

Suggestions to increase participation by MSMEs:

With reference to the suggestions for the upcoming D&A policy of the Maharashtra Government we have the following suggestions to promote increase in participation of MSME in the above policy:

1. Duty free import of special steels and other Raw materials required for manufacturing of Defence and Aerospace Industry. As no Indian Steel manufacturers are producing the special steels needed for D&A application incentive to be given to existing and new industries to produce such steels.
2. Special Defence Equipment manufacturing Industrial Area Zone for such industries near major Armed forces Headquarters in Maharashtra for speedy interaction with the forces to understand and cater to their specific requirements.
3. Special R&D centers where MSME innovators can avail high end Design,machining and testing facilities for new inventions and upgrading existing technology presently being used by Defence and Aerospace Industry.
4. Fast track grant of Patents for new inventions in partnership with DRDO and ISRO by MSME Innovators.
5. 100% subsidy for New Units and Existing Industry entering into Defence and Aerospace field of Research and Development , Innovation and manufacturing of Defence Equipment. The subsidy to be in form of grant for industry to remain in operation for minimum 20 years.
6. Marketing for and Hand holding of SME Units in procurement of Defence Orders and their execution by providing soft loans from banks at reduced interest rates.
7. Special Steels warehouse to provide raw materials to Defence and Aerospace Industrial Units exempt from GST.
8. 20 years holiday for GST on sales to Armed Forces, MOD and export to foreign

countries.

9. As most Defence orders are taken by large Industries, 70% of procurement of parts to be from SME industries in Maharashtra and Buyers to provide all hand holding to SME for successful supply of components.

10. Large Industries for Defence and Aerospace Equipment to give advance payment to SME to procure Raw materials for execution of jobwork subcontracted out. Balance payment against inspection prior to delivery. No 45 days credit facility for defence procurement.

11. Single window for SME to avail all necessary permission for starting and running Units.

12. Refinance and revival to Sick Industrial Units supplying to Defence and Aerospace Industry and even those vendors of components for large defence equipment manufacturers. Presently MIDC does not recognise SME supplying components and sub assemblies to large scale Defence Equipment Units as defence equipment manufacturers.

13. Strict anti corruption policy with severe punishment of officers and staff of MIDC and other government establishments and Banking staff in the granting and promotion of SME Units for Defence and Aerospace. Presently there is rampant corruption in MIDC, DIC, GST and other MDC.

14. 100% subsidy for Defence Equipment manufacturing Industrial units for participation in domestic and international Defence Equipment Exhibitions.

15. Special courses in ITI for skilling of defence equipment manufacturing process.

16. Maharashtra Defence and Aerospace Manufacturers portal with directory of Units specifying their products for procurement by MOD.

17. Exemption from payment of Tender fees, EMD, Security Deposit, or Performance

guarantee holdback of payment part as is prevalent at present.

18. Ease of process and compliance for entering into JV with foreign Defence Equipment manufacturing Industry for import of raw material, special purpose machinery and technology to fulfill requirements of Armed Forces and MOD.

19. Protection against local goons and Unions that may cause disruption of production or harm to staff of Units.

20. Priority to award contract to Defence and Aerospace Manufacturers in non defence projects for survival as lead time for Defence Equipment contracts is long drawn out procedure.

21. Assistance to Defence and Aerospace Industry manufacturers in clearing compliances for registration with MOD and Armed Forces procurement agencies with providing of high cost R&D and inspection and testing facilities to reduce duplication of facilities.

22. If the implementing agencies of the Maharashtra Government fail to provide the subsidies, payments and facilities under the Defence and Aerospace policy within 30 days of fulfilling all compliances then the participant MSME will not be penalized for non-performance as happened in earlier Industrial Development policies.