

Subject: Guidelines for use of Government Test Facilities by Defence Industry

Government of India, under its 'Make in India' program, has given accelerated impetus to increasing defence production base in the country through private sector participation both for meeting the requirement of the Armed Forces and also for exporting to friendly foreign Countries. Defence stores/material require rigorous qualification testing and certification from government authorities for getting it accepted by the respective procurement authorities, which is mandatory before exploitation of the store on end platform.

2. Various industry and stakeholders interactions have been held in the Department to resolve the issues / concerns being faced by the industry while availing the Govt test facilities already made available to the private Industry to improve upon the existing system to make it more user-friendly for the overall development of Defence ecosystem. Based on the deliberations of the meetings and also to align the present procedures being followed regarding offering the Government test facilities to private Industry with the recent Governemnt initiatives like '**Policy on Indigenization of components & spares**' notified by the Government in March 2019 and "**Defence Exports Promotion scheme**" notified in Oct 2018, the following instructions are hereby issued for compliance by all the stake-holders: -

i. **Use of the test facilities for R & D purpose without the need for furnishing End - User Certificate:** Currently, in order to avail test facilities of the government agencies, a private entity is required to submit the End-User Certificate (EUC). However, private companies may require access to test facilities for their own R&D purpose, for development of an item for export purpose or indigenisation of item being imported. End-User Certificate shall not be insisted upon by the Govt agencies while offering the test facility in the following cases: -

(a) If test facility required by the applicant company for its own Research & Development purpose provided **the items / sub systems/material are meant for defence applications.**

(b) For initial validation of product, if an Indian company manufactures the product for export purpose. (subject to the conditions prescribed in the defence export promotion scheme)

(c) If a product is being developed in lieu of the imported product irrespective of its demand at that point of time.

ii. **Fixation of Insurance cost:** As per the extant procedure followed by different Govt agencies, if any damage occurs to equipment / property / personnel resulting from the testing of the job of private entity, the private entity is liable to bear the expenses of repair / replacement of the facility and all necessary insurance coverage for the job shall be the responsibility of the private entity. Such provision discourages the private company from availing the test facility. Therefore, Government agencies should carry out necessary amendments in their procedures so that insurance cost should also be included in the total cost of testing. Suitable methodology for calculating the insurance cost may be devised by respective agencies.

iii. **Transparency in declaration of test results:** Further, it has been brought out during various interactions with Industry that the firms should be allowed to witness the testing process, if they so desire. Accordingly, the security vetted firm's representatives may be allowed to witness the test result for the sake of transparency if they so desire. This will also help the firm to understand the testing procedures and processes and enable them to remove the deficiencies and short-comings in their process of manufacturing, if any.

iv. **Minimizing Delays:** It has come to notice that in certain cases private entities have to wait for a long period of time before the test facilities are made available to them. Testing facilities in various agencies should be viewed as national assets and be utilised optimally by the Government agency, contributing to reliance in defence production. Therefore, Government agencies should take appropriate measures to minimize the waiting time of tests for private sector. Further, items that are being sought to be indigenized by the Private Industry should be given high priority for testing and certification.

2. This issues with approval of Hon'ble Raksha Mantri.



(Chandandeep Singh)
Planning Officer (MS)
Tele/Fax No.: 2301 6619

To

Secy, Defence R&D

VCOAS

VCAS

VCNS

DG, DGQA

DG, DGAQA

DGOF & Chairman, OFB

CMD of all DPSUs
