**Press Statement**

**ACMA calls for removal of Propellant/Primer from Critical Technology list in Defense RFPs**

**New Delhi 6 March, 2018:** Automotive Component Manufacturers Association (ACMA), requested the Defense Ministry for Removal of Propellant/Primer from Critical Technology list in Request for Proposal (RFPs’) for imported ammunition released in the month of March 2017.

ACMA ‘ADR’ (Aviation Defense and Railways) Committee stressed upon the several key issues which remains unresolved and are contrary to the ‘Make in India’ initiative of the Government.

As per RFPs, regarding the procurement of (1) 23mm ammunition, (2) [30 MM HEI and HET ammunition](https://eprocure.gov.in/eprocure/app?component=%24DirectLink_0&page=FrontEndAdvancedSearchResult&service=direct&session=T&sp=Sv8PI2AFe6%2BjSd9NkVYo4%2BA%3D%3D) , (3) 30 MM VOG17 for AGL ammunition (4) [40MM MGL and UBGL ammunition](https://eprocure.gov.in/eprocure/app?component=%24DirectLink_0&page=FrontEndAdvancedSearchResult&service=direct&session=T&sp=SZNm8l%2BX7OKHUCOzpthrDwQ%3D%3D). The explosives required in (Primer and Propellant) are in few grams and comprises of 2 to 3 % cost of manufacturing which incidentally is not manufactured in India.

Speaking on the issue, **Mr Vinnie Mehta, Director General, ACMA** said, “The cost of setting up Primer & Propellant plant of size 1500 to 2000 MT is approx. Rs. 1000 crores. Hence, many Indian private manufacturers who wish to bid for these ammunitions, cannot set up a propellant plant, as it would be commercially unviable. It involves either losing the performance bank guarantee of several crores or buying the indigenized propellant at a high price dictated due to monopoly.”

Nevertheless, India is on a roadmap of getting the propellant technology through BMCS ammunition, the rational of forcing the other companies who wish to manufacture other ammunitions to get the propellant technology in India is completely avoidable.

We wish to urge the defense ministry to closely look at this issue and reconsider this specific section in the RFPs as removal of this aspect/clause would further boost the participation from Indian private players and support government’s ‘Make In India’ initiative.

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***About ACMA:*** *The Automotive Component Manufacturers Association of India (ACMA) is the apex body representing the interest of the Indian Auto Component Industry. Its active involvement in trade promotion, technology up-gradation, quality enhancement and collection & dissemination of information has made it a vital catalyst for this industry’s development. ACMA’s charter is to develop a globally competitive Indian auto component Industry and strengthen its role in national economic development as also promote business through international alliances. ACMA is an ISO 9001:2008 certified Association*

**For further details:**

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