. Now the time has come for the consolidation, either through consortium of miners. In our country there is lot of low grade minerals. For example, bauxite reserve in Orissa, however there is huge reserve of low grade bauxite in Maharashtra and Gujarat also, he said. He emphasized the importance for utilizing the low grade ore.

Brandix to provide 4,000 jobs

Brandix India Apparel City will provide employment to 4000 youth in coming six months. As the company is planning for expansion, it would create 4000 jobs, of which 90% will be for women and rest 10% for men in technical field. Interested candidates who have passed 7th class and are between 18 to 32 years of age can obtain/submit the applications everyday between 6 am to 2pm at Brandix main gate, Atchutapuram. Aadhar card and transfer certificate (TC) are mandatory. Must bring 2 passport size colour photographs.



Make Sharjah your business Home: SAIF

VIS News Service

Trade representatives from Sharjah Airport International Free Zone were recently in the port city making a pitch to local entrepreneurs to set up their business units in the emirate.

‘There is 100% exemption on import/export duties and 100% repatriation to your home country’ said **Mr Raed Bukhatir**, Director of Business Development for SAIF.

SAIF which started in 1995 gives 100% ownership to foreign entities and has seen its facility grown substantially over the years. ‘We had only 55 companies



operating in SAIF in 1995 and now we have more than 8000 companies that have made SAIF their business hub’ said the director business

development. Showcasing UAE as an international gateway connecting to key markets across the globe **Mr. Jitin Varrier**, Business

Development Officer, SAIF Zone, gave a detailed presentation on the investment opportunities in SAIF region.

This is a great place for

Indian entrepreneurs to set up their base in Sharjah and take advantage to trade with Africa and the west.

Sharjah is centrally located wherein an 8 hour flight can connect you to 2/3rd of the world population while a 4 hour flight can connect you to 2 billion people said Mr Varrier. He further informed that global carrier Lufthansa has its second largest base in Sharjah outside Frankfurt in Germany.

The signing of MoU between India and UAE is a defining move in further boosting bilateral trade and will facilitate development of joint projects, knowledge sharing and technology transfer, said **Mr. M.**

Sudhir, Vice Chairman, AP Chambers of Commerce and Industry Federation.

The vice chairman, APCCIF also stated that India is the 3rd largest trading partner of UAE and the two way trade had reached \$ 53 billion in 2017.

Indians have long emerged as important investors within the UAE and India is an important export destination for UAE for manufactured goods said Mr Sudhir. UAE is home to an estimated 3.3 million Indian population.

Mr Vishnu Sunil, Business relations executive, SAIF Zone and **Mr G Raghunadha Babu** from FIEO were also part of the presentation.