

FICCI hails shortlisting for India's first "MAKE Programme - Tactical Communication Systems"

New Delhi, June 21, 2012: FICCI welcomes Ministry of Defence's impetus to indigenisation by finalizing two development partners for Tactical Communication Systems (TCS) - India's first "Make" program. Alongside, Bharat Electronics in the public sector, MoD has selected a Special Purpose Vehicle (SPV) Company formed by three private sector defence majors. Led by L&T, the SPV includes Tata Power SED and HCL Infosystems Limited. Among the few programmes currently classified in the "Make" category, TCS is the first one to have reached this stage of finalisation of development partners and also the first-ever programme where three major private sector companies have come together to form a consortium, under the leadership of one company, setting aside individual interests to synergize their capabilities, with a common goal of developing an Indian solution for this strategically important program. FICCI believes that this approach demonstrates the maturity of the Indian private Industries in the defence sector and their willingness to go the extra mile towards achieving self reliance in defence.

FICCI has been advocating that competition and merit-based selection in the defence sector will usher in new partnerships and business models which will help India's Defence Industry. Both DPSUs and the private industry, will thereby emerge stronger and become globally competitive. The "Make" programmes envisaged in the DPP, provide a new opportunity to build on the engineering & manufacturing capabilities as well as agility of private industry to complement the R&D base in the defence Sector. They would serve as catalysts in establishing India-specific, secure and customized solutions for our armed forces and contribute to national security while ensuring the much needed indigenous life-cycle support.

Dr Rajiv Kumar, Secretary General, FICCI said "This is a watershed event in the history of defence procurement. FICCI welcomes this step which is in line with the recommendations given of the Planning Commission to use 'Make' and 'Buy & Make (Indian)' categorisation for all flagship defence contracts with Indian companies as prime contractors. It is noteworthy that both public and private sector industry will be participating in this programme. Encouraging competition and collaboration in the domestic defence industry will go a long way in accomplishing the goal to drastically reduce imports and to create a robust, competitive, indigenous defence manufacturing base."

MEDIA DIVISION