STANDARD OPERATING PROCEDURE

FOR

REGISTRATION OF DEFENCE MANUFACTURERS

BY

DIRECTORATE GENERAL OF QUALITY ASSURANCE

DEPARTMENT OF DEFENCE PRODUCTION

MINISTRY OF DEFENCE

NEW DELHI -110011

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FOREWORD

0.1 JSG 015-03 : 2007 was the governing document for Registration of Manufacturers for defence stores only and was superseded by JSG 015 : 2018 (Fourth Revision) in 2018. Due to observations raised by DGQA in certain provisions of JSG 015 : 2018, a meeting was held by Dte of Standardisation, New Delhi alongwith reps from DGAQA, DGNAI and Service HQs to review the JSG. It was decided that authorities in MoD registering manufacturers of defence stores will follow respective SOP until JSG 015 : 2018 (Fourth Revision) is revised.

0.2 This Standard Operating Procedure (SOP) lays down the guidelines for Registration of Manufacturers(of defence stores) by DGQA. This guideline has been prepared to ensure uniformity in carrying out Capacity Assessment (CA) and Capacity Verification (CV) of defence manufacturer by Directorate General of Quality Assurance.

0.3 Quality and Reliability of Defence store is of paramount importance. The specified quality and timely delivery of a manufactured product can be seriously compromised by “Indifferent” quality of bought out items. Inadequate plant and machinery, improper test and measurement instruments, non availability of skilled manpower and lack of overall Quality Management System will have adverse effect on the performance of the stores. It is, therefore, essential that items are procured only from those manufacturers who have demonstrated their capability to supply items of desired quality. A manufacturer must possess all the pre-requisites of good manufacturing practices to produce a quality product.

0.4 With the increasing emphasis on quality and the emergence of the Quality Management System as envisaged in ISO 9001:2015 and based on the experience gained over the years, there was a need to formulate the guidelines to meet the requirements.

0.5 To ensure transparency and objectivity, the accountability factor for all concerned involved in registration has been brought out in this guide. The procedure for Registration has been simplified / streamlined, including multi-discipline registration of manufacturers. Registration of manufacturer(s) henceforth will be carried out as per this SOP until JSG 015 : 2018 is revised by Dte of Standardisation.

0.6 This being a general document, lays down only the procedural guidelines to clarify the

registration procedure. This SOP includes the procedures for registration of Manufacturer for:-

(a) General Registration.

(b) Registration against TE/RFP.

(c) Renewal of Registration.

0.7 This SOP lays down the procedural guidelines to be followed for registration of defence suppliers based on the audit of the documents and visit of the Registration team to verify the available Quality Management System, product specific infrastructure and financial standing of manufacturer.

0.8 MoD vide their letter No 31(2)/2008/DQA dated 28 Jan 2011 had entrusted DGQA the responsibility for registration of manufacturer for defence stores procured through Revenue route. Order placing authorities in Integrated HQ of MoD (Army) and Central procurement agencies in Indian Army procures stores from registered manufacturers. DGQA undertakes registration of defence manufacturers who have applied for registration of specific stores as per procedure stipulated in this SOP.

0.9 In order to achieve the dual aim of Defence Forces definitely getting the specified Quality stores within the Delivery Period (DP) of the contract and also ensure new manufacturers/potential manufacturers are engaged to get developed under 'Make in India' initiative of the Govt., the Registration Certificate (RC) has been revised to clearly indicate a already developed manufacturer and potentially developable manufacturer. The Order Placing Authority (OPA) may accordingly take a call to place the order.

0.10 Any clarification, enquiry and suggestions for improvement of this SOP or other questions arising as to the interpretation of the guidelines given in the SOP may be addressed to:

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INTRODUCTION

1.1 A thorough knowledge of the requirements of Quality Systems of production is necessary. In particular, technical expertise is required in the following areas to carry out registration of manufacturer(s). The attributes covered in ISO 9001:2015 needs to be referred while carrying out CA and CV assessment. The main attributes are as under:

1.1.1 **Quality of Designing**: Material, Drawings, Performance Reliability and Design evaluation reports.

1.1.2 **Quality of Production Process**: Process documents, Machinery & Control limitation, traceability, internal Quality Audit reports.

1.1.3 **Production Quality Control**: Systematic quality checks, completeness, adequacy, documentation and Quality Control of their sub-contractors.

1.1.4 **Quality of Material**: Incoming raw material properties, systematic testing, maintenance of records & treatment of rejected material.

1.1.5 **Quality of End Product**: Evaluation of end product quality, Storage Life Cycle, systematic records, treatment of unacceptable product.

