

The India-Sweden Defence Industry Day

The India-Sweden Defence Industry Day was organised by the CII in partnership with Swedish Security & Defence Industry Association (SOFF) & SIDM on 12 December 2017 in New Delhi. In his inaugural address, Dr Ajay Kumar, Secretary (Defence Production), Ministry of Defence, Government of India said that the Ministry of Defence is considering simplification of the Make 2 process to expedite defence manufacturing and greater participation by private sector in achieving self-reliance and indigenisation.

In addition to a liberalised FDI regime, the Government is also making available 20 to 24 projects under Make II category that will create ample opportunity for the industry to make inroads and realising the country's aim to become a defence manufacturing destination through strategic partnerships, the Secretary added.

Reiterating the stronger business and bilateral relations of the two countries, Mr Jan Salestrand, Secretary, Ministry of Defence, Sweden said, "Sweden ranks as one of the most competitive countries in the world for innovation and research and ties between Sweden and India have grown stronger in trade and investments"

Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM & Principal Adviser, CII in his welcome address spoke about the role SIDM will play for bringing technology into discourse, get them absorbed with appropriate enabler of transfer of technology. He also highlighted the need of transition from the prescriptive to a more predictive system.

Seminar on 'Solution to Problem Statements' of the Army at Amrita University Coimbatore:

Mr Jayant D Patil, Vice President, SIDM & Whole-time Director (Defence Business) & Member of the Board, Larsen & Toubro and Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM & Principal Adviser, CII participated in a seminar organised by Amrita University at Coimbatore on 15 December 2017. Lt Gen Sharath Chand, Vice Chief of Army Staff, Prof Parameswaran, Director, Corporate and Industrial Relations, Amrita University, Mr V Sundaram, President, Coimbatore District Small Industries Association (CODISSIA) and a large number of professors, students and industrialists particularly MSME

attended the event .

Some highly innovative solutions were presented and put on display by industry representatives and research scholars / professors. These solutions will now be examined by the Army and those found suitable will be taken up as Army Technology Board Projects, Technology Development Fund Projects or Make 2 Schemes.

Raksha Mantri's Meeting on Offset Management

Hon'ble Raksha Mantri, Ms Nirmala Sitharaman chaired a meeting on 18 December 2017 to review the offset management guidelines. Recommendations based on the meeting held at SIDM on 01 Dec 2017, with the Indian Offset Partners and Foreign OEM were submitted by Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM & Principal Adviser, CII to the Minister. Several forward-looking and implementation-catalysing improvements to the process are under consideration.

Some of the key issues raised by SIDM and discussed during the meeting are:

1. Online Submission of claims supported by end to end electronic system for management of offsets is under consideration.
2. Possibility of outsourcing offset claim verification is under consideration.
3. Time-bound verification of pending offset verification claims.
4. Possibility of offsets discharge against supply of Machine tools will be examined.
5. Review of cap on discharge of offsets through services is under consideration.
6. Setting up trial and testing facilities through offsets was proposed.
7. Possibility of permitting Chairs of Excellence in academic institutions subject to maximum of 5 percent of offset value shall be examined.
8. MOD is in the process of institutionalizing the Defence Offsets Management Wing.

Defence Industry Interaction with Secretary Defence Production

Talking to the industry in an interaction facilitated by SIDM on 18 December 2017 at the headquarters of CII, Dr Ajay Kumar, Secretary (Defence Production), Ministry of Defence, Government of India, emphasized on the need to remain ahead of the game, move from a prescriptive phase to being predictive and create Champion Industry in the sector.

The Secretary was interacting with a host of industry representatives including L&T, Ashok Leyland, Bharat Forge, Mahindra Defence Systems, Godrej & Boyce, Tata Motors, Tata Advanced Systems and other leading industrialists, besides several micro, small and medium enterprises (MSMEs).

Emphasizing on certain key areas of concern in the sector, the Secretary acknowledged the industry needs in simplifying the MAKE processes, in enhancing Indian cyber capability as well as defence production capability, promoting exports, facilitating a level playing field, strengthening the certification system and defining the nature of IP needs for protection of IP rights, and also providing performance based incentives for import substitution

Mr Jayant D Patil, Vice President, SIDM & Whole-time Director (Defence Business) & Member of the Board, Larsen & Toubro highlighted various industry needs of giving preference to indigenization, simplifying MAKE processes, addressing issues of customs duty, protection of IP rights and availing hassle-free NOC to encourage defence exports.

Lt Gen Subrata Saha PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM & Principal Adviser, CII highlighted the key role that SIDM is going to play in facilitating some of the successful collaborations under the rubric of Make in India and bringing strategic directions for the industry to make the desired transition from the prescriptive systems.

SIDM at MSME Summit in Chennai

The Annual MSME Summit was organised by CII in Chennai on 20 December 2017. A special session was devoted to 'Opportunities in Defence' for the first time at the summit and was chaired by Lt Gen Subrata Saha PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM & Principal Adviser, CII. Another first at the summit was the presence of representatives from Army, Navy, Airforce, Ordnance factories, DPSU with comprehensive presentations on their specific requirements of modernisation and indigenisation.

