

HON'BLE RAKSHA MANTRI MEETING WITH INDUSTRY ON 28 OCTOBER 2017

Hon'ble Raksha Mantri held her first meeting with the Industry on 28 October 2017 at New Delhi. The Raksha Mantri was briefed about pending "Make" and other acquisition Cases, pending industrial licenses, cumbersome trials for import substitution of components, offset management, facilitation of development trials involving integration of radars, allocation of procurement schemes by nomination to DPSUs/OF. The Hon'ble RM was apprised about the SIDM initiative, she desired exploitation of digital media to ensure availability of SIDM services across the country particularly MSMEs. She also suggested that SIDM should facilitate specific skilling programmes for defence industry through regional organisations engaged in similar activity. The Raksha Mantri emphasised upon time-bound progress of schemes/projects and disposal of application for licenses.

MEETING WITH RAKSHA MANTRI AT CHENNAI :18 NOVEMBER 2017

Hon'ble Raksha Mantri Smt Nirmala Sitharaman Chaired a meeting with industrialists of the Southern Region on 18 Nov 2017. SIDM was represented at the event. Action points from the meeting are given below:

- a.** In order to facilitate functioning of MSMEs in defence, a draft SOP for MSME to do business with DPSU/OFB is being prepared for submission to MOD.
- b.** In order to spread awareness on the requirements of the armed forces, the Raksha Mantri said that representatives from the Army, Navy, Airforce, DRDO and OF would be nominated to visit the Regions for open conversation on their requirements with industry for the short term and long term. SIDM would facilitate these meetings.
- c.** A report on research projects in academic institutions that have potential for application in defence sector would be submitted to the Hon'ble Raksha Mantri, for consideration.

INDIGENISATION OF RUSSIAN ORIGIN EQUIPMENT

List of items of Russian origin offered for manufacture in India in collaboration with Russian OEM was circulated with members. Based on the response received from the industry the first compiled list has been submitted to MOD. The same is being progressed further with the Indian Embassy in Moscow. The list is given at Annexure I. New members willing to take up any item may intimate SIDM.

DEFENCE INDUSTRIAL LICENSE

Details of cases where defence industrial licenses were pending for various reasons in MOD or DIPP / MHA was compiled and forwarded to the MOD. After considering the cases the MOD has forwarded their response, which has been circulated to industries concerned.

AIRWAVES/SPECTRUM FOR DEVELOPING/INTEGRATING SYSTEMS WITH RADARS

Problems faced by the industry in importing radars for integrating in larger systems, exorbitant rates of commercial purchase of spectrum for development, use of UAV for development etc. has been compiled and submitted to MOD. A meeting of all stakeholders is expected to be convened by MOD soon to find solutions.

SIMPLIFICATION OF MAKE II

The DPP 2016 promulgated in March last year, refined the “Make” category by dividing it into “Make-I” (90% Govt funded) and “Make-II” (Industry funded). Make-I is for major platforms involving critical technologies, large infrastructure and investment. Make-II provides an opportunity to harness

capabilities of the private industry to design and develop minor platforms, systems and components. Make-I projects with estimated cost of prototype development not exceeding Rs.10 crores and Make-II projects with estimated cost of prototype development not exceeding Rs.3 Crores are reserved for MSMEs.

Currently the projects under Make II are being processed under the same elaborate procedure as applicable for Make-I, as no separate procedure has been stipulated for Make II. Because of the

long and cumbersome process this policy provision remains largely under-utilized.

Since Make II is meant for relatively much simpler projects, with no Govt funding involved and normally small cost outlay, the process can be much shorter and could deliver capability within a one year cycle. Simplification of the process and a strong drive for Make II, would enable more indigenous and import substitution projects to be undertaken regularly by the industry, particularly MSMEs.

A proposal has been forwarded to the MOD to formulate a process for Make II, that's simple and can be executed expeditiously. The proposal is under active consideration of the MOD.

OFFSET MANAGEMENT

A meeting was convened on 01 December 2017, to collate recommendations of the industry, Indian Offset Partners and Foreign OEM to improve the management of offsets. The broad consensus was no major policy change is advisable as the system is currently stabilising. Certain suggestions to improve the process and get better outcomes is under compilation for submission to MOD.

INTERNATIONAL MILITARY COMPETITION WITH INDUSTRY SPONSORED INDIGENOUS EQUIPMENT

Indian defence manufacturing industries have made rapid progress in many fields and are producing equipment which could be utilised for roles in varying terrain and battlefield conditions. As the industry grows, there is a need to project the capabilities in international arena, particularly amongst friendly foreign countries. Accordingly, an international military competition has been proposed to be held as a run up to DEFEXPO 2018 which could be a springboard and an opportunity to demonstrate industry competencies and promote export. Besides adding vibrancy to the DEFEXPO, this has the potential of being a major defence diplomacy initiative.

For the competition, it has been proposed that Indian defence manufacturers will provide indigenously manufactured equipment. Indian Army and teams from armies of selected friendly foreign countries should participate in simple competitions conceptualized to exploit the sponsored indigenous equipment. The Competition has been proposed to be held under the aegis of the Ministry of Defence jointly by the Indian Army and Society of Indian Defence Manufacturers (SIDM). A concept note for the competition has been submitted to the MOD and Army HQ.

RFI/RFP ISSUED: 01 November to 15 December 2017

The RFI/ RFP ISSUED BETWEEN 1 November to 15 December 2017, which are valid as on date, are at Annexere II for the reference of members

