

Discharge of Offset by FOEMs

Series of meetings have been held with Ministry of Defence to improve the discharge of Offset by FOEMs & verification of claims.

As a follow up meeting of DG, SIDM with RM on 18 December 2017, an interaction for the industry with MoD (DDP) was organised by SIDM on 12 January 2018.

This was further followed up with a meeting chaired by Secretary (DP) on 16 January 2018. Based on the discussion held with the Industry representatives on 12 Jan 2018, Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), DG, SIDM submitted industry points on the following:

- a. An effective online end to end offset management system for the future
- b. Clearing the backlog of pending offset verification claims

Based on SIDM's recommendations, the Ministry of Defence has agreed to launch a special drive during the month of April 2018, to clear the backlog of pending verification claims. All pre-01 April 2016 cases will be considered as backlog.

The detailed instructions for the special drive are under issue from the Defence Offset Management Wing. Industries having pending verification claims shall be invited to resolve their issues through face to face meetings with cross functional teams of Defence Offset Management Wing and Audit authorities.

A follow up meeting with FOEMs to collate recommendations on the process that should be followed to clear the backlog of offset discharge in the month determined for this was organized by SIDM on 14 February 2018.

Use of Air-waves by Industry

In pursuance to the industry interaction with Hon,ble Raksha Mantri on 28 October 2017, SIDM had compiled industry views & submitted them to MoD – DDP. As a follow up, a meeting was chaired by the Secretary (DP) on 16 January 2018 to discuss issues regarding use of air-waves by private industry.

The Secretary (DP) finalised with the following directions:

- a. MHA be approached for permission to fly UAVs for integration, testing and trials of radars and UAVs being used for defence services.
- b. Ministry of Communications, DGCA and WPC Wing be approached for permission to be given on fast track for using the defence spectrum and flying of UAVs, radiation or emission of radars and also for fast track permission for Demonstration Licence for a longer duration for the industry.

c. Ministry of Commerce be approached for removal of ban on import of items like radars being utilised by the industry for defence services.

d. The Secretary (DP) also directed that an inter-ministerial note be forwarded or if required, the matter be raised at the cabinet level.

Government Owned Contractor Operated (GoCo) model for Army Base Workshops

The Directorate General of EME organised a meeting of the representatives from the industry on 31 January 2018 with the aim of implementing the Government Owned Contractor Operated (GOCO) model. The objective of the meeting was to introduce Army Base Workshops (ABWs) & their capacities to private industry and understand from participants their concerns/ queries and suggestions, if any, that could be incorporated in the study that will be commissioned shortly.

A presentation was made on the facilities and work profile of the 8 ABWs, that informed the wide diversity of products and operations as well as minimum guarantee on the overhaul and repair work for the next 8 years.

Post the preliminary meeting by the Directorate General of EME on 31 January 2018, SIDM organised an interactive session with industry on 5 February 2018 to understand industry views on the initiative.

Queries raised and suggestions made by industry representatives are being submitted to appropriate authorities.

More than 50 representatives from about 20 companies were present for the interaction.

Aggregation of Radars

A meeting was chaired by the Secretary (DP), Dr Ajay Kumar on 09 February 2018 and was attended by JS (P&C), VCAS, industry and DPSU representatives, officers from the 3 services. The Joint Secretary briefed the participants that the meeting was convened in response to request from industry to have a consolidated requirement of the radars being procured from Revenue Expenditure.

Key points discussed in the meeting are:

- ▶ Regarding the need for a consolidated requirement by the industry, the rep from IDS brought out that the new Technology Perspective and Capability Roadmap (TPCR) is being consolidated and would be issued to the industry.
- ▶ Secretary (DP) also mentioned that the DefExpo in April 2018 will have changed colours and would be oriented towards encouraging export market.
- ▶ Secretary (DP) also informed the members that the DDP is working out measures to create testing facilities especially for the MSMEs. This will be industry led and managed by the industry.
- ▶ The industry representatives then sought information regarding the High Power Radar case on the Capital route. The VCAS replied that the RFP will be issued in 3 months.

Use of Test Facilities by Industry

Secretary (DP), Dr Ajay Kumar chaired a meeting on utilization of the test facilities owned by Government agencies by industry on 12 February 18. Representatives of the armed forces, DPSUs, DRDO & industry attended the meeting.