DG SIDM covered at length the criticality of self-reliance in defence, crucial role of MSME in defence the world over, reserved provisions for MSMEs in Make 1 & 2, opportunity for R & D through Technology Development Fund, enhanced performance parameters, the exercise being undertaken by SIDM to compile data on research projects in academic institutions that have potential for commercialisation for submission to the Raksha Mantri. The participants were briefed on opportunities in the defence sector either directly in MOD procurement or through supply chain of the OF and DPSU.

Representatives from Army, Navy and Airforce covered their Make projects and indigenisation plans. Representatives from HAL and HVF Avadi covered opportunity offered for indigenisation, assistance for trial and testing facilities and procedure for registration of vendors.

The response from the participants and the plethora of Q & A clearly highlighted that the Seminar was very well received and there was demand for more such presentations on opportunities and exposition of equipment for indigenisation and import substitution.

Army Technology Seminar, New Delhi

The Army Design Bureau (ADB) in association with the SIDM and CII organised the 2nd edition of the Army Technology Seminar – ARTECH 2018 on 08 January 2018 at Manekshaw Centre, New Delhi with the theme of “Technology as a Key Enabler to Overcome Challenges of Military Operation in High Altitude”, at Manekshaw Centre, New Delhi. The seminar was attended by serving officers of the Indian Army, DRDO Scientists, representatives of Industry and Academia.

The seminar and the exhibition was inaugurated by General Bipin Rawat, UYSM, AVSM, YSM, SM, VSM, ADC, Chief of the Army Staff and Dr S Christopher, Chairman, Defence Research Development Organization and Secretary, Department of Defence, R&D. During the inaugural session, General Rawat released a Compendium on Problem Definition Statements – Volume III (2018).

During his inaugural address, General Rawat congratulated CII for taking the lead to create SIDM, since it has the potential to become the single voice of the Indian Defence Manufacturers. Chief of the Army Staff said that the army will walk the extra mile to handhold the industry and also, absorb the technologies developed by the industry since their endeavour will be to fight Indian wars with Indian solutions.

Mr Jayant D Patil, Vice President, SIDM and Whole-time Director (Defence Business) & Member of the Board, Larsen & Toubro, gave the industry perspective and suggested that long term plan of the army must be projected so that technological solutions could be created.

Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM and Principal Adviser, CII introduced the SIDM which aims to become to single voice for the Indian Defence manufactures. General Saha said SIDM has been pushing for simplification of MAKE II, especially since is industry funded, and the MoD has agreed to the same. SIDM will also initiate monthly interaction between DG (Acquisition) and the industry. General Saha said SIDM in working towards promoting defence regional industrial clusters.

Meeting on Online System for Offset Management

As a follow-up of meeting chaired by Raksha Mantri on Offset Management on 18 December 2017, SIDM facilitated interactions between Defence Offset Management Wing (DOMW), Indian Offset Partners (IOP), Foreign OEMs and National Informatics Centre (NIC) on 12 January 2017 to discuss the process of digitizing data generated in the offset process and provide inputs to NIC for developing online system for offset management.

In an earlier meeting convened by SIDM on 30 November, both IOP's and FOEM's had been unanimous in suggesting the development of an online system to help reduce unnecessary delays, streamline the feedback mechanism, being about increased transparency and enable aggregation it offset data.

Mr Rajib Kumar Sen, Joint Secretary & Economic Adviser, Department of Defence Production, Ministry of Defence, Government of India led the interaction between DOMW, IOPs & NIC. Mr Ashok Kanodia, CMD,

Precision Electronics Ltd chaired the session and said that the data could be made online in entirety if adequate encryption measures to ensure data protection could be put in place. This would be beneficial to both MoD and IOPs. Other inputs shared included: Data related to POs, export products and services could be made online; Value of PO could be protected from public view; Online system should facilitate time bound verification of offset claims; Obligation of FOEMs to Indian government is not known to IOPs and if made online would benefit IOPs in their planning.

The DOMW and DDG NIC acknowledged the need for encryption and assured that the same would be built in.

Mr Rajib Kumar Sen appreciated the efforts of SIDM in bringing together all stakeholders in the offset process.

The interaction between DOMW, Foreign OEMs and NIC was chaired by Cmde Samir Advani, Director - Offsets, Rafael Advanced Defence Systems. In this meeting, the process followed by OEM's was explained by participants and the queries of NIC were answered. Issues related to confidentiality of data, encryption and non-disclosure aspects were also discussed.

Mr Rajesh Gera, DDG, NIC informed that NIC team is speaking to all stakeholders to understand the existing offset process and make an effort in easing the process of digitisation.

Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM** (Retd), Director General, SIDM & Principal Adviser, CII thanked all representatives of DOMW & NIC, IOPs and Foreign OEMs for their participation and inputs.