1.2 For uniformity in Manufacturer(s) Registration, the competent authority, or his authorized representative, will issue specific norms/guidelines for products/ technologies of their responsibility and the specific quality systems requirement, if any.

1.3 Accordingly this SOP provides guidelines for carrying out registration of Manufacturers for defence stores (Capacity Assessment), registration of Manufacturers against OTPP/TE/RFP (Capacity Verification) and Renewal of Registration.

2.0 RELATED DOCUMENTS

2.1 ISO 9000 : 2005 - Quality Management System (Fundamentals &Vocabulary).

2.2 ISO 9001 : 2008/9001 : 2015 - Quality Management System-Requirements.

2.3 IS 12040 : 2001 - Guidelines for Development of Manufacturer Rating System.

2.4 DGQA *Technical Standing Order*

3.0 **DEFINITIONS**

3.1 **Quality Management System.** A Quality Management System (QMS) is a formalized system that documents processes, procedures, and responsibilities for achieving quality policies and objectives. A QMS helps coordinate and direct an organization's activities to meet customer and regulatory requirements and improve its effectiveness and efficiency on a continuous basis.

3.2 **Quality Policy.** In quality management system, a quality policy is a document developed by management to express the directive of the top management with respect to quality.

3.3 **Quality Assurance**. Quality assurance is an organization's guarantee that the product or service it offers meets the accepted quality standards. It is achieved by identifying what "**quality**" means in context, specifying methods by which its presence can be ensured, and specifying ways in which it can be measured to ensure conformance.

3.4 **Specification**. A detailed description of technical requirements, usually with specific acceptance criteria, stated in terms suitable to form the basis for the actual design, development and production processes of an item having the qualities specified in the operational characteristics. It implies the document that prescribes the requirements with which the product or service has to perform.

3.5 **Non-Conformity.** In quality management system, non-conformity (also known as a defect) is a deviation from a stated specification, a standard, or an expectation. Non-conformities are either classified as critical, major, or minor.

3.6 **Manufacturer Grading.** Manufacturer Grading is the classification allotted to manufacturers based on their quality systems, documentation and their implementation, research and development facilities, plant and machinery, quality control facilities and production capacity as assessed.

3.7 **Firms having Joint Venture.** For Buy (Global) category procurements, where offset is applicable, if an Indian Firm including a Joint Venture between an Indian Company and its foreign partner is bidding for the proposal and is offering an indigenously developed product, then for such a case offset would not be applicable. For applicability of this clause, indigenous content in the product has to be a minimum of 50%. In case the indigenous content in the product is less than

50%, the Indian Firm or the Joint Venture has to ensure that the offset obligations are fulfilled on the foreign exchange component of the contracted value.

3.8 **Vendor Rating.** Vendor rating is the system of rating of vendors based on performance in respect of quality of supplies, deliveries and service.

3.9 **Composite index.** The composite index is the average of all ratings viz. Quality, Delivery, price & Service for the same product by the vendor over a period of preceding three years. This could be an index of assessing the overall quality of products and performance of a Firm for procurement purposes and renewal of registration.

3.10 **General Registration (CA).**General Registration is carried out for manufacturing Firms who apply for registration of any number of stores/items. This is an independent activity not related to any RFP.

3.11 **Registration against RFP (CV).** Registration against RFP is carried out for specific stores/items for which a manufacturer has responded to a RFP issued.

(Note *- The term Capacity Assessment and Capacity Verification used in DPM 2009 and its supplement of year 2010 is being referred (for the purpose of this document only) as* ***General Registration*** *and* ***Registration against RFP)****.*

3.12 **Authority Holding Sealed Particulars (AHSP)** AHSP is the authority responsible for collecting, collating, developing, amending, updating, holding and supplying sealed particulars of the defence items in accordance with the laid down procedure. DGQA is the AHSP for stores used by Indian Army. AHSP for certain stores may rest with other agencies, but the responsibility for QA of the stores rests with DGQA.

3.13 **Order Placing Authority (OPA)**. It is the Procurement or Procuring Agency, which is the logistic agency that is responsible for the actual procurement of defence stores as per the prescribed procedure to meet the requirement of the indentor. Indenter is the logistic entity that places the requirement of stores in the form of an demand/indent on a procurement agency to meet the requirement of stores.

3.14 **Original Equipment Manufacturer (OEM)**. The original equipment manufacturer which is the only firm manufacturing the specified item/equipment of a specific make, as distinguished from

the stockists/distributors or suppliers of such items/equipment and no other manufacturer exists for that specified item/equipment.

