

STANDARD OPERATING PROCEDURE

GRANT OF GREEN CHANNEL STATUS TO MANUFACTURERS OF DEFENCE STORES & SPARES

INTRODUCTION

1. Government of India has launched numerous policy initiatives to facilitate '**Ease of Doing Business**'; to promote the National Mission of '**Make in India**' with special focus on '**Defence Manufacturing**'. Many established 'National and Joint Ventures with International Manufacturers', with well-known quality credentials are keen to enter into Defence manufacturing sector of the country through various opportunities created by Government policies. Green Channel Policy of MoD is aimed to promote '**Make In India**' with reference to Defence manufacturing.
2. It is therefore the need of the hour that quality credentials of established Manufacturers are leveraged and trust is demonstrated by granting '**GCS**' to such Manufacturers. In other words, making established Manufacturers **Self-Accountable for Quality of their products** and waiving off QA Clearances by DGQA, albeit with rider of due penalties.
3. This SOP facilitates uniform implementation of the GCP across all Tech Dtes of DGQA. It provides a **working level framework** of activities for the two distinct phases of Green Channel 'Ecosystem', ie **Evaluation of Manufacturer for Grant of Green Channel Status and Activities after Placement of SO on GCS Manufacturer**. Item wise and manufacturer wise grant of GCS and its subsequent management shall be carried out by respective Tech Dtes as Nodal Agency.

AIM

4. To lay down the SOP for grant and management of GCS in accordance with GCP of MoD Government of India.

SCOPE

5.
 - (a) To lay down the framework for implementation of GCP.
 - (b) To lay down detailed actions at various levels during grant of GCS within DGQA.
 - (c) To define interaction between various stakeholders of 'Green Channel' Ecosystem i.e. Purchasing Dte, User Dte, Tech Dtes of DGQA and Manufacturers in r/o of their roles & functions in grant of GCS.
 - (d) To lay down 'Time Line' for grant of GCS.
 - (e) To define activities by various stake holders after placement of SO.
 - (f) To utilize existing guides such as Self Certification Guide-1995 & JSG: 015:04:2018 for arriving at SOP for grant of GCS.
 - (g) To ensure uniformity in conduct of business and formats for seeking information/inputs and preparing reports/registration across all registration types/categories viz General Registration, Registration against RFP, Self-Certification and now GCS.

LAYOUT OF SOP

6. The SOP is covered in the following parts:-
- (a) **Part I.** GCP: Framework.
 - (b) **Part II.** Procedure for Grant of GCS.
 - (c) **Part III.** Compendium of GCS Manufacturers.
 - (d) **Part IV.** Activities: Post Placement of SO on GCS Manufacturers.
 - (e) **Part V.** Quality Monitoring Mechanism for GCS Manufacturers.
 - (f) **Part VI.** Penal Actions for Recurring Defects.

PART I – GCP: FRAMEWORK

7. **Reference Documents.**

- (a) 'GCP' for Procurement of Defence Stores and Spares of MoD/DDP Order no. 43(5)/2015/D(QA) dt 24.03.2017.
- (b) JSG 015:04:2018.
- (c) ISO 9000:2005- Quality Management System (Fundamentals & Vocabulary).
- (d) IS-12040-2016-Guidelines for Development of Manufacturer Rating System.
- (e) IS 9001:2015-Quality Management System Requirements
- (f) ISO/IEC 17025:2017
- (g) MIL-STD-781D
- (h) MIL-HDBK-781

8. **Key Definitions.**

- (a) **Quality Management System.** 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 organisation's activities to meet customer and regulatory requirements and improve its effectiveness and efficiency on a continuous basis.
- (b) **Quality Policy.** In QMS, Quality Policy is a statement document developed by management to express the directive of the top management with respect to quality. Quality Policy management is a strategic item.
- (c) **Quality Assurance.** Quality assurance is a facts based guarantee that the product or service under consideration 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.
- (d) **Specification.** A detailed description of Tech 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 conform.

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

(f) **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.

(g) **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. AHSP may be the Directorate General of Quality Assurance (DGQA) or an authority in the Service Headquarters for Service specific items. Similar responsibility for the Naval and Air Force equipment rests with respective Service Headquarters. Ord Fys are the AHSP for certain 'B' vehicles and items issued to Indenters, other than the Defence Services. DGAQA is the AHSP for aviation stores of all the Services and Coast Guard. Procurement Agencies, Suppliers and Inspection Agencies are required to comply with the specifications drawn up by the AHSP.

(h) **Inspection Note** : It is the form which finally declares the results of Quality Assurance and on which the manufacturer obtains payment of the bills. Disposal of each copy of the form must be accounted and recorded.

9. **Eligibility Criteria (Auth: Para 3 of GCP)**. Following categories of manufacturers having an **average annual turnover of Rs. 1000 Crore (Rupees One thousand Crore)** or more during last three years and **making profit in at least three out of last five years** shall be eligible for GCS for products having continuous requirement /mass consumption in Defence forces:-

- (a) Indian manufacturers/Public Sector undertakings.
- (b) Foreign Manufacturers having manufacturing facility in India.
- (c) OEM outsourcing the products in their own name/brand.
- (d) OEM having wholly owned Indian subsidiary having manufacturing facility in India (even if the Indian Subsidiary does not comply with laid down turnover and profitability criteria).

(e) **Entities Not Eligible for GCS**

- (i) Traders/Dealers/Stockist/Sole Selling Agents.
- (ii) Sick units as defined in the "Sick Industrial companies (Special Provision) act 1985" and which have been declared sick by the competent Central / State Government authority.

- (iii) Black Listed Manufacturers by the Competent Authority/Govt. of India.

10. **Categories of GCS** In addition to grading, Manufacturers will be granted GCS for categorisation depending on their infrastructure and capabilities for one or more type of activities like design, development & production. The Manufacturers will, therefore, be categorised as under and categories will be indicated in Certificate for GCS:-

- (a) **Design, Development & Production (DDP)**. Manufacturers who have design capability and infrastructure for Research & Development apart from manufacturing capability, covering all requirements of a Quality Management System will be registered for all three capabilities and categorised “DDP”.
- (b) **Development & Production (DP)**. Such Manufacturers will have capability for development and bulk manufacture only. Such Manufacturers will obviously not have infrastructure for design i.e. conversion of a concept into an engineering design. Accordingly these manufacturers will be categorised as “DP”.
- (c) **Production (P)**. All other Manufacturers having only production facilities for converting defence design into hardware or end stores or those capable of specified process such as fabrication, casting machining etc. will be categorised as “P”.

11. **Validity Period & Renewal of GCS (Auth: Para 15 of GCP dt 24.03.2017)**

(a) **Validity Period of GCS**

- (i) The GCS shall be applicable for a period of five (05) years from the date of issue of the certificate unless and otherwise removed from the compendium of GCS Manufacturers by the competent authority.
- (ii) Green Channel facility may be withdrawn through notification by DGQA or his authorized representative, if quality audit or other feedback on quality of the product is not satisfactory at any time.

(b) **Validity Period Renewal of GCS.**

- (i) Application for renewal should reach GCC 90 days before expiry of present validity period.
- (ii) Renewal of registration will be valid for a period of 5 years from the date of expiration of originally issued certificate date. Thereafter, first renewal will be made based on the Self-declaration by the manufacturer that nothing has been altered in Tech and administrative areas from the earlier GCS. Subsequent renewals will be based on fresh registration by GCC.
- (iii) Renewal will be granted **only once**. For **subsequent continuation fresh registration by GCC will be undertaken**. Renewal of GCS will be carried out on ‘Self- Declaration’ basis by the Manufacturer (for the first renewal only), stating that there is augmentation/enhancement and no downward scaling in the manufacturing capacity & no change in administrative and tech parameters against which it was previously granted GCS, provided Manufacturer has participated in at least one of the tender enquiries in case tender enquiries have been floated / published in the media and there is no adverse feedback from the OPA.

(iv) **Validity During Renewal (Auth: Para 15 of GCP)** Original GCS shall remain deemed valid provided the manufacturer has applied for renewal at least 90 days before expiry of initial GCS Certificate and valid BG of Rs 50 lakh. All manufacturers who have submitted renewal documents within above mentioned time will be deemed to be registered till renewal action is completed.

12. **Responsibility of Grant of Green Channel Registration.**

(a) Green Channel Registration will be granted for stores strictly as per Tech Dte responsibilities in SAO 1/S/2010, or as revised from time to time.

(b) For same type specific stores, GCS of a Manufacturer with one discipline will be valid for all other disciplines and OPA/PO.

(c) Tech Dte having most complex and critical items for consideration of GCS will be considered Principal Tech Dte and all other Tech Dtes as Sub Dte.

(d) In case a clarification is needed Dte of PP&T (DGQA) may be approached.

13. **Green Channel Registration: Process Flow Charts**

(a) Grant of **GCS for Stores supplied to Indian Army** will be carried out as per Flow Charts at **Appendices A or B**, as applicable for Single or Multiple AshSP cases respectively.

(b) **Application for Green Channel Registration.** Eligible manufacturer desirous of GCS can forward **Application for GCS** to concerned Tech Dte / Principal Tech Dte as per **Appendix 'C' & Manufacturer Application for GCS (MAG) as per Appendix F**, with the requisite registration fees as per details mentioned in Para 14 (a) of this SOP. In case of Multiple AshSP Items, Tech Dte having **most complex and critical items** for consideration of GCS will be considered as Principal Tech Dte and all other Tech Dte as sub Tech Dte. **In case a clarification is needed Dte of PP&T may be approached.**

(c) **Scrutiny and Registration Process.** After due scrutiny of **Appendices C, D & E** as per **Check List** at **Appendix G**, GCC will initiate registration process of the manufacturer. The procedure for registration of a manufacturer will be completed in **90 days** after receipt of all documents along with non refundable registration fee duly deposited with PCDA, New Delhi.

(d) **Issue of GCC.** Tech Dte / Principal Tech Dte will issue a single Registration Certificate to the manufacturer by grouping (if any) all the items, AshSP-wise.

14. **Fee for Green Channel Registration and its Renewal (Auth: Para 13 of GCP).**

(a) **Fee for Green Channel Registration.** A fee of Rs One Lakh will be charged from Manufacturers including PSUs seeking Green Channel Registration. This fee is non-refundable. The manufacturer will submit to concerned Tech Dte an account payee demand draft drawn in favour of 'Principal Controller of Defence Accounts', New Delhi, for Rs. 1,00,000/- (Rupees One Lakh only) towards one-time non-refundable registration fee for GCS. Manufacturer is required to deposit 18% GST to GST authorities and submit a copy of the evidence to the concerned Tech Dte as per current orders of Govt.

(b) **Registration Fee will also be Charged in the following Contingencies**

- (i) For additional items involving new or different technology / design /process at any stage after initial registration / renewal. In case of doubt, the decision of GCC regarding technology being different/ new or otherwise will be final. A visit of assessment team may be involved.
- (ii) Change of location / premises of factory / works of the manufacturer involving fresh visit.

15. **GCC: Composition and Functions (Auth: Para 10 of GCP)**

(a) **Single AHSP Case.**

(i) **Composition.**

- (aa) **Chairman.** ADGQA (Concerned Dte)
- (ab) **Members.**
 - (i) Controller.
 - (ii) DDG/ Director (Concerned Purchase Dte).
 - (iii) DDG/Dir(User Dte).
 - (iv) Any other Co-opted Member (like Six Sigma Green Belts/ Black Belts / Master Black Belts/Subject Specialist etc).

(b) **Multi Discipline AsHSP Case.**

(i) **Composition.**

- (aa) **Chairman.** ADGQA (Principal Dte)
- (ab) **Members.**
 - (i) Controller(Principal AHSP).
 - (ii) Controllers of all Sub AsHSP.
 - (iii) DDG/ Director (Concerned Purchase Dte).
 - (iv) DDG/Dir(User Dte).
 - (v) Any other Co-opted Member (like Six Sigma Green Belts/ Black Belts / Master Black Belts/Subject Specialist etc).

(c) **Functions of GCC.**

- (i) The Committee shall consider all the issues related to Green Channel including grant of GCS, revision of items under Green Channel and renewal of GCS.
- (ii) The Committee or their authorised representatives are required to visit the manufacturer's facility to verify and submit MSQR as per Appendix J on-going

production line and to inspect the product QMS requirements. However such visits may not be necessary during the validity period of Green Channel Certificate.

(iii) Coordination of all activities for conduct of award of GCS. GCC may seek opinion of User Dte/Purchase Dte and AHSP regarding renewal of GCS with reference to defects reported by user and its acceptability of those defects. The GCS of the manufacturers/items may be reviewed by the Committee as and when required.

(iv) To ensure that the Annual Certificate in accordance with Para 8 of **Annexure I** of GCP (Application Form for Grant of Green Channel Status) is submitted by the manufacturer at the end of each financial yr to reach by 15 Apr.

(v) To ensure that the Manufacturer submits annual certificate to the effect that it has not been Black Listed by any Govt entity during the financial yr.

(vi) Recommend appropriate action based on adverse feedback report from Indian Army and AHSP.

16. **Competent Authorities: Green Channel Registration, Renewal & Removal**

Competent Authorities are as follows:-

- | | | | |
|-----|---|---|--|
| (a) | Initiation | - | Applicant as given in Para 9(a) to (d) |
| (b) | Initiation of Renewal | - | OEM based on predefined criteria |
| (c) | Registration & Renewal
Recommending Auth | - | GCC |
| (d) | Approving Authority | - | DGQA |
| (e) | Appellate Authority | - | MoD |

17. **Removal from Compendium of GCS Manufacturers**. Removal of Manufacturers from compendium of GCS Manufacturers on various grounds involving Fraud/ malpractice / poor quality:-

- (a) Initiation : Consignee or Tech Dte or OPA/PO or User Dte.
- (b) Recommendation : GCC
- (c) Approving Authority : DGQA

Note:

(i) Whenever a manufacturer is removed from the Compendium of GCS Manufacturers, its GCS stands cancelled. Such removal must be communicated to all other registering and procuring agencies so that **OPA are aware of current status**.