Joint Secretary NS (DP) mentioned that test facilities were being utilized by the industry since 2016

and gave out the statistics regarding the usage.

Few issues faced by the industry and discussed in the meeting include:

- ▶ Lack of a single window online facility for booking of the test facilities.
- ▶ Need for re-registration with each entity for the test facility despite having valid defence manufacturing license.
- ▶ Requirement of end user certificate even though the products are for armed forces or MHA. Need for end user certification for R&D tests.
- ▶ The DPSUs take an unlimited liability for damage certificate for testing. It would be beneficial if amount of insurance is built into the charges being levied on the industry.
- ▶ Making available test facilities as per QRs of the armed forces so that these need not be tested abroad.

Secretary (DP) assured that establishment of a separate test facility for the industry will ensure that global standards on test facilities are made available including online allotment.

Simplification of Make II Procedure

During an interaction with Hon'ble Raksha Mantri on 28 October 2017, SIDM requested MoD to formulate a process for Make II, that's simple and can be executed expeditiously. In less than 3 months, On 18 January 2018, Raksha Mantri announced a simplified Make II policy at the Defence Industry Development Meet in Chennai

Small Arms Procurement

SIDM organized an interaction with industry on 25 January 2018 to understand their concerns and seek inputs for SIDM's interaction with Secretary (DP) on the proposals cleared by Defence Acquisition Council for the procurement of Assault Rifles & Carbine.

SIDM organised an interactive session on 5 February 2018 to debrief industry on DG, SIDM's meeting with Secretary (DP) on small arms procurement. More than 70 representatives from 55 companies attended the interaction.

Recently, the Defence Acquisition Council (DAC) chaired by Hon'ble Defence Minister Nirmala Sitharaman on 12 February 2018 approved proposals worth more than Rs 15,000 crore to acquire light machine guns, assault rifles and sniper rifles for the three forces.

25% of the quantity (approx. 7 Lac) would be procured from Ordnance factories and the remaining 75% from the private industry.

Indigenisation of Items of Russian Origin

SIDM shared the list of spares / components identified for indigenization by the Services / DPSUs for Russian made platforms put out by Ministry of Defence with Indian defence industry and collated their feedback which was shared with Russian Defence attaché. SIDM has been referred as the nodal agency to coordinate with Indian industry and their Russian counter parts.

SIDM team met ROSTEC representatives on 02 February 2018 to understand their concerns and how Russian OEMs would like to take this forward. SIDM has proposed a meeting between

Russian OEMs and Indian defence industry in early March 2018.

Defence IT Consultative Committee Meeting

Hon'ble Raksha Rajya Manti, Dr Subhash Bhamre, chaired the 13th meeting of Defence IT Consultative Meeting on 13 February 18.

Latest developments that could be of interest shared during the meeting are:

- ▶ A separate chapter on Fast Track IT procurement is being added to the DPM and the RRM asked the MoD (Dept. of Defence Finance) to expedite the promulgation and not wait for the new DPM.
 - ▶ A 15 year roadmap on Quantum Computing would be prepared by the DRDO.
 - ▶ Development of a rugged indigenous OS System for the Defence Forces.
 - ▶ IPR policy for the control of jointly developed software products and applications is soon to be issued by the MoD.
 - ▶ DRDO is fine tuning the road map for indigenous Chip manufacturing programme.
 - ▶ Development of an indigenous Perimeter Security Solution for Data Networks of Defence Services is being undertaken by DRDO and needs industry interest in the project.
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Other Updates

The Second meeting of the SIDM Executive Council was held on 13 February 2018 at CII, Western Region Head Quarters in Mumbai.

SIDM congratulates Larsen & Toubro and Amrita Vishwa Vidyapeetham on being awarded Technology Development Fund (TDF) project for "Development of Light Weight Bullet Proof Materials".

SIDM Website

The website of SIDM can be accessed at www.sidm.in

The SIDM website offers an array of services and curates opportunities in Defence Manufacturing from India and around the world and publishes these in the opportunity section on the website. Global Tenders, Government RFPs/RFIs, other business alerts and a product / service directory are available exclusively to SIDM members.

To apply for SIDM membership, please visit www.sidm.in/membership-form or write to info@sidm.in

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