4.0 **REGISTRATION OF MANUFACTURER**

4.1 **General Registration**. A manufacturer, with minimum two years (preceding years from the date of applying) of experience in the industry, who desires to participate in supply of defence stores, may approach concerned AHSP to get registered with Defence. This may be undertaken for any number of items/stores for which Registration is sought by the manufacturer. Registration of manufacturer(s) for items of Multi Discipline may be undertaken as follows:

4.1.1 AsHSP having most complex and critical items for consideration of registration will be considered as Principal AsHSP and all other AsHSP as sub AsHSP.

4.1.2 After satisfactory scrutiny of the documents by concerned AHSP, the composite team will visit the manufacturer on date fixed and assess the items corresponding to their discipline and seek queries. Registration process should be fixed in advance by manufacturer so that he is available full time with the Registration team on the date of visit.

4.1.3 The Registration Authority will issue a single Registration Certificate to the manufacturer by grouping all the items AsHSP wise.

4.2 **Registration Against OTPP/RFP**. In the RFP of certain revenue procurement cases and in accordance to the eligibility criteria for bidders in Part-II of the RFP, any un-registered Manufacturer willing to supply the store mentioned in the RFP may apply for registration against the said RFP to the concerned AHSP, wherever applicable. Upon the instructions of Order Placing Authority to the AHSP, capacity verification of such Manufacturers shall be undertaken.

4.2.1 In cases where an un-registered Manufacturer applies to AHSP for Registration against RFP/TE and there has been intimation from OPA to AHSP, confirmation shall be obtained by AHSP from the OPA before commencement of CV. Since the subject application is against the RFP/TE, correspondence with OPA shall be undertaken through email/FAX for quick decision-making.

4.2.2 DGOS/OPAs have started publishing OTPP containing list of items proposed to be

procured for that particular year. Any un-registered Manufacturer may apply to the AHSP for registration against (OTPP) for Capacity Verification. AHSP shall take up registration of such manufacturers after intimating the OPA/DGOS.

4.2.3 The registration of the manufacturer in the above cases has a validity of three years. Appendix will be used by the manufacturer for both the type of registration. A pre determined fee is chargeable as per the category of the firm.

4.3 **Renewal of Registration**. Renewal of registration will be carried out on self-declaration basis by the firm stating that there is no change in the manufacturing capacity and other administrative and technical Parameters against which it was previously registered. Manufacturer desirous of renewing the registration, shall do so by sending the requisite documents atleast 90 days in advance, but not less than 60 days before expiry, alongwith Registration Certificate (refers).

4.3.1 All registered manufacturers who have submitted documents for renewal of registration within stipulated period before expiry of registration, will be deemed to be registered till renewal action is completed subject to the condition that, the manufacturer should have participated in at least one of the tender enquiries in case tender enquiries have been floated to him/published in the media for the items for which the manufacturer is registered and there is no adverse feedback from the OPA.

4.3.2 Subject to meeting the criteria for renewal of registration, a registered manufacturer may apply for successive renewals.

5.0 Competent Authorities

The Registration, Renewal and Removal from the compendium on various grounds involving fraud/malpractice/non performance, is required to be carried out by Registration Authority as per the guidelines laid down in this document. The designated competent authorities and their responsibilities would be notified with the approval of Head of the Organisation of the respective Registering Authority(DGQA/DGAQA).

5.1 **For Registration & Renewal**

5.1.1 Initiation, Procurement Agency against RFP: Potential Manufacturer (Registration against RFP).

5.1.2 Initiation of Renewal: Manufacturer based on criteria as per Para 4.4.

5.1.3 Assessment & Recommendations: SQAE and/or AsHSP as the case may be.

5.1.4 Accepting Authority: AsHSP

5.1.5 Review and appeal against initial registration: Respective ADG QA.

5.2 For Removal of manufacturers from compendium of registered manufacturers on various grounds involving fraud/malpractice.

5.2.1 Initiation: AHSP/SQAO through AHSP/OPA.

5.2.2 Recommendation: Addl DG QA.

5.2.3 Approving authority: DGQA.

5.3 In routine cases such as non-renewal of previous registration, manufacturing units closed down for any reason, designated competent authority may order for removal of such manufacturer from compendium.

5.4 Whenever a firm is removed on various grounds involving fraud/malpractice/non-performance from the list of approved manufacturer or from the compendium, its registration stands cancelled. Such removal must be communicated to all other registering and procuring agencies so that OPA are aware of their registration status.

5.5 Competent authority for re-instatement of manufacturer in compendium of registered manufacturers is designated Registration Authority.