(ii) Competent Authority for re-instatement of Manufacturers in compendium of GCS Manufacturers will be MoD.

18. **Time Limit for Green Channel Registration & Renewal.**

(a) **Time Limit for Green Channel Registration.** All essential elements of the procedure indicated to verify the tech infrastructure and quality management systems of intending Manufacturers will always be followed during Green Channel Registration. As far as possible, Green Channel registration will be completed within **90 days** after the receipt of all documents from the intending Manufacturer(s).

(b) **Time Limit for Renewal.** As far as possible, renewal of GCS on Self-Certification Basis will be completed within **30 days** after the receipt of all documents from the intending Manufacturers(s).

19. **Grant of GCS for Additional Items.** Application for GCS for additional items from existing GCS Manufacturers will be entertained in a manner similar to initial application. In case the additional items involve new or different technology/ design/ process, a visit by the assessment team will be needed. Green Channel Registration fee will be charged every time the manufacturer requests for GCS of additional items where a visit is involved. In case additional items are included in the present GCS Certificate, the date of validity of registration would remain as in the original GCS Certificate.

20. **Grading of Manufacturers.** All Manufacturers will be graded according to their quality system, Tech facilities available with them. The grading will be awarded based on a system of allotment of marks by the GCC to verify the manufacturer in their report viz. 'Manufacturers Registration Report' given at **Appendix H**. Based on the marks obtained by the Manufacturer in the 'Manufacturers Registration Report', the following scores will be applicable for award of GCS:-

	<u>Points</u>	<u>Remarks</u>
(a)	90% and more marks	'FIT' for GCS
(b)	< 90% marks	'NOT FIT' for GCS

21. **Marking System for Grading.**

For the purpose of grading, 'Manufacturer Quality Survey Report (MQSR)' given at **Appendix J** will be used as a guideline. This MQSR has been framed in two parts as: -

(a) **Part-I.** This part has been formulated to assess the requirement of the Quality Management System as per attributes (clauses) of IS/ISO 9001:2015. Under each main clause, a number of sub-clauses have been suggested as a guide to meet the barest minimum requirements of the quality system for defence stores. However, the manufacturer has to provide details on the capability of Design, Development and Production(DDP), Development and Production(DP) & Production(P).

(b) **Part-II.** This part has been framed to assess the product specific Tech aspects of the manufacturers, which are not directly related to the quality system. In addition to the requirements of qualified manpower, bond room space, inspection facilities and environmental standards etc of the manufacturer have been suitably incorporated.

(c) Evaluation norms for allotting marks have been given in Part-II of MQSR. Certain clauses / sub clauses may not be applicable to same/some types of manufacturers or for some stores / disciplines. 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 quality system and the product specific aspects.

22. **Qualification of Application for Grant of GCS.** A manufacturer will qualify for grant of GCS **only if** the Manufacturer scores more than 90% in **Manufacturer Registration Report** as per **Appendix H**.

23. **Rejection of Application for Grant of GCS.** In case it is not possible to grant GCS to a Manufacturer due to deficiencies noticed during registration, the details of the deficiencies noted will be intimated to the Manufacturer as an advice by the GCC indicating that the manufacturer may apply for GCS afresh. Normally re- registration of such Manufacturers will be taken up only after six months and on payment of fresh Registration charges for initial registration. To avoid the possibility of Manufacturer for a particular item which may have been rejected for GCS by one authority seeking to get the GCS through some other Authority dealing with similar items, it will be incumbent on the part of Manufacturer to furnish all information regarding previous GCS results. For such serious acts of omission and commission by Manufacturer, the said Manufacturer will be banned and not allowed to apply for GCS.

24. **Issue of Certificate for GCS.**

(a) The Manufacturer(s) will be intimated of its eligibility for GCS after GCC's recommendations for grant of GCS are Approved by 'Competent Authority'.

(b) The Manufacturer shall then deposit an irrevocable Performance Bank Guarantee, as per DPM format (Appendix- P), for Rs 50,00,000/- (Rupees Fifty Lakhs only) with 63 months validity as security deposit with concerned registering Dte of DGQA to effect recovery against established complaint on quality of stores supplied. Green Channel BG shall be given in favour of 'Principal Controller of Defence Accounts, New Delhi' from any Indian Scheduled or its affiliated Bank.

(c) The registering Dte of DGQA will verify the genuineness of the Bank Guarantee with the issuing branch and confirm to Dte of PP&T in writing. On receipt of intimation from registering Dte of DGQA regarding genuineness of BG, Tech Dte/Principal Tech Dte will then process the case for issue of 'Certificate of GCS'. Format of '**Certificate for GCS**' is at **Appendix K**. Dte of PP&T will allot the Control Number.

(d) On placing a supply order for supply of items through Green Channel, it will be ensured that the Bank Guarantee is renewed for validity of 05 Years from the placement of the order.

(e) Copies of the GCS Certificate will be endorsed to the following by Tech Dte/Principal Tech Dte:-

- (i) The Manufacturer (Applicant)
- (ii) GCC.
- (iii) All Tech Dtes of DGQA.
- (iv) Principal Purchase Officers in MoD/ Services HQs (as applicable) and concerned sections of MGO, DGOS, DGST, DGAFMS, OFB/Concerned Addl DGOF etc.
- (v) Dte of Standardisation (For processing SCAGE Registration).
- (vi) Dte of PP&T

25. **Contents of Certificate for GCS.** In response to items for which GCS is accorded, the Contents of the Certificate for GCS at **Appendix K** should be prepared as per the following guidelines:-

- (a) All stores will be listed AHSP-wise.
- (b) In case of processes such as machining, casting, forging etc, mention may be made of component / sub-assemblies / assemblies (as examples) which the manufacturer is capable of manufacturing.
- (c) Specification and / or Drawing No. may be indicated.
- (d) Certificate would include suitable grade of the manufacturer, such as "Design Development and Production (DDP)" etc.
- (e) The certificate would specify No. of shifts per 24 hr cycle and accordingly MPC, Monetary Limit (ML) and Validity.
- (f) GCS certificate will be affixed with DGQA Hologram with specific Serial number. This Hologram will be mapped with the details of GCS Certificate.

26. **Green Channel BG Extension/ Replenishment.**

- (a) **Extension.** If a GCS manufacturer has been placed with a SO, Tech Dte/Principal Tech Dte will ensure that the manufacturer should extend its BG to be valid for 5 years from the date of placement of SO.
- (b) **Replenishment.** If a GCS manufacturer has been penalized and deductions made from the BG by OPA or MoD (Fin), the manufacturer shall replenish/top-up the BG to 50 Lakh for its GCS status to be valid.

27. **Additional Conditions for GCS** The grant and continuation of GCS shall be governed by the following additional conditions:-

- (a) **Process Capability:** The process should be stable and process capability (Cpk) for those processes critical to quality of the product should be greater than 1.33. This information provided by the firm will be subjected to scrutiny and verification by the DGQA. GCS is applicable only for the products listed in the certificate and NOT for any similar or allied product.
- (b) The product shall continue to be manufactured as per design, material, production process, quality control procedures and acceptance levels, as declared by the

manufacturer initially. Any changes in the above without approval of GCC will result in withdrawal of GCS by DGQA.

(c) Necessary documents as required under the Quality Management System, as approved at the time of registration for award of GCS, shall be maintained by the manufacturer and shall be subject to GCC audit for any product at any stage of production, procurement and acceptance during validity period.

(d) Even though GCS has been awarded, GCC or its representative have the inalienable right to examine and verify Quality Management System and any item, production process, product assembly/subassembly at any point of manufacture, assembly and testing. Notice of such audit would be given by the designated DGQA functionary, who would have the right to associate himself or his representative with the audit team during the course of audit. Material AHSP rep will also be invited by main AHSP as observer.

(e) GCS may be withdrawn through a unilateral notification by DGQA or his authorized representative, based on such quality audit or Customer feedback on the quality of the product indicating that the conditions prevailing at the time of award of the facility no longer exist.

(f) Any change in the person holding the post of the designated functionary will be intimated to GCC on occurrence. All Quality Assurance documents in respect of the store supplied by the manufacturer under the Policy will invariably have the signature of the designated functionary and the function cannot be delegated by the manufacturer/functionary to any other person.

(g) Stores supplied against GCS, if found defective or deficient in quality/performance at any time within the warranty period shall be replaced by the manufacturer at his risk and cost, unconditionally at the consignee premises, only after the 'Cause' has been identified by AHSP, and such stock shall be treated as having not been supplied. Contractual and administrative actions, including withdrawal of the Green Channel Status, shall be taken as warranted at the discretion of DGQA and Purchase Officer, if the Manufacturer is found to be at fault.

(h) Whenever the GCS Manufacturer shifts the production of its product (s) to another unit, that unit will be assessed again and the validity shall remain as per initial certification.

(j) Indenter reserves the right of Pre-Dispatch Inspection (PDI) after recording the reasons thereof.

(k) Order placing Authority has the right to carry out Joint Receipt Inspection (JRI) as per the existing procedure.

28. **Renewal of GCS** (Auth: Para 15 of GCP dt. 24.03.2017) Application for Renewal of GCS as per **Appendix 'L'**, along with connected documents i.e 'MAG'- **Appendix 'F'** etc should reach Tech Dte/Principal Tech Dte 90 days prior to expiry of initial GCS giving details of orders

executed by them during the past five years. Procedure for renewal of Green Channel Status is as follows:-

(i) The Defence Supplier will approach the AHSP for renewal of Green Channel status at least 90 days prior to the expiry of validity giving details of orders executed by them during the last five years. AHSP will initiate action accordingly for renewal in terms of guidelines given in succeeding paragraphs.

(ii) Green Channel status for an item will be renewed for another five years in case supply orders for the item have been successfully completed during the term without any adverse feedback from the Customer, supported by a structured survey/ questionnaire filled from the Line Directorate. The feedback shall be obtained half yearly from concerned agencies like Storage Depots, User / Line Dte, Maintenance Agency etc, on the following factors on a scale of 1 to 10:

- (i) Exploitation
- (ii) Reliability
- (iii) Ease of Maintenance
- (iv) Uptime Availability
- (v) Easy availability of maintenance spares

(iii) In case the concerned Supplier has not received any Supply Order or has completed the orders received but there has been an adverse feedback on the store supplied or in case the Supplier has not successfully executed any Supply order, renewal of Green Channel status will be done after re-assessment.

(iv) The Green Channel status shall be renewed by DGQA within 60 days of receipt of the application for the same but in no case later than 90 days.

PART II – PROCEDURE FOR GRANT OF GCS

29. **Actions at Various Levels – Initial Registration – Single AHSP.** The Flow Chart of Activities at Various Levels for Grant of GCS is at **Appendix A.**

30. **Actions at Various Levels – Initial Registration – Multi Discipline AsHSP .** The Flow Chart of Activities at Various Levels for Grant of GCS is at **Appendix B.**

31. **Methodology to be followed in cases where the DPSUs, PVT Industries, PSUs Applicants Submits a List of Various Items Pertaining to Multi-AsHSP.**

(a) The applicant may be advised to submit the application form in a manner that the different categories are included in separate Appendices.

(b) The GCC can be headed by main Tech Dte having max items and members can be drawn from different Army line Dtes and Tech Dtes of DGQA. Thus a composite GCC can be formed for consideration of application of manufacturer.

PART III – COMPENDIUM OF GCS MANUFACTURERS

32. **Creation of Compendium of GCS Manufacturers.** The compendium of Green Channel Manufacturers shall be created by Tech Dtes/ Principal Tech Dte. Data in this regard should be updated and forwarded to SDCC by Tech Dtes for uploading the same on DGQA website.

33. **Details in Compendium of GCS Manufacturers** . In the **Compendium of GCS Manufacturers**, Comprehensive Gradation of the Manufacturers will be indicated as given in **Appendix M** with date of grant/renewal of GCS.

34. **Updating of Compendium** . The compendiums will be updated through notifications by the issuing authorities once in every quarter i.e. April, Jul, October and January for amendments processed during the preceding quarter. Copies of compendium as and when issued will also be endorsed to all Tech Dtes of DGQA, Order placing authorities like Ordnance Factories, DGOS / COD's etc and to Principal Purchase Officers in Ministry of Defence / Service HQs. Copies of updated notifications will also be given to all other concerned.

35. **Removal of Manufacturer from Compendium**.

(a) Removal of manufacturers from the compendium of registered manufacturers may be ordered by DGQA on the following grounds: -

(i) If a manufacturer fails to execute a contract or fails to execute it satisfactorily against the specification.

(ii) If a manufacturer no longer has the Tech staff or equipment considered necessary.

(iii) 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.

(iv) **CER cases** where the Manufacturer is at fault in supplying substandard stores as per **Appendix N**.

(v) Manufacturers which are blacklisted / banned & put on hold for all procurement and acquisition cases in pipe lines by the competent authority (DPM 2009).

(vi) If a manufacturer fails to provide the Annual Certificate in accordance with Para 8 of **Annx-I** (Application Form for Grant of Green Channel Status).

(b) In the above said contingencies when brought to the notice of the GCC, a show cause notice will be issued to the manufacturer with the approval of the competent authority concerned, about the action proposed & grounds thereof.

(c) 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 GCS of the manufacturer and removal from the list of GCS manufacturers. However, in case of reason (i) & (ii) orders regarding removal may be made applicable in respect of one or more items as may be relevant.