6.0 **Eligibility Criteria**

6.1 A manufacturer, integrator and firm in joint venture with minimum two years (preceding years from the date of applying) experience in the field of manufacturing of the specified store/equipment and that production line is still functional to produce the said item.

6.1 **General Registration (CA)**. A manufacturer having minimum two years of experience of manufacturing and having successfully executed POs/SOs of specific stores/equipment with functional production line will be eligible for registration as **developed source**. OPA can place 100% or 80 % of the order on such Firms.

6.2.1 There is no restriction for seeking the registration of defence stores in terms of range. However, registration of an item shall be issued for specific part No. of item as allotted by Firm/ AHSP and having specific nomenclature.

6.2.2 Firm having plant & machinery and financial stability, but if they have not manufactured the specified stores/ equipment shall be eligible for registration as Potential Suppliers**.**

6.3 **Registration against OTPP/RFP/TE (CV).** Based on the eligibility criteria mentioned in Part-II of the RFP and other Terms & Conditions of the RFP, an unregistered manufacturer can apply for registration for the store mentioned in the RFP, upon intimation by OPA. Based on instructions from OPA, CV is undertaken either prior to submission of bids or prior to placement of SO/Contract on the un-registered manufacturer.. Adequate instructions to submit application by the vendors in time bound manner shall be issued by the OPA. Manufacturers meeting criteria of capacity verification shall be considered as compliant for a period of three years.

6.4 **Entities not eligible for registration.** Following entities are not eligible to be registration both for CA and CV:-

6.4.1 Selling agent such as stockist, traders and dealers.

6.4.2 Sick unit as defined in the sick industrial unit 1985 and which has been declared sick by Central/ State Government Authority.

6.4.3 Black listed Firm by any Government authority/agency.

6.5 **Special Eligibility.**

6.5.1 For indigenous manufacturers supplying stores through their sole selling agents it is mandatory for sole selling agency to get registered. The QA of such stores will be carried out at manufacturer's premises only. The supply order should clearly indicate OEM/manufacturer and its authorized sole selling agent/ marketing firm. The sole selling agent/ marketing firm should have a valid MoU with the OEM.

6.5.2 For manufacturers who are classified as MSMEs and Start-ups may also be considered for registration. While carrying out the registration process, AHSP shall lay down the criteria for registration of such Firms based on the statutory provisions/rules governing registration of such Firms as MSMEs/Start-Ups by Government of India.

7.0 **VALUE ADDITION**

7.1 A product/item not manufactured by a manufacturer but taken for processing in a finished product by means of process or design, is said to be a value addition. The principle of 'value addition' will be applied to decide whether they can be assessed for Registration as Defence Manufacturer e.g. fabricators of Ferrous/Non-ferrous sheet metals and processors of grey cloth into finished fabrics may be considered as manufacturer meriting Registration since these involve value addition.

8.0 **Manufacturer Granted Proprietary Article Certificate (PAC).**

8.1 Certain items or a particular equipment, may be the proprietary products of the manufacturer(s). Such items are only available with that Firm or their dealers, stockist or distributors as the detailed specifications are not available with others to manufacture the item. Situations may also arise when, for standardization of machinery or ensuring compatibility of spare parts with the existing sets of equipment, as per the advice of the competent technical expert, goods and services have to be obtained from a particular source. In such situations, a Propriety Article Certificate (PAC) may be issued to the Original Equipment Manufacturer(OEM) by OPA and items procured on PAC basis from that particular Firm or its authorized dealers, stockist or distributors.. PAC once issued will be valid for two years from the date of issue unless cancelled earlier by the CFA (Refer Para 4.5.1 of DPM 2009).

9.0 **Procedure for Registration**

9.1. Various activities required to be performed during the registration process (both for CA & CV) along with the details of responsibilities are given below:-

9.1.1 Manufacturer / Supplier will access website **https://vendorregistration-veh.in** and sign-up/register. After confirming the credentials of the manufacturer, the manufacturer has to log-in and fill the form for registration against select category (General Registration/Registration (against OTPP/TE/RFP)/Renewal of Registration). Manufacturers shall enter the details and upload mandatory documents as per instructions contained in the portal.

9.1.2 Manufacturers should ensure that details are filled online before the due-date wherever stipulated by the OPA/AHSP.

9.2 **Submission of Registration Fee.** Manufacturer desirous of registration are required to pay registration fee (less GST) in the bank as per details mentioned in the portal. 18% GST will be paid by the Manufacturer directly to Govt. Proof of payment of registration fees to DGQA and payment of GST amount to Govt of India will be entered in the online application form for registration. Fees to be submitted are as per details given below.

9.2.1 Large scale Industries - Rs 25000 + 18 % GST (or as applicable).

9.2.2 MSME - Rs 10000 + 18 % GST (or as applicable)

9.3 The Registration fee will also be charged in the following contingencies :-

9.3.1 If any registered manufacturer wishes to include more items in the list of items for which he/she is registered for, then fresh application for the additional items will be submitted by the manufacturer online. If the registration process involves visit to Firm premises, then charges will be levied.

9.3.2 Change of location/ premises of factory/ works of the manufacturer thereby necessitating fresh visit.

Note:- The fee is chargeable from all manufacturers seeking registration including Govt/ Semi Govt Undertakings and PSUs and the fee charged is non- refundable.

9.4 **Scrutiny of Application.** Scrutiny of application will be carried out con-currently by SQAEs and concerned AHSP. Intimation of acceptability or short coming in the application shall be communicated to the vendor by e-mail/by any other fastest means within 05 working days from the day of submission/ receipt of online application.

9.5 The manufacturer is required to offer clarification to the query raised by DGQA within 05 working days through email supported by scanned documents as attachments. Correctness and adequacy of the documents shall be checked by the AHSP and SQAEs within 05 working days after receipt of clarification.

9.6 **Nomination of Assessment Team.** Competent Authority (Controller of AsHSP) shall nominate assessment team within 03 working days after completion of scrutiny of application and availability of requisite documents.

9.7 **Composition of Assessment Team.** The assessment team for both type of registration shall comprise of at least 02 x Gp A Officers, 01 each from AHSP and SQAE. The team shall be lead by officer not below the rank of Lt Col or equivalent. The team may include 01 x Gp B Gazetted officer having qualification as graduate engineer/ Diploma in concerned technology with minimum of 05 years of experience.

9.8 **Categorization and Assessment.** AsHSP shall categorize the spares as low technology spares for which only documents shall be asked and no visit will be required and high technology items items for which visit is must.

9.8.1 **For spares which are categorized as low technology item** , visits may not be carried out and CA/CV may be done based on scanned documents uploaded online and information provided by the Manufacturer.

9.8.2 **For high technology item,** the assessment team will visit manufacturer premises to verify the detail submitted in the application form and to carryout assessment. The date of visit shall be fixed by mutual agreement between the manufacturer and the nominated team leader within 15 working days from the date of nomination of the team. The assessment team should restrict the on-ground assessment to the max of 2-3 working days. The Assessment is required to be carried out as per MQSR Part-I (QMS) & Part II (Product Specific) attached as Appx '**B**' to this SOP. If certain clauses/ sub clauses as mentioned in MQSR are not applicable, then in such cases no marks will be allotted against particular clause/ sub clause. Accordingly, percentage of marks

obtained will be worked out based on the total marks of the applicable elements of the quality system and product specific aspect. After the completion of on-ground assessment, the team should submit the assessment report online in the prescribed format within 05 working days. A hard copy of assessment report duly signed by assessment team shall be submitted to area SQAO for record and reference. Team may also take photographs of the manufacturing and test facilities observed during the visit and submit it alongwith the report to superior authority. These will also be uploaded online.

9.9 **Norms of Evaluation (Grading).** It is mandatory for manufacturer to obtain a score of 70% or more during the ground assessment carried out by the assessment team to qualify for registration. Score obtained will be based on MQSR report Part I and II as stated in para 9.1 above. A manufacturer will be graded and registered according to implementation of Quality Management System, production and test facilities and financial status. The details of the grading system is given below:-

Ser No	Marks Obtained	Grading	Remarks
9.9.1	80 % and more	I	Fit for Registration
9.9.2	70% to 80 %	II	Fit for Registration & advice to improve
9.9.3	Less than 70%	III	Not Fit for Registration

9.10 **Marking System for Grading :** For the purpose of grading, “Manufacturer Quality Survey Report (MQSR)” given at Appendix ‘B’ will be used as a guideline. The MQSR has been divided in two parts.

9.10.1 **Part 1** The part 1 has been formulated to assess the requirement of the Quality Management System as per attributes (clauses) of ISO 9001. Under each main clause, a number of sub-clauses have been suggested as a guide to meet the minimum requirements of the quality system for defence stores. However, the manufacturer has to provide details on the capability to either Design, Development and Production or Development and Production or Production’.