(d) Once removed from the compendium, the name of the manufacturer will not be restored for a period of minimum three years on the compendium. After the expiry of

three years of removal from compendium, the manufacturer may make a request to the 'Competent Authority' for a review.

PART IV – ACTIVITIES: POST PLACEMENT OF CONTRACTS ON GCS MANUFACTURERS

Procedure for acceptance of Stores under Green Channel status

(i) DGQA will not issue Inspection Note for consignments supplied against supply orders placed on firm after issue of GCS certificate. DGQA will continue to provide QA coverage and issue of I-Note for the stores being supplied against the SOs placed before the date of award of Green Channel Status Certificate to the firm. However, if OPA/Green Channel Status firm feels that the stores/items for which GCS has been awarded, pending for supply against SOs which were placed before award of GCS are to be supplied through Green Channel directly by the GCS firm, OPA may amend the relevant clauses of Supply Order at their end.

(ii) The concerned Supplier shall nominate officials from their organization as authorized functionaries who will be responsible for assuring the quality of the final consignment for its conformance to the drawing / specification requirements. The stores consigned through Green Channel shall be uniquely marked with a label certified by the authorized functionaries of the manufacturer for identification as GCS certified store.

(iii) The Supplier will submit details of consignment supplied through Green Channel including the Indent/ Supply order reference, Green Channel certification reference and other details such as, Nomenclature, Part No, Quantity, Governing specification, Consignee etc. along with complete Test Reports, Warranty Certificate and a Certificate as per Appendix-Q, signed by the authorized functionary certifying that the stores are manufactured as per approved Quality System and are meeting the specification requirements and other conditions in all respects to the designated Inspection Authority (AHSP). The manufacturer will fwd details of the seal and acceptance mark of the authorized functionary that will be affixed on the accepted stores dispatched to the consignee to the concerned AHSP for future reference.

(iv) The authorized functionary of the manufacturer shall inspect, certify and dispatch the accepted stores to the consignee along with one set of all documents. The Inspection Note, as per the DGS&D(S) – 84 or IAAF 1443 will be prepared by the authorized functionary of the firm duly filling out the details and certifying that the stores, identified by the approved acceptance mark, fully meet the requirements of the drawing and specification contracted. It will be signed by the Board of Officers at consignee end after verifying the final consignment received at the Consignee end. The distribution list for the Inspection Note shall be as given below:

Copy Nos.1, 2 & 5	:	Accounts Office Copy
Copy No. 3	:	AHSP
Copy No. 4	:	Consignee (along with consignment)
Copy No. 6	:	Consignee
Copy No. 7	:	Manufacturer's office copy

Note :- Xerox copy No. 7 may be used for additional distribution to OPA/DGQA Tech Dte/ any other purpose.

- (v) The responsibility for dispatch of stores of approved quality to the consignee rests with the Supplier. Payment shall be made on acceptance of consignment by consignee.
- (vi) During the currency of Green Channel status, periodic audit of the processes and Quality system of the Defence Supplier will be carried out on the orders of the Addl DGQA concerned. The objective of the audit is to confirm that QA activities are carried out as per specifications/ drawings and QAPs given by AHSP.
- (vii) Complete record of assessment for award of Green Channel status and further operation of the scheme product wise and Supplier wise will be maintained by the AHSP.
- (viii) Traceability is an important aspect to be maintained in the stores supplied through Green Channel. The Supplier shall ensure the batch-wise traceability of the final product to raw material test reports and manufacturing processes including those like Casting, Forging, Heat treatment, Surface treatment etc. The batch codes maintained shall uniquely identify the raw material lot, the date and shift of manufacturing, the machine used and the name of the operator if operator qualification is required.
- (ix) Whenever defects are reported on the stores supplied through Green Channel during exploitation by the User, the Manufacturer will initiate action on the Defect Report within 72 hrs. The defective item will be rectified or replaced at the earliest and the root cause will be analysed in depth for instituting corrective and preventive measures. The responsibility of Defect Investigation will be of the concerned AHSP and the manufacturer will associate in the Root Cause Analysis. The manufacturer will report details of the defect, the causes and the rectification, corrective and preventive action carried out to the AHSP.

36 (B) Flow Chart of Activities Post Placement of contracts on GCS Manufacturers.

- (a) As per Appendix O.
- (b) As discussed earlier the central tenet of GCP is in the way it changes the paradigm of QA activities post placement of SO, with product directly delivered to the designated consignee. DGQA's involvement is limited to DI, if any and performance monitoring for the residual life till eqpt becomes obsolete. Principal shift in procedure due to GCS are:-
 - (i) Once the Manufacturer is awarded GCS by DGQA, it will be listed in 'Compendium of GCS Manufacturers'.
 - (ii) Once a SO is placed on the Manufacturer by OPA/PO, the QC and QA will be done by the Manufacturer itself and certify the quality of stores.
 - (iii) Manufacturer will directly supply the items **duly stamped by their Authorised QC/QA officer/Manager to the designated Consignee.**
 - (iv) During Receipt Inspection at the Consignee premises, if there are CER, they will be duly investigated to ascertain if the Manufacturer is at fault and cases where Manufacturer is at **fault will be dealt** accordingly as per **Appendix N.**
 - (v) **Management : During Warranty/Guarantee Period.** All Defect Reports during Warranty/Guarantee period would be duly investigated as per procedure, and repair carried out by Manufacturer, and a Data Base of performance would be maintained by OPA/PO, User, Maintenance Dte and AHSP (Ref **Appendix O**). They may initiate an Adverse Feedback Report in case of recurring defects or any other quality issue, to the GCC which would then decide upon the appropriate action.
 - (vi) **Management: Post Warranty / Guarantee Period Upto Obsolescence.** All Defect Reports post Warranty/Guarantee period upto obsolescence

would be duly investigated, as per procedure and repair/replacement carried out, and a Data Base of performance would be maintained by OPA/PO, User, Maintenance Dte and Tech Dte. They may initiate an Adverse Feedback Report in case of Recurring Defects or any other quality issue, to the GCC which would then recommend upon the appropriate action.

PART V – QUALITY MONITORING MECHANISM FOR GCS MANUFACTURERS

37. (a) **Flow Chart of Activities Post Placement of Contract on GCS Manufacturers. Appendix O.**

(b) It is apparent that GCS would be granted to a Manufacturer only after careful examination of its QMS and other associated aspects, but it is equally critical that the performance of the product is duly monitored by all the stake holders during its exploitation by User and therefore there is a need that 'Performance Databases' are created and maintained at OPA/PO, User Dte, Maintenance Dte and AsHSP, so as to enable institutionalised monitoring of the product and the Manufacturer's performance. Inputs from these Databases will be subsequently used to initiate either: **Grant of Renewal or Penal Action**, as the case may be.

(c) **Quality Monitoring Mechanism.** Quality of the product will be monitored from the following inputs:-

(i) **Consignee End Rejection (CER).** Cases where the manufacturer is at fault in supplying substandard stores will be dealt as per **Appendix N.** 'Performance Databases' maintained by OPA/PO, User Dte, Maintenance Dte will provide inputs to the '**Master Performance Database**' at Tech Dte/Principal Tech Dte.

(ii) **Defect Investigation (DI).** Manufacturers granted Green Channel status will be called upon by the DGQA to participate in DIs in respect of their products. DIs would be carried out as per norms and database updated by all stake holders. Primary aim of DI is to identify '**Root Cause of Defects**' and fix its attributability, so that, if required, GCC may consider appropriate penal action.

(iii) **Customer Feedback.** User Dte will maintain the database in respect of 'Feedback from the User' and provide it Quarterly to the AHSP for consolidation. AHSP will further provide the input to GCC on half yearly basis.

(d) **Consolidation of Inputs for GCC.** AsHSP will be responsible for intimating GCC regarding various outcomes from 'Quality Monitoring Mechanism', with CER, DI and User Feedback from respective data-bases, being the key inputs to 'Master Performance Database' at the AHSP. AHSP will consolidate the feedback and forward it to GCC on half yearly basis. GCC may initiate Penal Action based upon the feedback/recommendation received from the AHSP.

PART VI – PENAL ACTION FOR RECURRING DEFECTS

38. **Generation of Adverse Feedback Report.** OPA/PO/User/AHSP may initiate an '**Adverse Feedback Report**' in case of Recurring Defects or any other quality issue, upon which GCC would then recommend an appropriate action.

39. **Penal Actions.** '**Adverse Feedback Report**' shall be brought to the notice of GCC, the GCC may propose one or both of the following penal actions for serious acts of omission and commission, malpractices, default etc :-

- (a) Monetary penalty of upto Rs 50 lakh.
- (b) Removal of the company from Green Channel Compendium for a minimum period of three years.

CONCLUSION

40. Government has launched numerous initiatives to facilitate '**Ease of Doing Business**' to promote the national mission of '**Make in India**', with special focus on Defence Manufacturing. Currently there are many established 'National and International Manufacturers', with well-known quality and financial credentials, which are keen to enter into defence manufacturing sector of the country through various opportunities created by government policies.

41. It is therefore imperative that Quality Management System (QMS) of such manufacturers having pre-defined financial and quality credentials is leveraged and faith is demonstrated in them by granting them 'GCS' or in other words making them self-accountable for Quality-Assurance of their products and withdrawing/waiving off mandatory QA checks by DGQA, prior to acceptance of defences stores, leading to 'Ease of doing Business'.

42. The SOP contains details of action to be taken for grant of GCS and is aimed at providing various functional details required by various stake holders. SOP is intended to streamline the grant of GCS across all Tech Dte of DGQA so that the ultimate objective of GCP is achieved.

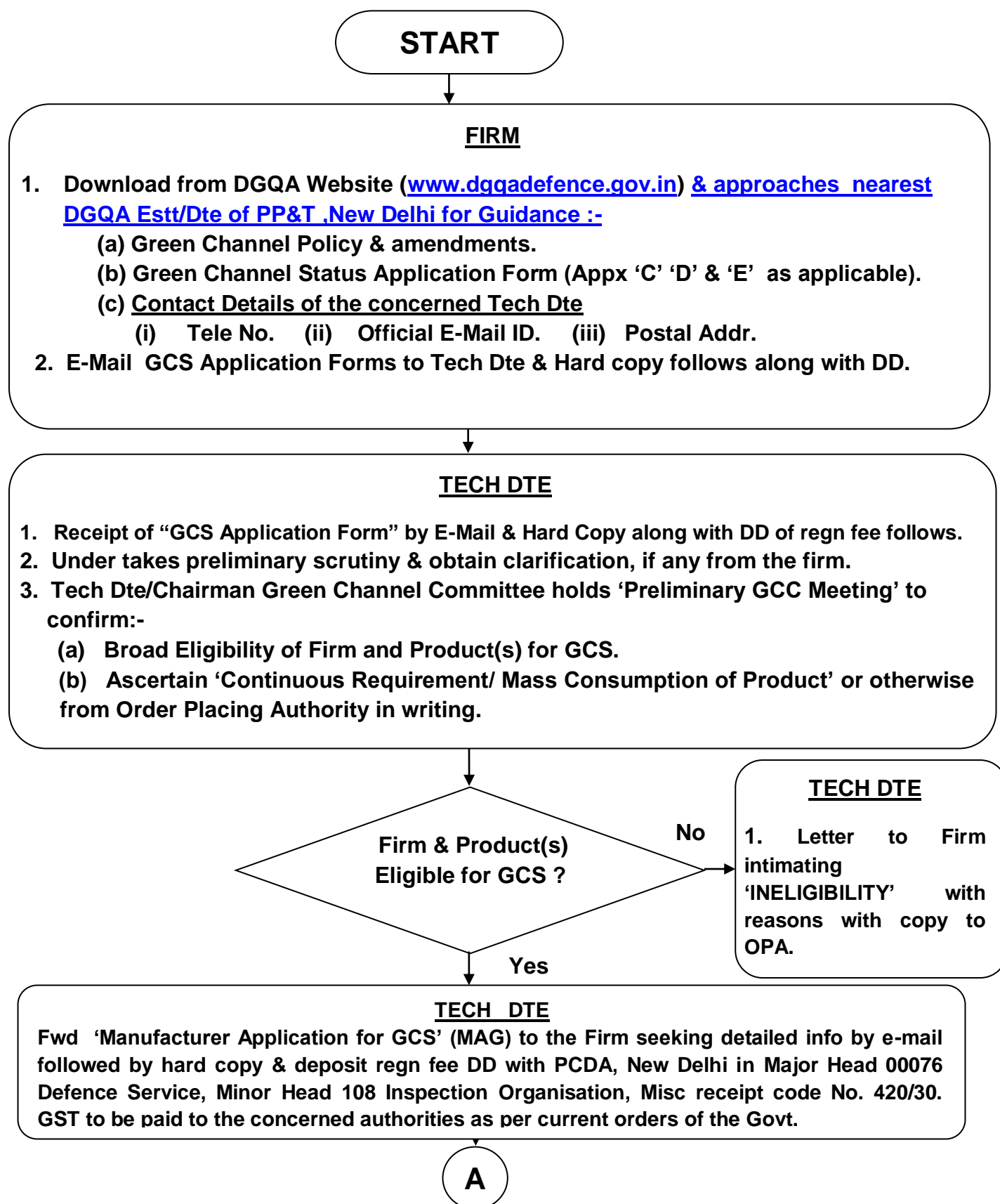
43. In the SOP, an endeavour has been made to make it as close to ground level functioning as possible. However, it may be appreciated that GCS being an novel initiative as part of 'Make In India', is in its nascence, and will move up the evolutionary trajectory, as DGQA as an organisation will gain more experience during its implementation. Therefore, suggestion/experience are invited from all stake holders so that SOP can be further fine-tuned in times to come. Suggestions to be forwarded to the following address:

Dte of PP&T	-	ADGQA (PP&T)
Address	-	Room No. 37 'H' Block Nirman Bhawan PO New Delhi-110011
Phone	-	23015445
Fax	-	23013760/ 23019321
e-mail ID	-	ppt-dgqa@nic.in

Appendix A

(Ref to Para 13(a) of SOP on GCS)

FLOW CHART OF ACTIONS AT
VARIOUS LEVELS FOR GRANT OF GREEN CHANNEL CERTIFICATION:
SINGLE AHSP



A

FIRM

Fwd 'Manufacturer Application for GCS' (MAG) duly completed by e-mail and hard copy.