9.10.2 **Part II** The part II has been framed to assess the product specific technical aspects of the manufacturers, which are not directly related to the QMS. In addition to the requirements of manpower, bond room space, inspection facilities and environmental standards etc. available at manufacturer’s premises has been suitably incorporated.

9.11 **Evaluation Norms for Allotting Marks**: Certain clauses/sub-clauses may not be applicable to some of manufacturers or for certain type of stores. In such cases, no marks will be allotted for these clauses/sub-clauses. Accordingly, percentage of marks for each part of the MQSR will be worked out based on the total marks of the applicable elements of the QMS and the product specific aspects.

9.12 **Sentencing/Approval and Timelines.** The registration certificate will be awarded for both the cases i.e., General Registration (CA) and Registration against TE (CV) within 03 working days from approval of the competent authority. The time lines for completing general registration shall be within 90 days, and for registration against capacity verification within 45 days from date of receipt of complete documents.

9.13 **Issue of Registration Certificate.** The Competent Authority i.e., Controller of nominated AHSPs for technical Dtes will issue a registration certificate (Refer Appx '**D**') for the CA and CV by part No. after successful assessment. Copies of the registration Certificate will be endorsed to the following:-

9.13.1 The manufacturer.

9.13.2 Quality Assurance Authorities.

9.13.3 Order placing authorities.

9.14 The registration certificate should clearly distinguish between already developed who have executed supply orders of specified store/equipment and undeveloped manufacturers and potential suppliers who have the plant/machinery, QMS and financial standing but have not manufactured the specified store/equipment as indicated in Appx '**D**'. Such stores will be registered after evaluation.

9.15 **Contents of Registration Certificate:** In response of items for which registration is accorded, the contents of the Registration Certificate should be prepared as per the following guidelines:-

9.16.1 A combination of similar technology/design and specific description of the stores/processes should be included. The range of dimensions/weight/tolerance limits should be

specified where applicable. Specific technology available with manufacturer may be mentioned. In case of processes such as machining, casting, forging etc, a mention may be made of component/sub-assemblies/assemblies (as examples) which the manufacturer is capable of manufacturing. Where ever possible & necessary, specification or drawings details may be indicated.

9.16.2 Certificate should include suitable grade of the manufacturer for example "Large Scale – Design, Development and Production Grade 80% (LS-DDP-GRADE- 1)"etc.

9.16.3 The registration certificate should clearly distinguish between already developed who have executed supply orders of specified store/equipment and undeveloped manufacturers and potential suppliers who have the plant/machinery, QMS and financial standing but have not manufactured the specified store/equipment as indicated in Appx 'E'. Such stores will be accepted after evaluation.

9.16.4 **Category for Registration.** Manufacturers shall be registered as per following categories depending on availability of infrastructure and capability of one or more type of activities like design, development and production as given in succeeding paragraphs.

9.16.4.1 Manufacturer who are having design capability and infrastructure for R&D apart from manufacturing capability will be registered for all the three capabilities and categorize as ' **DDP** '.

9.16.4.2 Manufacturer with capability of development and bulk manufacture will be categorized as '**DP** '.

9.16.4.3 All other Firm having only production facilities will be categorized as '**P**'.

10.0 Registration for Additional Items

10.1 Application for registration of additional items from existing registered manufacturers will be entertained. The inclusion of additional items will be based on the assessment by the assessment team especially in case the item involves a different manufacturing technology, process, category or group of items registered. In such cases a visit by assessment team may be needed. Registration fee will be charged every time the manufacturer requests for registration of additional items where a visit is involved.

10.2 Visit to the Manufacturer's premises shall be planned by Assessment Team if the additional item(s) involves a different manufacturing technology and process, and not form part of the category or group of items for which the manufacturer is already registered.

10.3 Visit may not be essential if the registered manufacturer wants to include additional item(s) to existing registration certificate which involves same manufacturing technology and process for items which he or she is already registered.

11.0 **Validity Period Of General Registration And Registration Against RFP/TE**. Validity of general registration (CA) and registration against RFP (CV) shall be for **three years**. Registration issued by one of the registration authority (AHSP) shall be valid for stores under consideration by other registration authorities.