TECH DTE

1. Receipt of MAG by E-Mail & Hard Copy follows.
2. Scrutiny of MAG & supporting docu as per Checklist for Tech Dte.

MAG & Supporting
Docu Complete?

No

TECH DTE

1. Letter to Firm to complete docu at their earliest.
2. Time Line to commence after receipt of docu complete in all respects.

Yes

TECH DTE

1. Intimates Firm to detail a Nodal officer & intimate:-
 - (a) Contact No.
 - (b) Official Mail ID.
 - (c) Postal Address.
2. Re- Assemble GCC & decide 'GCC Visit' details in consultation with AHSP. AHSP member to provide necessary information.
3. Intimates Firm about 'GCC Visit' details :-
 - (a) Date & Time.
 - (b) Duration of Visit.
 - (c) Any other coordination required.

GCC

1. Visit by GCC to the manufacturing facility at designated Date & Time.
2. GCC verifies the facts 'On Ground'.
3. Carries out Assessment as per :-
 - (a) MQSR : QMS Requirements Part-I (Appx H).
 - (b) MQSR : Product Specific Part-II (Appx H).
4. Prepares : Manufacturer Registration Report
5. Put up the report with recommendations to DGQA on file.
6. Docs in the form of QAP to be frozen during GCC visit with Mfr to be utilized later for DI by DGQA & User.

B

B**DGQA**

1. Approves / Not Approves on Pt II.
2. Returns the case to Tech Dte.

No

Approved ?

Yes

TECH DTE

1. Letter to Firm intimating 'REJECTION' with reasons.
2. Copy to OPA, all other Regn auth of MoD & Tech Dtes of DGQA.

TECH DTE

1. Intimates Firm regarding its 'Qualification' for GCS.
2. Advises Firm to deposit Bank Guarantee (BG) of Rs 50 Lakhs, with validity for 63 months with PCDA, New Delhi within 15 days of receipt of letter.
3. Wait for Firm's intimation regarding BG.
4. Archives the GCC docu.

No

BG Received ?

Yes

TECH DTE

Letter to Firm intimating failure to submit BG with in 15 days.

TECH DTE

Check for genuineness of BG with the issuing branch.

No

Tech Dte
Confirm genuineness of BG?

Yes

TECH DTE

Letter to Firm intimating non genuineness of BG and intimates GCC.

C

C²¹



TECH DTE

1. Process the case for Signature of DGQA on GCS Certificate.
2. Fwd the case to Dte PP&T for allotment of GCS Control No.
3. Dte of PP&T allots GCS Control No & returns the case to Tech Dte .
4. Issue Certificate with Hologram for GCS to Firm with copy to all registration auth c MoD, OPA & Tech Dtes.
5. Updates Compendium of GCS Firms.
6. Intimates SDCC for updating DGQA website in r/o Compendium of GCS Firms.



END

Appendix B

(Ref to Para 13(a) of SOP on GCS)

FLOW CHART OF ACTIONS AT VARIOUS LEVELS FOR GRANT OF GREEN CHANNEL CERTIFICATION: MULTI DISICIPLINE AHSP**START****FIRM**

2. Downloads from DGQA Website (www.dggadefence.gov.in) & approaches nearest DGQA Estt/Dte of PP&T, New Delhi for Guidance :-
 - (a) Green Channel Policy & its amendments.
 - (b) Green Channel Status Application Form (Appx 'C' 'D' & 'E' as applicable)
 - (c) Contact Details of the concerned Principal Tech Dte
 - (i) Tele No.
 - (ii) Official E-Mail ID.
 - (iii) Postal Addr.
2. E-Mail GCS Application Forms to Tech Dte & Hard copy follows along with DD.

PRINCIPAL TECH DTE

1. Receipt of "GCS Application Form" by E-Mail & Hard Copy follows.
2. Under take preliminary scrutiny & obtain clarification, if any from the firm.
3. Identifies all the Tech Dtes (AsHSP) involved and fwd respective portion of application to them for their scrutiny.
4. Compose 'Composite Green Channel Committee' comprising of Reps of concerned Tech Dtes and GCC members as per MoD letter.
5. Principal Tech Dte/Chairman GCC holds 'Preliminary GCC Meeting' to confirm:-
 - (a) Broad Eligibility of Firm and Product(s) for GCS.
 - (b) Ascertain 'Continuous Requirement/ Mass Consumption of Product' or otherwise from Order Placing Authority in writing.

Firm & Product(s)
Eligible for GCS ?

No

PRINCIPAL TECH DTE
Letter to Firm intimating
'INELIGIBILITY' with
reasons with copy to
OPA.

Yes

PRINCIPAL TECH DTE

Fwd 'Manufacturer Application for GCS'- Appx F (MAG) to the Firm seeking detailed info Tech Dte wise, with copy to respective Tech Dtes by e-mail/Hard copy & deposit Regn fee DD to PCDA, New Delhi. GST to be paid to the concerned authorities as per current orders of the Govt.

A

A

23

FIRM

Fwd 'Manufacturer Application for GCS'- Appx F (MAG) , Tech Dte wise, to Principal Tech Dte, duly completed by e-mail/Hard copy.

PRINCIPAL TECH DTE

1. Receipt of consolidated Appx H (MRR) by e-mail & Hard Copy follows.
2. Organise Tech Dte wise scrutiny of consolidated Appx F (MAG) with supporting docu, as per Checklist for Tech Dte - Appx G.

MAG & Supporting
docu complete in
respect of all Tech Dtes?

No

PRINCIPAL TECH DTE

1. Letter to Firm to complete docu at their earliest & resubmit.
2. Timeline to commence after receipt of complete docu.

Yes

PRINCIPAL TECH DTE

1. Intimates Firm to detail a Nodal officer & intimate:-
 - (a) Contact No.
 - (b) Official Mail ID.
 - (c) Postal Addr.
2. Re-Assemble Composite GCC & decide 'Composite GCC Visit' details in consideration with Tech Dtes.
3. Intimates Firm about 'Composite GCC Visit' details :-
 - (a) Date & Time.
 - (b) Duration of Visit
 - (c) Any other coordination required.

COMPOSITE GCC

1. Visit manufacturing facility at designated Date & Time.
2. Verifies the facts 'On Ground'.
3. Carries out Assessment as per :-
 - (a) MQSR : QMS Requirements – Appx J Part -I.
 - (b) MQSR : Product Specific - Appx J Part -II.
4. Prepares : Consolidated Manufacturer Registration Report - Appx H
5. Put up the report with Recommendations to DGQA on file.
6. Docs in the form of QAP to be frozen during GCC visit with Mfr to be utilized later for DI by DGQA & User.

B

B 24

DGQA

1. Approves / Not Approves on Pt II of Appx H.
2. Returns the case to Principal Tech Dte.

Approved ?

No

PRINCIPAL TECH DTE

1. Letter to Firm intimating 'REJECTION' with reasons.
2. Copy to OPA, all other Regn auth of MoD & Tech Dtes of DGQA.

Yes

PRINCIPAL TECH DTE

1. Intimates Firm regarding its 'Qualification' for GCS.
2. Advises Firm to deposit Bank Guarantee (BG) of Rs 50 Lakhs, with validity for 63 months with PCDA, New Delhi within 15 days of receipt of letter.
3. Waits for Firm's intimation regarding BG.
4. Archives the Composite GCC docu.

BG Received ?

No

PRINCIPAL TECH DTE

Letter to Firm intimating failure to submit BG after 15 days .

Yes

PRINCIPAL TECH DTE

Check for genuineness of BG with the issuing branch.

Principal Tech Dte
Confirm genuine of BG ?

No

PRINCIPAL TECH DTE

Letter to Firm intimating non genuineness of BG and intimates Composite GCC.

Yes

C

C**PRINCIPAL TECH DTE**

1. Process the case for Signature of DGQA on GCS Certificate.
2. Fwd the case to Dte of PP&T for allotment of GCS Control no.
3. Dte of PP&T allots GCS Control No. & returns the case to Principal Tech Dte.
4. Issues one composite certificate for GCS with hologram to firm by grouping all the items AsHSP wise, with copy to all regn Auth of MoD, OPA & Tech Dtes.
5. Updates Compendium of GCS Firms.
6. Intimates SDCC for updating DGQA website in r/o Compendium.

END

Appendix C
(Ref to Para 13(b) of SOP on GCS)

APPLICATION FORM FOR GRANT OF GREEN CHANNEL STATUS
(Auth: Annexure-I of GCP)

(To be given on the letter head of the Applicant Firm)

To,
The Director General of Quality Assurance
'H' Block Nirman Bhawan PO
New Delhi-110011

1. Name and Address of the Applicant firm:
(Indicate full address of their Head Office notified with the relevant authority)
2. Name and address of the OEM (Original Equipment Manufacturer):
(If applicant firm is not the manufacturer)
3. State whether Applicant firm is a (Please choose the applicable option):
 - (a) PSU (Public Sector Undertaking) : Yes/No
 - (b) Wholly owned Indian subsidiary of Foreign OEM : Yes/No
(If yes, attach documentary evidence)
4. Details of existing approvals/accreditation of Quality Management Systems are given below:-(Attached relevant certificates)
 - (a)
 - (b)
 - (c)
 - (d)
5. Details of Products for which Green Channel facility is being sought:-

Sl. No.	Product	Production Facility
1		
2		
3		

6. Annual Turnover of the OEM for the last 3 year duly certified by Internal Auditor/Chartered Accountant: (Attaches Balance Sheets)

Sl. No.	Year	Turnover in equivalent Rupees (at current exchange rate)
1		
2		

7. Annual Profit/Loss of the OEM for the last 5 years duly certified by Internal/Chartered Accountant: ([Attaches annual report](#))

Sl. No.	Year	Profit/Loss in equivalent Rupees (at current exchange rate) (Indicate loss clearly wherever applicable)
1		
2		
3		
4		
5		

Confirmation of Applicant firm:

8. We confirm that:-

(a) We shall submit a certificate duly certified by our Internal Auditor/Chartered Accountant at the end of each financial year evidencing and confirming that we /our OEM continue to meet the prescribed Eligibility Criteria of having an annual turnover of Rs. 1000 crore (Rupees one thousand crore) or more and have made profit in the last three years out of the previous five years, failing which the Green Channel facility is liable to be withdrawn.

(b) We are attaching herewith an Account Payee Demand Draft for Rs. 1.00 Lakh (Rupees one lakh) in favour of 'Principal Controller of Defence Accounts, New Delhi towards non refundable fee for granting Green Channel. GST @18% has been deposited to the GST authority directly. A copy of GST deposited is also enclosed.

(c) Within 15 days of receipt of intimation of our eligibility for grant of Green Channel Status, we shall be depositing an irrevocable Bank Guarantee (BG) as per DPM format (Appendix-O Chapter 12 Para 17) for Rs. 50 Lakh (Rupees fifty lakh) as security to effect recovery against established complaint on quality for supplies made against Supply Order placed. Green Channel Bank Guarantee shall be given in favour of 'Principal Controller of Defence Accounts, New Delhi' from any Indian scheduled or its affiliated banks, to be valid for 63 months.

Encl : As above

Place:.....

Date:.....

Signature on behalf of the Applicant firm

Name of signatory on behalf of Applicant firm.....

Designation / Position of signatory in the applicant firm.....

Full address of the applicant firm with stamp/seal.....

Appendix D

(Ref to Para 13(c) of SOP on GCS)

OEM Certificate for “wholly Owned Indian subsidiary” (on the letter head of OEM)**(Auth: Annexure-II of GCP)**

To,
 The Director General of Quality Assurance/
 'H' Block Nirman Bhawan PO
 New Delhi-110011

Subject: OEM Certificate for “Wholly Owned Indian Subsidiary ” for Green Channel

Sir,

We, M/s ----- (name and full address of OEM) hereby confirm that
 M/s ---- (name and address of “wholly owned Indian subsidiary”) are our “
 Wholly owned Indian subsidiary” for grant of Green Channel Status for the following categories
 of products manufactured by us in our manufacturing facilities or by M/s -----
 -- in their manufacturing facilities:-

(a)

(b)

(c)

(d)

2. We Confirm that:

(a) We have authorized M/s -----, our wholly owned Indian subsidiary to represent us and act on our behalf on all matters pertaining to manufacture and supply of the products against the supply orders placed on us/them.

(b) We also take full responsibility for the acts/omissions committed by M/s ----- . All claims and disputes if any, arising out of defects/poor quality of stores supplied by M/s ----- or by us would be settled by the parent company.

(c) The goods supplied to Consignee will be brand new, in our current production and suitably tropicalized to suit Indian conditions and as per technical specification.

(d) Our OEM standard Guarantee/Warranty shall be applicable for our products supplied by aforesaid firm to the Procurement Agencies.

(e) In the event of termination/closure of the aforesaid wholly owned Indian Subsidiary, we shall immediately inform the same to Procurement Agencies and Director General of Quality Assurance/ Director General of Aeronautical Quality Assurance.