12.0 **Renewal of Registration**

12.1 Renewal of registration shall be carried out on the basis of manufacturers request for renewal on the prescribed format (Refer Appx 'E'). Application for renewal should be submitted 90 days in advance but not later than 60 days prior to expiry of registration. If application and documents are submitted for renewal within time limits then registration shall be deemed to be valid till the renewal action is completed. The renewal action should be completed within 60 days from the expiry of registration. Rating of vendors will not be carried out by DGQA as same is to be decided by buyer i.e OPA. Adverse feedback on execution of previous supply orders executed shall be maintained by area SQAEs and AHSPs and same will be endorsed as remark by concerned QA agency while considering manufacture for renewal of registration. No fees shall be charged for renewal of registration. However only one renewal shall be permitted,

12.2 Renewal of registration is carried out on the basis of manufacturer's declaration stated at Para 4.3. All renewal cases must be presented to AHSP/Registration Authority by the manufacturer 90 days in advance but not less than 60 days prior to the expiry of previous registration. The registered manufacturer will be solely responsible for applying for 'Renewal of Registration' within the stipulated period. As a pro-active measure, AHSP may also send an email to the registered manufacturer before 100 days/70 days intimating about expiry of validity of registration certificate and apply for renewal if required.

12.3 If request for renewal by the firm is not submitted as stated above, the name of

manufacturer will be removed from the compendium of registered manufacturers and no requests/representation from the manufacturer(s) for renewal will be entertained thereafter. Further, no show cause is required to be issued to the manufacturers in such cases.

12.4 If a registered manufacturer applies for renewal beyond the stipulated date mentioned in clause 12.2, fresh Registration will be carried out as per procedure for registration and Registration fee will be charged as applicable.

12.5 Registration status of manufacturers who do not apply for renewal prior to expiry of their original registration will be deemed to be lapsed and such manufacturers have to apply afresh.

12.6 For renewal of registration, certificate as per specimen given at **Appendix 'F'** in this guide will be awarded to the manufacturer.

13.0 VALIDITY OF RENEWAL

13.1 Renewal of registration will be valid for a period of three years from the date of expiry of originally issued certificate date/subsequent renewal date.

14.0 GENERAL TIME FRAME FOR REGISTRATION

14.1 As far as possible, general registration will be completed within 90 days after the uploading complete information and document in the online portal. Registration against RFP will be completed within 30 days after uploading of complete documents from the intending manufacturers. All essential elements of the procedure indicated to verify the technical infrastructure and quality management systems of intending manufacturers will always be followed during Registration.

15.0 Scrutiny of Registration Report

To ensure timely materialisation of defence supplies of requisite quality, selection of technology, capability and financially sound manufacturer(s) for defence is of paramount importance. It is, therefore, vital that the registration report of the assessment team should be prepared with due care and scrutinized thoroughly by the designated immediate superior authority before recommendations are made to the Accepting Authority.

16.0 **Responsibility For Carrying Out Manufacturer Registration**

16.1 Registration with one registration authority is valid for other registration authority also for similar stores/process. However, in case of manufacturer already registered with one registration authority, applies for registration for additional items/new products or process to a different Registering/initiating authority, the procedure to be followed for registration will be AsHSP having most complex and critical items in consideration of the registration list will issue the registration certificate.

16.2 **Assessment of Financial Health :** While carrying out the manufacturer assessment, apart from verification of technical capability, it is also necessary to assess the financial soundness of the manufacturers to invest and incur expenditure for initial development, raw materials and various other inputs required for execution of defence supplies as per the stipulated delivery schedule. For this purpose, the audited balance sheets and profit and loss statements of the manufacturer for the previous three financial years will be obtained. From these documents, the Registration team will give factual position as under:

16.2.1 Sales/Turnover in the last three years and average/year. For this purpose trading account will not be considered and only sales account given in the audited balance sheets will be included.

16.2.2 Profit/loss during the past three years.

16.2.3 Accumulated losses if any.

16.2.4 Net worth of the manufacturer (assets minus liabilities) the average turnover of the manufacturer for the last three years will be taken as the monetary limit up to which order can be placed on the manufacturer and this will be included in the registration report.

16.2.5 In case a manufacturer is making losses it should not be assumed that it cannot be considered for registration. Each case will be assessed and examined on its overall merits by the recommending and accepting authorities.

16.3 **Rejection of Registration**

16.3.1 In case it is not possible to register a manufacturer due to deficiencies noticed during assessment, the details of the deficiencies noted will be intimated to the manufacturer as an advice by the recommending authority indicating that the firm may apply for registration afresh after a prescribed time frame for addressing the deficiencies and become eligible for registration. Normally fresh registration of such Firms will be taken up only after six months and on payment of fresh registration charges. However, if the manufacturer once rejected for registration may be considered for registration afresh before the six months period from the date of intimation of rejection of application.