(f) We Shall submit a certificate by our Internal Auditor/Chartered Accountant at the end of each financial year evidencing and confirming that we continue to meet the prescribed Eligibility Criteria of having an annual turnover of Rs 1000 crore and more and have made profit in the last three years out of the previous five years, falling which the Green channel facility is liable to be withdrawn.

3. Joint undertaking between us and M/s(100 % subsidiary OEM company) is attached at Annexure (Format at Annexure II 'A').

Place

Date

Signature on behalf of the OEM firm

Name of authorized signatory on behalf of the OEM firm:.....

Designation/Position of authorized signatory in the OEM firm.....

Full address of the OEM firm with stamp/Seal.....

Appendix E

(Ref to Para 13(c) of SOP on GCS)

Joint undertaking to be signed by Parent Company as well as its 100% Subsidiary for award of Green Channel Certificate to Subsidiary when Subsidiary OEM does not comply with profitability and turnover requirement but parent company complies**(Auth: Annexure-III of GCP)**

“Notwithstanding that the Green Channel Certificate and supply orders are awarded to the M/s _____ (100% Subsidiary OEM Company), the _____ (Parent Company) and M/s _____ (its 100% Subsidiary OEM Company), Jointly and severally, undertake the following:-

(a) M/s _____ (Parent Company) as well as M/s _____ (100% Subsidiary OEM Company), Jointly and severally, undertake to abide by all terms & conditions of Green Channel supply orders and corresponding performance of supply orders thereof in all respects including timely delivery as well as required quality of the product, Fall Clause and Warranty/Guarantee obligations.

(b) The named M/s _____ (Parent Company) as well as M/s _____ (100% Subsidiary OEM Company), jointly as well as severally shall be liable/responsible and accountable for due performance of the supply order as well as supplies thereof in all respects and also for all such claims of the purchases arising thereof including legal liability in competent court of law.

Note: The above joint undertaking should be signed & dated by authorized person on behalf of M/s _____ (Parent Company) as well as M/s _____ (its 100 % Subsidiary company). The signing person must attach a necessary power of Attorney evidencing his authority to bind the company on whose behalf the above undertaking has been given.

Appendix F

(Ref to Para 13(b) of SOP on GCS)

MANUFACTURER APPLICATION FOR GREEN CHANNEL (MAG)

(to be filled by the manufacturer)

(Referenced from Appendix 'A' of JSG:015:04-2018)

- Note : (a) This information will be treated as 'Confidential'
- (b) Strike out whatever is not applicable
- (c) This information is to be submitted to concerned Tech Dte.
- (d) All pages of this application and enclosures are to bear full signatures with the Stamp, serially numbered and linked with relevant paras.

PART-I**ADMINISTRATIVE INFORMATION**

1. Name of the Manufacturer :
2. Addresses
 - (a) Regd. Office with Telephone No. and registered mobile No. with STD code/Fax/E-mail
 - (b) Factory / Works with Telephone No. and registered mobile No. with STD code/Fax/E-mail
 - (c) Branch offices if any with Telephone No. and registered mobile No. with STD code/Fax/E-mail
 - (d) Name, address, telephone No. and registered mobile No. with STD /Fax/E-mail of the MD/ Proprietor.
3. Category of Industry : Large Scale / MSME
(Attach registration documents)
4. Nature of company : Proprietary / Private Limited / Public (attach copy) Limited / Partnership/Joint Venture
5. Nature of Business : Manufacturer / Trader / Sole selling
Authorised Agent / Dealer /
Assembler / Processor/ Re-packer /Fabricator
- 5(a) Details of Current Defence Products : S No/Description/Range/Capacity

- 6 Details of Registration : NSIC / SSI / DGS&D / Other Defence
(Attach copies of Dept / Other Govt. Dept / Membership registration letters)
FICCI / ASSOCHAM / CII and other Industrial
Association
7. Company Index Number / :
Corporation Identification Number (CIN)
(enclose copy)
8. Have you already applied for : YES / NO
Registration in any other discipline
of DGQA. If yes enclose copy of
registration certificate
- (a) Authority to whom applied with Date
(b) Item(s) applied for
(c) Result of application with details of Viz
Reg No (if regd) and reasons (if not regd)
9. Is the manufacturer ISO 9001:2008 / :
ISO 9001:2015 certified (attach copy)
10. Total Area of Factory :
Covered :..... m² Bond Rooms : m²
Uncovered:..... m² No. of Bond Rooms:.....
- Note: Attach proof of ownership and detailed site plan of layout of premises clearly depicting various
areas e.g. production area, (Appx location of plant / Machinery stores, bond rooms, inspection
area etc)
11. Capital outlay :
12. Name of Bankers, A/c No. :
Address of the Bank
13. Electric Power : Sanctioned / Installed / Standby
14. Does your product being verified fall under :-
(a) Cost Audit (report) Rules 1968.
(b) Fire Safety or Explosive Regulations (Details of license / compliance).
(c) Central Pollution Control norms.
(d) Other Govt Regulatory norms.
15. Details of Manpower Employed :
(a) Admin
(b) Technical
(i) Skilled
(ii) Unskilled
(c) No. of shifts for manufacture of stores seeking registration.
16. Attach self attested copies of under mentioned Documents :-
(a) Audited Balance Sheet , Profit & Loss A/c, Annual Turnover for last three years and total
Accumulated losses, if any

- (b) Present net worth of the manufacturer
- (c) Source of finance with borrowing limit & Bank Guarantee
- (d) PAN/TAN/Service Tax/VAT/GST/Income Tax certificate for 3 years
- (e) Valid State, Central Sales Tax Registration Certificate
- (f) Pollution Clearance Certificate
- (g) Relevant information with complete details about sister concerns / subsidiaries, if any.
- (h) LSI/MSME registration certificate
- (j) Facilities for Water, Fire Fighting, Security & Medical
- (k) Is the land / Shed on Lease?
- (l) Copies of relevant regulatory certificates for which registration sought.
- (m) Copy of Govt of India authorizing No. of shifts wrt Defence Stores for which registration is being sought.
- (n) Copy of other Regulatory certificates for stores / equipment for which Registration sought.
- (o) In case of Sole Selling Agents / Marketing Firms, copy of MoU with the firms on a Stamp paper.

PART-II

TECHNICAL INFORMATION (to be filled by manufacturer)

1. Details of Defence Stores for which Registration is sought

Ser No.	Nomenclature of Store	Cat Part No. / DCAN/NSN	Drawing No.	Spec No.

2. Details of foreign collaboration

Ser No.	Product	Name & Address of Collaborator	Year	Current or not

3. Details of Supply Orders executed during last three years with respect to stores / equipment for which registration sought.

SI No.	Name & Address	Products Supplied	SO No. & Date	Date of Last Supply	Value

--	--	--	--	--	--

4. (a) Details of bought out items (Component / Sub Assy / Assy / Processes)

from sub- contractors: (Attach copies of agreements/ MoU on Stamp paper)

Sl. No.	Item	Comp / Assy / Sub Assy / Process	Name & Address of the sub- Contractor

(b) Details of Testing / Quality Control done by Sub contractors (Attach copies of agreements/ MoU on Stamp paper)

Ser No.	Item	Details of test	Name & Address of the sub- Contractor / Laboratory	Agreement

5. Source of raw material

Ser No.	Material	Source	Brief Description
	Imported		
	Indigenous		

6. Details of important facilities & infrastructure as per following format for

(a) Production (Plant and machinery specific to item (s) for which Registration sought).

Ser No.	Description of M/c & Specn	Capacity	Make & Model	Qty	Date of Purchase

(b) Tool Room, Meteorology & Test Equipment Facilities

Sl No.	Type of Instruments/ Test Equipment	Make / Model & Qty	Date of Purchase	Calibration **	Frequency for Calibration

** Attach relevant calibration certificate

7. Design and Development facilities available : YES/NO

(If Yes, enclose a declaration with details as per Para 4.3 of MQSR part 1 of Appendix J)

8. Is the manufacturer committed & willing to supply spares for service life of the store. (if applicable).

9. Furnish the following details with relevant certificate and documents:

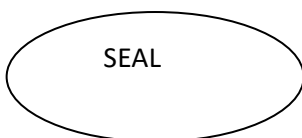
- (a) Inspection & quality control of raw material, components and finished products.
- (b) Assistance from central agency for testing / calibration etc.
- (c) Laboratory and drawing office facility
- (d) Flow process chart of item for which registration is sought
- (e) Details of estimated Monthly production Capacity of the Defence stores for which registration is sought. (Detailed working sheet/Calculation to be Attached)

10. Future plan (if any) in respect of Expansion: (Attach extra sheets) Program, Installation of additional Machines / tool facilities etc.

Declaration

I/We confirm that the information furnished in Part I & II above is correct. In the event of any information given by me / us is found in-correct / false at any time, I / we

understand our registration will be cancelled without notice, besides any other appropriate action against me / us.



Signature of Authorised

Representative

Name with seal

Seal of the manufacturer

Date :

Appendix G

(Refers to Para 13(c) of SOP for GCS)

CHECKLIST FOR TECH DTE FOR SCRUTINY OF GCS APPLICATION**SECTION-I : APPLICATION FORM FOR GREEN CHANNEL STATUS**

Sl.No	Check Points	Remarks (Yes or No)
1.	Name and address of the firm is mentioned correctly alongwith contact Nos.	
2.	Name and address of the OEM is mentioned correctly alongwith contact Nos. (if applicable)	
3.	Status of the firm alongwith documentary evidence i.e. PSU or Indian subsidiary.	
4.	Quality Management Systems are given alongwith existing approvals/accreditation.	
5.	Details of Products are given correctly alongwith Production Facilities available with firm for which GCS is being sought.	
6.	Annual Profit/Loss statements for last 5 years duly Audited by Chartered Accountant are enclosed.	
7.	Annual Balance Sheet duly Audited by Chartered Accountant for 3 years are enclosed and the Firm is profitable in these 3 yrs out of 5 yrs.	
8.	Confirm the Annual Turnover of the firm i.e. 1000 crores and above.	Mention the Annual Turnover
9.	Demand Draft for Rs. 1.00 Lakh + a copy of evidence that 18% GST has been paid, is enclosed towards fee for granting Green Channel	
10.	Undertakings as per para 8 (c) of MoD letter dt 24 Mar 2017 (Annexure-II & IIA)).	
11.	Signature of signatory on behalf of firm alongwith full address and Seal of the firm is correct.	
12.	Initial of signatory on behalf of firm alongwith Seal of the firm	

	is given on each page and each documents.	
13.	Whether the firm has submitted the Certificate to abide by terms and conditions stipulated in the contract and the governing technical specification of the products.	
14.	Certificate to abide by Green Channel BG.	
15.	All relevant certificates have been attached & scrutinized by GCC.	

SECTION-II OEM Certificate Wholly Owned Subsidiary (Annx-II of GCP) & Joint Undertaking By Parent Company & Its 100% Subsidiary (Annx-IIA)

Sl.No	Check Points	Remarks (Yes or No)
1.	Name and full address of the OEM for wholly owned Indian subsidiary is mentioned correctly alongwith contact Nos. and manufacturing facilities of main firm.	
2.	Confirmation given properly as per Annexure II para 2 (a) of MoD letter dt 24 Mar 2017.	
3.	Confirmation given properly as per Annexure II para 2 (b) of MoD letter dt 24 Mar 2017.	
4.	Confirmation given properly as per Annexure II para 2 (c) of MoD letter dt 24 Mar 2017.	
5.	Confirmation given properly as per Annexure II para 2 (d) of MoD letter dt 24 Mar 2017.	

6.	Confirmation given properly as per Annexure II para 2 (e) of MoD letter dt 24 Mar 2017.	
7.	Confirmation given properly as per Annexure II para 2 (f) of MoD letter dt 24 Mar 2017.	
8.	Joint undertaking between firm and OEM is attached as per format given at Annexure IIA of MoD letter dt 24 Mar 2017.	
9.	Signature of signatory on behalf of firm alongwith full address and Seal of the firm is correct.	
10.	Initial of signatory on behalf of firm alongwith Seal of the firm is given on each page and each document.	

SECTION-III : MANUFACTURER ASSESSMENT FOR GRANT OF GREEN CHANNEL STATUS
(Appx H)

Sl.No	Check Points	Remarks (Yes or No)
1.	Name and address of the firm is mentioned correctly alongwith contact Nos.	
2.	Company Index Number is mentioned correctly alongwith document.	
3.	<p>Copy of following documents are enclosed duly certified by signatory alongwith firm's seal:-</p> <p>(a) Audited Balance Sheet , Profit & Loss A/c, Annual Turnover for last 05(five) years and total Accumulated losses, if any</p> <p>(b) Present net worth of the manufacturer.</p> <p>(c) Source of finance with borrowing limit & Bank Guarantee.</p> <p>(d) PAN/TAN/Service Tax/VAT/GST/Income Tax certificate for 3 years.</p> <p>(e) Valid State, Central Sales Tax Registration Certificate</p> <p>(f) Pollution Clearance Certificate</p> <p>(g) Relevant information with complete details about sister concerns / subsidiaries, if any.</p> <p>(h) LSI/MSME registration certificate.</p> <p>(j) Facilities for Water, Fire Fighting, Security & Medical.</p> <p>(k) Is the land / Shed on Lease?</p>	
4.	Details of Defence Stores for which GCS is being sought are mentioned properly.	
5.	<p>Furnish the following details with relevant certificate and documents:</p> <p>(a) Inspection & Quality Control of raw material, components and finished products.</p> <p>(b) Assistance from central agency for testing/calibration etc.</p> <p>(c) Laboratory and drawing office facility.</p>	

	(d) Flow process chart of item for which GCS is sought. (e) Details of estimated Production Capacity of the Defence stores for which GCS is sought.	
6.	Details of Supply Orders executed during last five years	
7.	Signature of signatory on behalf of firm alongwith Seal of the firm is correct.	
8.	Initial of signatory on behalf of firm alongwith Seal of the firm is given on each page and each documents.	

Date

Signature of GCC Rep

Appendix H

(Ref to Para 20 & 22 of SOP on GCS)

MANUFACTURER REGISTRATION REPORT (MRR)**PART- I**

(To be filled by Green Channel Committee)

(Referenced from Appendix 'C' of JSG:015:04-2018)**1. Composition of the Green Channel Committee**

(a) Chairman : Name _____, ADGQA(Tech Dte)

(b) Member(s): (i) Name & Designation

(ii) -do-

(iii) -do-

(iv) -do-

2. Name of the Firm**3. Address**

(a) Registered office : Tel No. Fax: E-mail

(b) Factory / Work : Tel No. Fax: E-mail

4. Item / Eqpt for which GCS Assessment carried out:-

(a) Nomenclature

(b) Specification / Drawing No.

(c) Cat Part No.

5. Type of Assessment: Green Channel Status and Date(s) of Assessment_____

6. Comments on Tech Capability / Capacity of the firm for:-

(a) Producing quality goods conforming to Specn / Drg(b) Inspection / Testing

(c) Adhering to delivery schedule

(d) Financial Capacity

(e) Providing literature for AsHSP work

7. Comments on management / labour relations :**8. Monthly production Capacity of the stores :**

9. **Monetary limit & any other relevant information/Monetary limit and GCS status with other discipline.**

10. (a) **Manufacturer Assessment score:**

% Marks obtained in Part-I x 0.5

% Marks obtained in Part-II x 0.5

Percentage marks obtained =%

(b) **Grading of the Firm(Gd-I mandatory for GCS):**

11. **Recommendations of the GCC:-**

(a) **Items RECOMMENDED for GCS**

(i)

(ii)

(b) **Items NOT RECOMMENDED for GCS(along with the reasons)**

(i)

(ii)

SIGNATURE OF THE MEMBERS OF GCC

Rank and Name

Signature with Date

1. Chairman GCC

2. Member 1

3. Member 2

4. Member 3

5. Member 4

Note:- For not recommending the manufacturer, sufficient reasons to be given in remarks column (attach separate sheets, if required)

PART-II**RECOMMENDATION OF CHAIRMAN GCC**

1. I having gone through the various documents attached with the GCS Application Form and Green Channel Committee's GCS Assessment Report and the following comments / recommendations are offered: -

- (a) Technical Capability :
- (b) Inspection / Test facilities :
- (c) Monthly Production Capacity :
- (d) Monetary Limit :
- (e) Grading of the firm :

2. The manufacturer is Recommended / Not Recommended for Green Channel Status.

Signature.....

Name & Designation

Date :

Place :

PART-III**REMARKS OF DGQA**

Approved/ Not approved

Signature.....

Name & Designation.....

Date :

Place :

Appendix J

(Ref to Para 21 of SOP on GCS)

Part-I (In the Context of the Organisation)**MANUFACTURER QUALITY SURVEY REPORT (MQSR)**
QUALITY MANAGEMENT SYSTEM: REQUIREMENTS

Sl No	QMS Requirement	Yes	No	Remarks
1.	<u>Context of Organization:</u> a) What is expected of the QMS? b) Are the external & internal issues that can affect the intended results from the QMS determined? c) What are the needs & expectations of interested parties that have been identified? d) Is there a culture of identifying and utilizing opportunities and mitigating potential risks before they occur? e) Is the scope of the QMS established determining the boundaries and applicability? Evidence of planning integration of the organizational processes to realize the intent of the QMS may be in the form of <ul style="list-style-type: none"> • SWOT analysis & its regular review • Institutionalized process of Self Assessment for internal issues such as Values & Culture, Level of Employee Satisfaction, Technological advancement, Effectiveness of action taken to address Customer feedback, Benchmarking Organizational Practices with Industry at large and Organizational performance. • Conducting surveys to analyze Social and Economic environments, trends in Trade & Technology, changes in Statutory & Regulatory requirements and opportunities to expand 			2 2 2 2 2
2.	<u>QMS processes</u> a) Are Processes defined in detail including their			2

	<p>interrelationships & interactions?</p> <p>b) Are Process Maps/ SIPOC (Suppliers, Input, Process, Output, Customers) Flow Chart available that graphically describe all the requirements which include:</p> <ul style="list-style-type: none"> Identifying Inputs required for the Processes & the Outputs expected of them Assigning Authorities & Responsibilities for the Processes Identifying Risks & Opportunities associated with the Processes and Planning& Implementing actions to address them Applying the determined criteria & methods to ensure effective operation and control of Processes <p>c) Is there a Risk based approach throughout the organization, anticipating consequences of things going wrong, changes in Customer needs & expectations and the opportunities presented? Evidence for planning to address Risks & Opportunities will be available from Failure Mode Effect Analyses.</p>			4
				2
3.	<p><u>Leadership</u></p> <p>a) Does the Top Management accept accountability for the effectiveness of QMS?</p> <p>b) Is the Quality Policy clearly spelt out? If so, is it appropriate & compatible with the purpose, context and strategic direction of the Organization?</p> <p>c) Is the Quality Policy understood and applied within the Organization?</p> <p>d) Is the importance of effectively conforming to the QMS requirements communicated across the Organization?</p> <p>e) Are the QMS requirements integrated into the organization's processes?</p>			2
				2
				1
				1
				1

	<p>f) Is the Top Management visibly engaging, directing & supporting employees in contributing to the effectiveness of QMS?</p> <p>g) Is the Top Management conveying the culture of QMS data based decision making and their intent to continually seek scope for improvement?</p> <p>h) Is the Top Management ensuring that customer and statutory & regulatory requirements, as applicable, are determined, understood and consistently met?</p> <p>j) Do the actions of the Top Management demonstrate focus on enhancing customer satisfaction?</p> <p>k) Is the Top Management promoting the use of Process Approach & Risk based thinking?</p> <p>l) Has Top Management assigned the responsibility and authority for ensuring:</p> <ul style="list-style-type: none"> • conformance to requirements of QMS Standard • delivery of intended process outputs • promotion of customer focus throughout • integrity of QMS whenever changes are made <p>m) Are there mechanisms to report to Top Management on performance of QMS and opportunities for improvement?</p>			<p>1</p> <p>1</p> <p>1</p> <p>2</p> <p>2</p> <p>4</p> <p>2</p>
4.	<p><u>Planning</u></p> <p>a) Is there an institutionalized practice of Risk Management cycle?</p> <ul style="list-style-type: none"> ➤ Identifying Risks & Opportunities ➤ Analyzing & prioritizing Risks & Opportunities ➤ Planning actions to address risk ➤ Implementing plan ➤ Checking effectiveness of actions 			6

	<p>➤ Learning from experience</p> <p>b) Are measurable Quality Objectives established for various functions at relevant levels? Are they derived from and consistent with Quality Policy?</p> <p>c) Are Quality Objectives communicated to those responsible, measured, monitored for achievement and updated as appropriate?</p>			<p>2</p> <p>2</p>
5.	<p><u>Support</u></p> <p>a) Are the infrastructure, resources, environment and manpower required to ensure valid & reliable results planned and made available?</p> <p>b) Are outsourcing requirements planned taking into account capabilities & constraints of internal resources?</p> <p>c) Where measurement traceability is required, are calibration schedules maintained for those measuring equipment?</p> <p>d) Is the calibration carried out, at predetermined intervals, traceable to national/ international standards? Is the calibration status of the equipment identified? Are they safeguarded from possible damage/ adjustments?</p> <p>e) What is the action taken on the immediately preceding results when measuring equipment is found unfit?</p> <p>f) How is organizational knowledge managed?</p> <p>g) Is there a system of drawing competence matrix based on educational qualification, training & experience for such work that will affect the performance & effectiveness of QMS?</p> <p>h) Are people trained, where required, based on Need Analysis?</p> <p>j) Are modes of communication established with reference to the matter to be communicated?</p>			<p>2</p> <p>2</p> <p>2</p> <p>3</p> <p>2</p> <p>2</p> <p>1</p> <p>2</p> <p>2</p>

	<p>k) Are the lists of “documented information” required to be maintained to support the effective execution of processes and “documented information” to be retained evidentially to have confidence that processes were executed as planned determined? While doing so, have the complexity of processes and competence of personnel been taken into consideration?</p> <p>l) Are the documented information identified, formatted, reviewed and approved?</p> <p>m) Are they available where & when needed and adequately protected?</p> <p>n) Are their distribution, access, storage, retrieval, period of retention and disposal addressed adequately?</p> <p>Minimum documentation required to be maintained as per ISO 9001:2015 are:</p> <ul style="list-style-type: none"> ➤ Information needed to support the operation of its processes (4.4.2 a) ➤ Quality Policy (5.2.2 a) ➤ Quality objectives (6.2.1) ➤ Operational planning and control (8.1e) ➤ Control of production & service provision (8.5.1) <p>Minimum documentation to be retained as per ISO 9001:2015 are:</p> <ul style="list-style-type: none"> ➤ To have confidence that processes are being carried out as planned (4.4.2 b) ➤ Monitoring and measurement of resources (7.1.5.1 and 7.1.5.2a) ➤ Competence (7.2d) ➤ Operational planning and control (8.1e) ➤ Review of requirements related to products and services (8.2.3.2) ➤ Design and development inputs (8.3.3) 			<p>2</p> <p>2</p> <p>2</p> <p>6</p>
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	<ul style="list-style-type: none"> ➤ Design and development controls (8.3.4,f) ➤ Design and development output (8.3.5) ➤ Design and development change (8.3.6) ➤ Externally provided processes, products & services (8.4.1) ➤ Identification & Traceability (8.5.2) ➤ Property belonging to customers or external parties (8.5.3) ➤ Control of changes (8.5.6) ➤ Release of products and services (8.6) ➤ Control of nonconforming process output, products & services (8.7.2) ➤ Release of product and services (8.6) ➤ Control of nonconforming outputs (8.7.2) ➤ Monitoring, measurement, analysis and evaluation (9.1.1) ➤ Internal audit (9.2.2f) ➤ Management review outputs (9.3.3) ➤ Nonconformity & corrective action (10.2.2) 			
6.	<p><u>Operation</u></p> <p><u>Planning & control</u></p> <p>a) Are the requirements for products & services determined? Do they include statutory & regulatory requirements?</p> <p>b) Are criteria for processes and acceptance of products & services established?</p> <p>c) Are the resources required to achieve conformity of products & services determined?</p> <p>d) Are process controls implemented in accordance with criteria?</p> <p>e) How are the outsourced processes controlled?</p> <p>f) Is communication with customers established in respect of:</p>			<p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p>

	<ul style="list-style-type: none"> • Products & services • Enquiries & contracts including changes • Customer feedback including complaints • Handling customer property • Contingency plans when relevant <p>g) Is the ability to meet the requirements ascertained before committing to supply products & services?</p> <p>h) Does the review include:</p> <ul style="list-style-type: none"> • Requirements stated by the customer • Requirements not stated by customer but are necessary, when known • Requirements specified by the organization • Statutory & regulatory requirements applicable • Contract requirements differing from those previously expressed and their resolution <p>j) Are the relevant persons made aware of changed requirements, if any?</p> <p><u>Design & Development</u></p> <p>a) When Design & Development of products & services is involved, are the processes, including controls, established, implemented and maintained to ensure provision of products & services?</p> <p>b) Are Design inputs adequate, complete and unambiguous?</p> <p>c) Are Design reviews conducted to evaluate the ability of Design & Development results to meet requirements?</p> <p>d) Is Design verification conducted to ensure outputs meet input requirements?</p> <p>e) Is Design validation conducted to ensure the products & services meet their intended use?</p> <p>f) Do Design outputs specify characteristics essential for intended purpose?</p> <p>g) Are the changes made during or subsequent to</p>			<p>2</p> <p>2</p> <p>2</p> <p>3</p> <p>3</p> <p>3</p> <p>3</p> <p>3</p> <p>3</p> <p>3</p>
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	<p>Design & Development controlled to avoid adverse impact on conformity to requirements?</p> <p><u>Control of externally provided processes...</u></p> <p>Are the externally provided processes, products & services controlled such that they do not adversely affect the organization's ability to consistently deliver conforming products & services to its customers? How is it ensured?</p> <p><u>Production & service provision</u></p> <p>a) Are documentation available to define the characteristics of the products to be produced / services to be provided?</p> <p>b) Are monitoring & measurement activities implemented at appropriate stages? Are the resources adequate? Are the persons deployed competent?</p> <p>c) Is the ability to achieve planned results validated periodically when the resulting output cannot be verified by measurement?</p> <p>d) Are there measures implemented to prevent human error?</p> <p>e) Are the outputs identified throughout production wrt their inspection status?</p> <p>f) When traceability is required, are the outputs uniquely identified?</p> <p>g) Are measures in place to identify, verify, protect & safeguard customer's property? Are they reported when lost, damaged or otherwise unsuitable for use?</p> <p>h) Are the outputs preserved during production to the extent necessary to ensure conformity to requirements?</p> <p>j) Are post-delivery activities determined wrt nature, use & intended life time, customer requirements & feedback, statutory & regulatory requirements and potentially undesirable consequences?</p>			<p>6</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>3</p>
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	<p><u>Release of products & services</u></p> <p>Is it ensured that the product & service requirements have been met before their release? Are the evidence of conformity & the traceability of the person authorizing the release retained?</p> <p><u>Control of non-conforming outputs</u></p> <p>a) Are non-conforming outputs identified & controlled to prevent their unintended use / delivery?</p> <p>b) Is action taken, appropriate to the nature of non-conformity and its effect on conformity of products & services, to correct, segregate, inform the customer or accept under concession?</p>			6
				4
				4
7.	<p><u>Performance evaluation</u></p> <p>a) Is it determined as to what needs to be monitored & measured and when, the methods for monitoring, measurement, analysis & evaluation?</p> <p>b) Are the customer's perceptions, of the degree to which their needs & expectations have been fulfilled, monitored?</p> <p>c) Are there provisions to analyze & evaluate:</p> <ul style="list-style-type: none"> • Conformity of products & services • Degree of customer satisfaction • Performance & effectiveness of QMS • Effectiveness of implementation of planning • Effectiveness of actions taken to address risks & opportunities • Performance of external providers • Need for improving QMS <p>d) Are Internal Audits conducted at planned intervals to assess effective implementation of QMS?</p> <p>e) Are these Audit programs planned, established, implemented & maintained defining frequency, scope & criteria and the Auditors?</p>			2
				2
				7
				2
				1