16.3.2 To avoid the possibility of manufacturer for a particular item which may have been rejected for registration by one authority seeking to get registered through some other Authority dealing with similar items, it will be incumbent on the part of manufacturer to furnish all information regarding previous registration results. If the manufacturer doesn't furnish complete information on rejection of previous application, for such serious acts of omission and commission by manufacturer, the manufacturer will not be considered for registration with Defence for a period of three years from the date of application of fresh registration with another authority. In case it is noticed at a later date after registration by another authority that the manufacturer has willfully concealed any information, for such serious acts of omission the registration shall be cancelled, and the manufacturer will be debarred for registration with Defence for a period of three years.

17.0 **Compendium of Registered Manufacturers**

17.1 A compendium of registered manufacturers will be prepared by AHSP responsible for issue of registration certificate and also made available in the online portal for Registration. Compendiums of registered manufacturers will be made available on DGQA portal. There shall be common compendium for both types of registration.

17.2 **Volume 1 :** This will be prepared to indicate details of registered sources of supply for all stores equipment and ancillaries. This volume will be in three parts .

17.2.1 **Section A**: Alphabetical list of registered manufacturers qualifying for RFP and covering their entire range of stores, equipment, spares tools, other Accessories / sub-assemblies and processes for which the manufacturer is registered. Specific details of types, ranges,

tolerances and limits for each item will begiven.

17.2.2 **Section B:** Product/item-wise directory of registered manufacturers with cross reference to manufacturers covered under Section A.

17.2.3 **Section C** : Engineering process-wise directory of registered manufacturers with cross reference to section A.

17.3 **Volume II :** Compendium of registered sources of supply, for specific main equipments, after successful GS evaluation as Original Equipment Manufacturer (OEM). OEM status shall be given to a manufacturer in recognition of their capability to produce an item conforming to the requirements of the stipulated and relevant paper particulars, standards, specifications and environmental conditions.

17.4 **Volume III :** Compendium of registered sources which are undeveloped as far as specifies Defence Stores/Equipment is concerned. However, they possess complete plant, machinery, testing facilities, financial standing and QMS.

17.5 **Updating of Compendium** The compendium will be updated by issue of notifications once in every quarter i.e. April, Jul, October and January for preceding quarter for amendments processed during the preceding quarter. The compendium will be uploaded on DGQA website. The compendium will be uploaded on DGQA website.

17.6 **Compendium Monitoring** The Registration Authority will monitor the compendium and these will be uploaded on their websites. The monitoring will include:

17.6.1 Allotment of Control Number for newly registered manufacturers.

17.6.2 Ensure issue of updated compendium once in three years by respective Registration Authority.

17.6.3 Ensure issue of notification updating every quarter by respective Registration Authority.

17.6.4 Highlighting the manufacturers where validity has expired and removal from compendium was necessitated but not removed.

17.6.5 Maintaining a centralized list of compendium in their organisation.

18 Removal of Manufacturer from Compendium

18.1 Removal of manufacturers from the compendium of registered manufacturers by respective Registration Authority shall be done on the following grounds:

18.1.1 If a manufacturer fails to execute a contract or fails to execute it satisfactorily against the specification.

18.1.2 If a manufacturer no longer has the technical staff or equipment considered necessary.

18.1.3 If a manufacturer is declared bankrupt or insolvent or its financial position has become unsound, and in case of limited company, it is wound up and taken into liquidation.

18.1.4 Consignee End Rejection cases where the manufacturer is at fault in supplying substandard stores.

18.1.5 Firms which are blacklisted/ banned and put on hold for all procurement and acquisition cases in the pipeline by the competent authority. (Refer Para 3.4 and 3.5 of DPM 2009).

18.1.6 The above said grounds when brought to the notice of the registration authority, a show cause notice will be issued to the manufacturer with the approval of the competent authority concerned, about the action proposed and grounds thereof.

18.2 On consideration of the reply thereto or after the expiry of the notice period, the competent authority will pass appropriate orders for cancellation of the registration of the manufacturer and removal from the list of registered manufacturers. However, in case of reasons at clause 18.1.1 and 18.1.2, orders regarding removal may be made applicable in respect of one or more items as may be relevant.

18.3 Once removed from the compendium, the name of the manufacturer may not be restored in the compendium unless it satisfies the registration requirements. After taking due corrective measure/after expiry of the period of removal from compendium, as the case may be, the manufacturer will make a request to the competent authority to review its case accordingly.

19.0 **SUSPENSION AND BAN**

19.1 Business Dealings with Manufacturers : For serious acts of omission and commission, malpractices, default etc, action may be taken for suspension/put on banned list of such manufacturers. There will be no business dealings as per Government orders issued from time to time.

Sd/----
(BK Pokhriyal)
Col QA(PP&T)
16 Jun 2020