	<p>f) Are the results of audit reported to the management and correction & corrective action taken without delay?</p> <p>g) Does the Top Management review the QMS at planned intervals? Does the review take into account:</p> <ul style="list-style-type: none"> • Status of actions from previous reviews • Changes in external & internal issues • Adequacy of resources • Effectiveness of action taken to address risks & opportunities • Opportunities for improvement • Trends in customer satisfaction & feedback, extent of meeting quality objectives, process performance, conformity of products & services, non-conformities & corrective action, results of monitoring & measurement, audit results & performance of external providers <p>h) Does the management review result in decisions & actions related to Opportunities for improvement, need for changes to QMS & resource needs?</p> <p>8.Improvement</p> <p>a) Are opportunities for improvement selected for implementation of action to:</p> <ul style="list-style-type: none"> • enhance customer satisfaction by improving products & services, addressing future needs & expectations • prevent or reduce undesired effects • improve performance & effectiveness of QMS <p>b) Does the organization react to any non-conformity by first correcting it & then deal with consequences?</p> <p>c) Is a Root Cause Analysis done and action taken to eliminate the cause?</p> <p>d) Is the effectiveness of corrective action</p>			<p>2</p> <p>6</p> <p>2</p> <p>6</p> <p>3</p> <p>5</p>
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	reviewed?			
	e) Are the suitability, adequacy & effectiveness of the QMS continually improved?			3
				3

Total Marks Scored out of 200 in Part –I of MQSR =

PART-II (PRODUCT SPECIFIC)

MANUFACTURER QUALITY SURVEY REPORT (MQSR) **QUALITY MANAGEMENT SYSTEM - REQUIREMENTS**

Management Responsibility

Is objective evidence available for commitment of Management to provide product specific resource?

10

Planning for Quality

Has the management identified and communicated the Critical To Quality (CTQ) characteristics and Critical To Quality Processes (CTP) for all the products under consideration?

10

Infrastructure

Adequacy of power supply and water resources including stand- by arrangement 5

Covered and open space for manufacturing facilities 5

Bond rooms commensurate to the type and quantum of stores to be supplied and their security for work in progress/ semi finished / finished product. 5

Manufacturing Plant & Machinery

Are essential plant and machinery capable of consistently manufacturing the product range under consideration to the required specifications available? 10

Are desirable plant and machinery for the product range under consideration available? 5

Are they adequate to meet the product requirement. Give details of process capability index to support assessment. 5

Are requisite maintenance facilities for in-house plant machinery and test equipment available? 5

Facilities for QA

Are the facilities required for verification/ validation of performance by the QA team available? 5

Technical Resources

Where applicable, whether the supplier has adequate technical resources for support service such as preparation of specifications, drawings, user handbooks, technical manual, part lists etc. 5

Manufacturing Process Management

Are all manufacturing processes carried out in house? (These include all operations required to be performed on the raw materials, semi finished / finished components, subassemblies / assemblies for conformity of end product to required applications including packing, marking, handling and storage / delivery). 10

Where subcontracting, if any, is resorted to for processes or components/subassemblies/ assemblies, are they as per laid down norms? Are details of processes outsourced/ sub-contracted with the control exercised on the sub-vendor to ensure quality of supplies available? Support the assessment with a specimen QA procedure for a typical item outsourced. 5

Are the capabilities of available processes (including that of sub-contractor) adequate and compatible with the product specific requirements? 5

Whether the supplier has made a realistic assessment of the production capacity for the items for which registration is sought? This may be supported by Flow Charts furnished by the Supplier for each product reflecting the following:

- (a) Raw Materials used, their source & the controls exercised
- (b) Critical stages/ processes & the controls exercised
- (c) Time taken for each stage & total time taken for manufacturing a batch including testing 5

Qualified Tech Manpower

Availability and adequacy on the rolls of the Supplier 10

Quality Control

Availability and adequacy of Tools, Gauges and Measuring/ test equipment 5

Calibration of Tools, Gauges and Measuring/ test equipment 5

System of work order, specification, drawings 3

Procedures for raw material identification, receipt, issue 2

Ordering procedure and documentation for bought out items 2

Inwards inspection procedure and records 2

Stage and final product inspection procedure and records 2

Adequacy of Quality Control measures and instructions thereon; are they being appropriately applied for quality improvement where applicable 2

Mechanism for Corrective and Preventive measures and records thereon 2

Inspection, Measurement and Test Equipment

Are essential test equipment available in house as per laid down norms? 5

Are desirable test equipment available as per laid down norms. 5

Where desirable test facilities are not available in house, have alternative arrangements been made and are these adequate. Give brief details. 5

Are calibration procedures available indicating the standards, methods, schedule and responsibility for calibration of test equipment? 5

Are there records to support their effective implementation? 5

Is there a system for identifying and isolating equipment of doubtful nature? 5

General Requirements

Is the supplier maintaining record of all supply orders for the item being manufactured? 5

Whether the execution of the supply orders conforms to the delivery schedule. 5

Safety and Environment

Lighting and ventilation 5

Hygiene and sanitation, eco-friendly waste disposal and pollution control 10

Fire fighting arrangements 5

First aid and medical arrangements 5

Approach to the supplier's premises and adequacy of security 5

Total marks Scored out of 200 in Part –II of the MQSR =

Appendix K

(Ref to Para 24(c) of SOP on GCS)



GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DIRECTORATE GENERAL OF QUALITY ASSURANCE

CERTIFICATE FOR GREEN CHANNEL STATUS

1. Having examined the Quality Systems, Quality Control Practices and Quality of the Products of M/s and having found their performance as per laid down criteria, hereby award “**GREEN CHANNEL**” status to the said firm for supply of the following products:-

SI No.	Product Nomenclature & CAT/ Part No.	Specification No/ Drawing No.	MPC per shift
No of items for which Green Channel Status granted-----only.			

2. The award of this certificate shall be governed by the conditions overleaf (to be defined by GCC) and shall be applicable for a maximum period of five years, from the date of issue of this certificate.

3. **Other Details**

(a) Monetary Limit :

(b) Category of GCS Registration : Design Development Production/ Development
Production/ Production

(c) Number of shifts :

(d) Valid Up to :

GCS Certificate No _____ **Date**_____

Chairman GCC

DG, DGQA

Conditions for Green Channel Status

1. Please apply for Renewal of Green Channel Status on the prescribed form 90 days before the date of expiry of GCS certificate.
2. In case no application for Renewal of GCS is received on the prescribed form which is available at Tech Dte/ Certifying auth, Green Channel Status will lapse and the name will be automatically removed from the compendium of approved GCS Firms without any further notice.
3. Changes, if any, in the following should be intimated to the Green Channel Status granting authority immediately on occurrence.
 - (a) Address
 - (b) Constitution of the manufacturer's Management System
 - (c) Major Machinery/ equipment
 - (d) Technology used for the items registered.
4. Changes in location/ premises of factory/ work will render the Green Channel Status as invalid.
5. The approving authority reserves the right to cancel this certificate at any time during the validity of the certificate.
6. To ensure that the Annual Certificate in accordance with para 8 of Annx-I (Application Form for Grant of Green Channel Status) is submitted by the manufacturer at the end of each financial yr to reach by 15 Apr.
7. To ensure that the Manufacturer submits a annual certificate to the effect that it has not been Black Listed by any Govt entity during the financial yr.

Appendix L

(Ref to Para 28 of SOP on GCS)

FIRMS LETTER HEAD

Reference No.

From

M/s

.....

To,
The Director General Quality Assurance
'H' Block Nirman Bhawan PO
New Delhi-110011

APPLICATION FOR RENEWAL OF GREEN CHANNEL STATUS

Dear Sir,

1. Kindly refer to our Green Channel Status Certificate No.....dt..... which is due to expire on
2. As per the conditions of Green Channel Status, we hereby apply renewal of Green Channel Status for our registration for a further period of 05(Five) years.
3. The renewal of Green Channel Status may be done for Items for which we are already granted Green Channel Status. We may also be assessed foradditional items as per details given in Annexure attached.
4. I / We also hereby declare that there is no change in plant and machinery and infrastructure against which the firm was originally registered.
5. Latest updated information in respect of our manufacturer along with related documents is attached at Annexure to this application.

Yours faithfully,

Signature of Authorised Representative

Name with seal

SEAL

Appendix M

(Ref to Para 33 of SOP on GCS)

COMPENDIUM OF GREEN CHANNEL STATUS FIRMS

..... Tech Dte

SECTION A**ALPHABETICAL LIST OF GREEN CHANNEL STATUS FIRMS**

Sl No.	Name and Address of Firms	GCS No.	Date	Product/Process	Production Capacity (MPC)	Validity with Month & Year
1	2	3	4	5	6	7

SECTION B**PRODUCT-WISE ALPHABETICAL LIST CROSS LINKED WITH SERIAL NUMBER****OF GREEN CHANNEL STATUS FIRMS LISTED IN SECTION A**

Sl. No.	Products	Serial Nos of Approved Firms listed in Section A

SECTION C**PROCESS-WISE ALPHABETICAL LIST CROSS LINKED WITH SERIAL NUMBER OF COMPENDIUM OF GREEN CHANNEL STATUS FIRMS LISTED IN SECTION A**

Sl. No.	Process	Serial Nos of Approved Firms listed in Section A

Notification No.

Notification Date

Period From.....To

AMENDMENT No()TO COMPENDIUM OF GREEN CHANNEL STATUS FIRMS

DISCIPLINE

EDITION

VOLUME

SECTION

.....

Details of Amendments

.....

ISSUED BY

.....

Controller
CQA ()

Place :

Date :

Appendix N

(Ref to Para 35 of SOP on GCS)

NORMS FOR PENALISING GCS FIRMS
(Referenced from Appendix 'J' of JSG:015:04-2018)
FOR CER WHERE THE FIRM IS AT FAULT

1. Banning/Suspending business dealing/Removal of Firms's name from the 'Compendium of GCS Firms' are governed by the Joint Services Guide on Assessment and Registration of Manufacturers for Defence, issued by the Ministry / Govt. In order to penalize the firms who have defaulted in supplying Store and Spares as per contract, the following norms are to be followed:-

(a)	CER cases, due to quantity reasons and not involving any financial irregularity / cheating, which are settled within 03 months of reporting of rejection to the manufacturer.	Warning to the firm.
(b)	CER cases due to quantity and quality reasons and not involving any financial irregularity / cheating, which are not settled.	Invoke the BG and removal from the 'Compendium of GCS Firms'.
(c)	Incase financial irregularity / cheating is involved.	<p>(i) Invoke the BG and removal from the 'Compendium of GCS Firms' for the item(s) in question.</p> <p>(ii) GCC to initiate the case & after the approval of DGQA the case to be sent to Dte of P&C (MoD) for Banning of Business dealing with the firm.</p>

2. The details of the firms removed from the compendium of account of 1(b) & 1(c) will also be circulated to all concerned for their information and necessary action.

Appendix O

(Ref to para 36 of SOP on GCS)

FLOW CHART**ACTIVITIES POST PLACEMENT OF SUPPLY ORDER ON GCS FIRM****PRECEDING EVENTS AT OPA / PO**

1. Floats RFP/TE to all Firms, including GCS Firms as per 'Compendium of GCS Firms' for the 'Listed Products'.
2. If the GCS Firm is selected and SO is placed on GCS Firm by OPA/PO under the GCP.
3. AHSP & Consignee are notified about the SO along with Delivery Schedule as per SAO 1/S/2010.

START**PRINCIPAL AHSP/AHSP**

1. Receives a copy of SO from OPA.

FIRM

1. Manufactures the store under its own QA.
2. Keeps copy of complete QA docus duly affixed with stamps, for Franking of I/Note.

CONSIGNEE

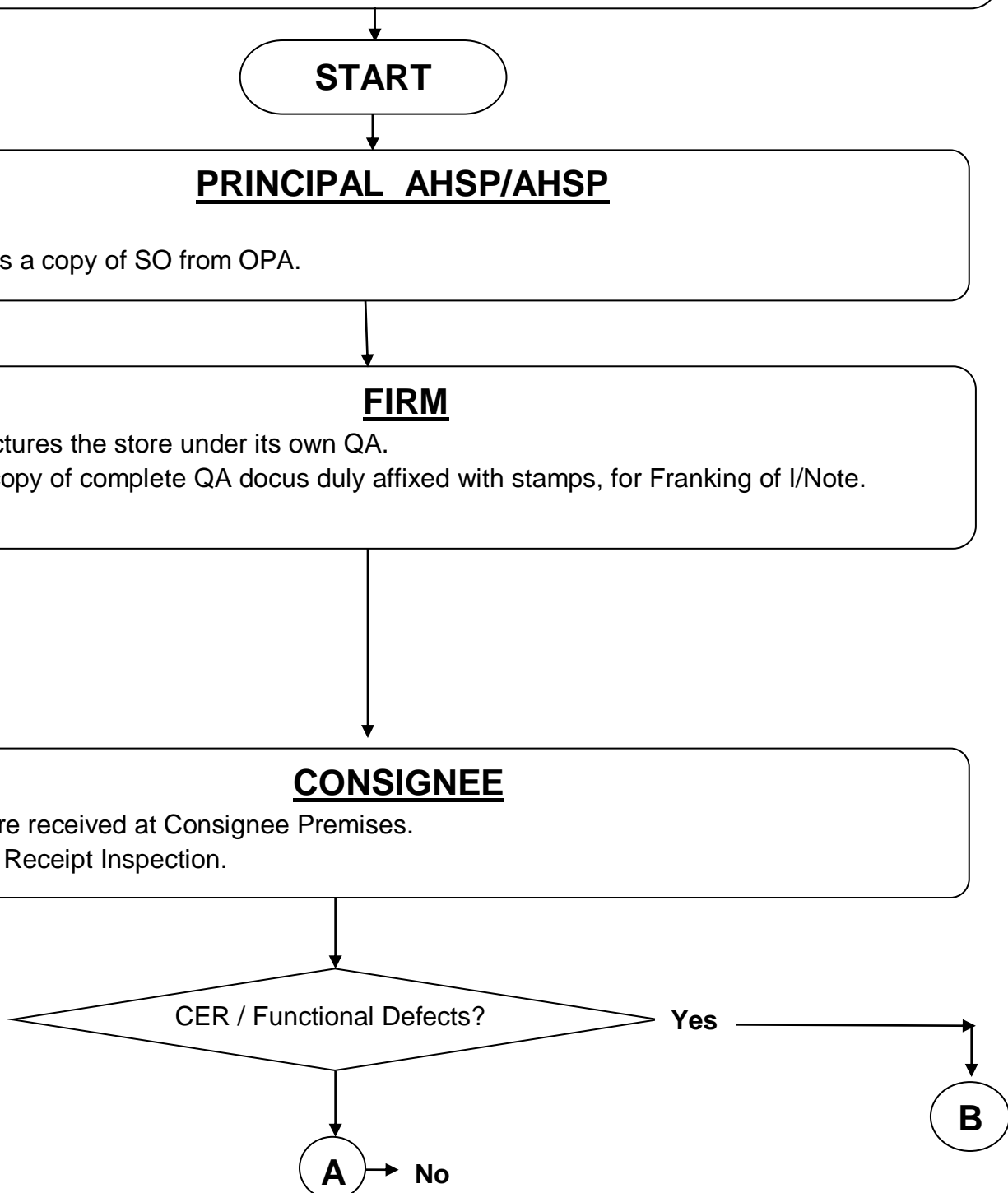
1. Stores are received at Consignee Premises.
2. Conduct Receipt Inspection.

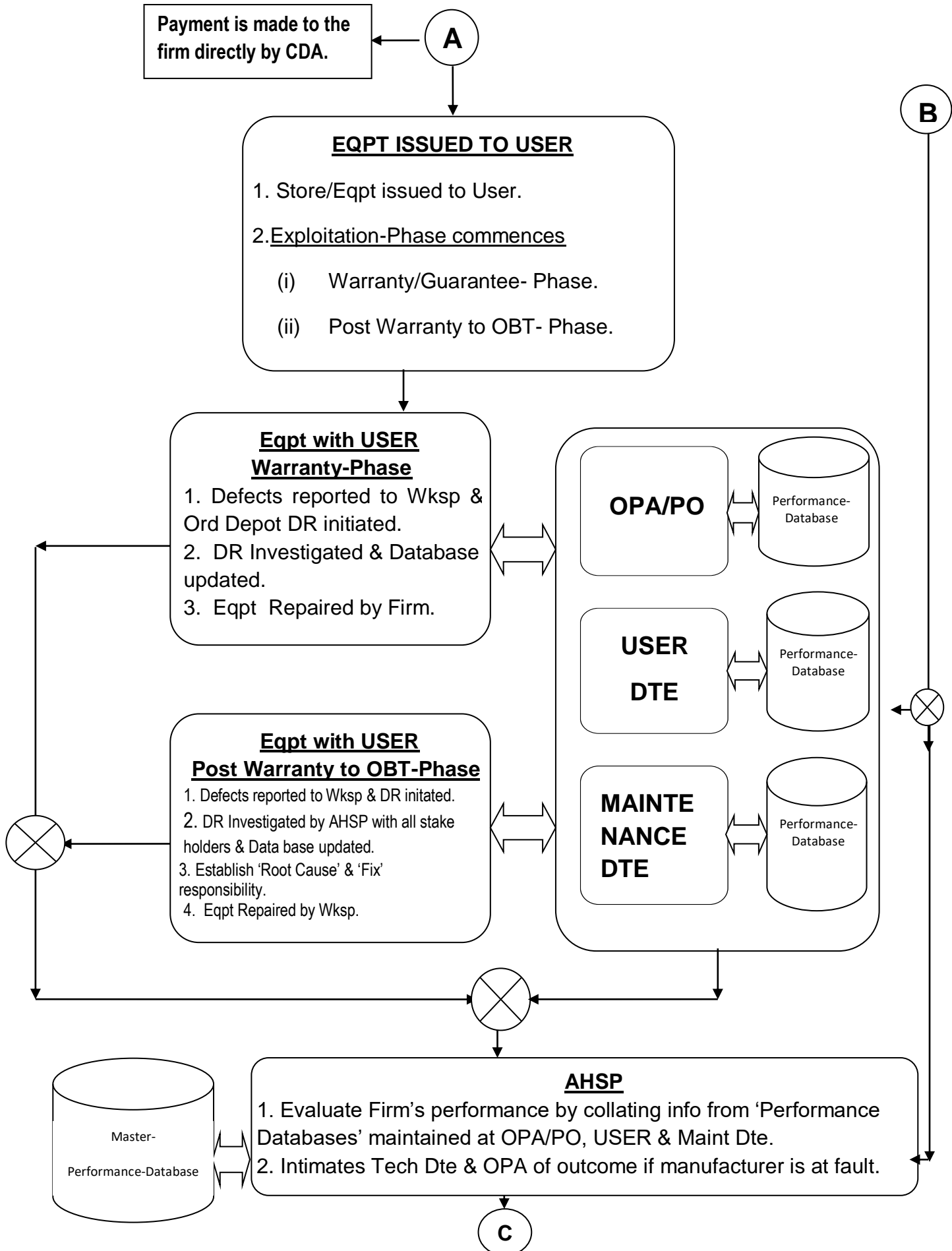
CER / Functional Defects?

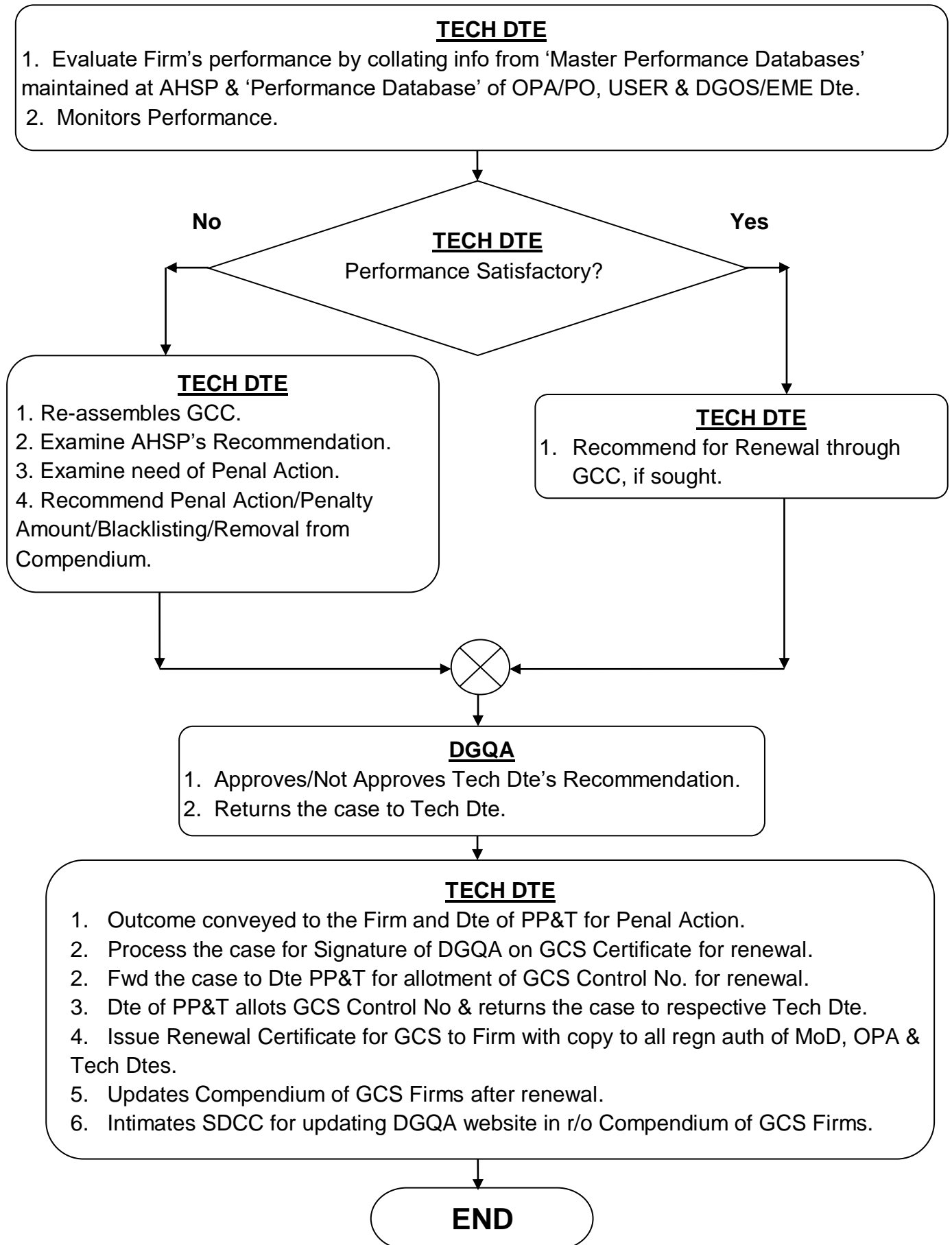
Yes

A

No

B





Appendix P

(Ref to para 24 (b) of SOP on GCS)

PERFORMANCE BANK GUARANTEE FORMAT

The President of India
 Through: Principal Controller of Defence Accounts
 Ministry of Defence,
 Govt of India
 G-Block, New Delhi-11

1. Whereas you have entered into a Contract No..... (herein after referred to as the said contract) with M/s(Name of the Firm with address)....., hereinafter referred to as seller for supply of(items for which GCC sought).... manufactured by the seller against various supply orders issued by MoD and the DGQA has approved Green Channel Status application for supply of(items for which GCC sought).....and whereas the seller has undertaken to produce a bank guarantee for Rs 50 Lakhs (Rupees Fifty Lakhs only) to secure its obligations to the President of India. We as the(Name of The Bank with address).....bank hereby expressly, irrevocably and unreservedly undertake and guarantee as principal obligors on behalf of the seller that, in the event that the President of India declares to us that the goods have not been supplied according to the contractual obligations under the afore mentioned contract, we will pay you, on demand and without demur, all and any sum up to a maximum of Rs 50 lakhs (Rupees Fifty Lakhs) only. Your written demand shall be conclusive evidence to us that such repayment is due under the terms of the said contract. We undertake to effect payment upon receipt of such written demand.
2. We shall not be discharged or released from this undertaking and guarantee by any arrangements variations made between you and the seller, indulgence to the seller by you, or by any alteration in the obligations of the seller or by any forbearance whether as to payment, time performance or otherwise.
3. In no case shall the amount of this guarantee be increased.
4. This guarantee shall remain valid for 63 months from the date of issue of this Bank guarantee and to be renewed further on expiry of its term.
5. Unless a demand or claim under this guarantee is made on us in writing on or before..... or unless this guarantee is extended by us, all your rights under this guarantee shall be forfeited and we shall be discharged from the liabilities hereunder.
6. This guarantee shall be continuing guarantee and shall not be discharged by and change in the constitution of bank or in the constitution of M/s.....(Name of firm).....
 Notwithstanding anything contained herein above:
 - (a) Our liability under this Bank Guarantee shall not exceed Rs 50,00,000/- (Rupees Fifty Lakhs Only)
 - (b) This bank Guarantee shall be valid upto..... and
 - (c) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before(date of expiry of guarantee).

Appendix Q

(Ref to Para 36 (A) of SOP on GCS)

Name of the Green Channel Status Firm

CONFORMANCE CERTIFICATE

The stores as per details given below have been inspected and it is confirmed that the same are released under the Green Channel Status Policy:-

- (a) Green Channel Status approval No and date
- (b) Nomenclature
- (c) Part No
- (c) Supply Order No & Date
- (d) Governing specification/Drawing
- (e) Lot/Batch No
- (f) Date of Manufacture
- (g) Quantity
- (h) Consignee

Complete Test Reports and Warranty certificate in respect of the above mentioned lots are enclosed herewith.

It is hereby certified that the stores offered above have been identified with the "Green Channel Status" mark.....and that the above mentioned stores have been manufactured as per the Quality System approved at the time of grant of Green Channel Status Certification and that they conform to the specification/requirements in all respects.

Seal

Name, Designation & Signature of the

Date:

authorized functionary of the Green Channel Status Firm