**Joint Services Guide on Assessment and Registration of Suppliers for Defence**

**MINISTRY OF DEFENCE**

**JOINT SERVICES GUIDE**

**ON**

**ASSESSMENT AND REGISTRATION OF SUPPLIERS FOR DEFENCE**

**JSG : 015 : 03 - 2007**

**(SUPERSEDES JSG : 015 - 02 : 1995)**

**DIRECTORATE OF STANDARDISATION**

**DEPARTMENT OF DEFENCE PRODUCTION**

**MINISTRY OF DEFENCE, J – BLOCK, PO: NIRMAN BHAVAN**

**NEW DELHI - 11 00 11**

**PRICE Rs ........**

<table>
<thead>
<tr>
<th>S.NO</th>
<th>CONTENTS</th>
<th>Page No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FOREWORD</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>NECESSARY BACKGROUND REQUIRED FOR SUPPLIER ASSESSMENT</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>DEFINITIONS</td>
<td>3-4</td>
</tr>
<tr>
<td>4</td>
<td>COMPETENT AUTHORITY</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>STEPS FOR ASSESSMENT &amp; REGISTRATION OF FIRMS</td>
<td>6-8</td>
</tr>
<tr>
<td>6</td>
<td>PROCEDURE AND CHARGES FOR RENEWAL OF REGISTRATION</td>
<td>9-12</td>
</tr>
<tr>
<td>7</td>
<td>CATEGORIES OF REGISTRATION</td>
<td>13</td>
</tr>
<tr>
<td>8</td>
<td>ASSESSMENT FEE</td>
<td>14-16</td>
</tr>
<tr>
<td>9</td>
<td>TIME LIMIT FOR ASSESSMENT</td>
<td>17</td>
</tr>
<tr>
<td>10</td>
<td>MONITORING OF SUPPLIER PERFORMANCE</td>
<td>18-19</td>
</tr>
<tr>
<td>11</td>
<td>REMOVAL OF SUPPLIERS FROM COMPENDIUM OF REGISTERED SUPPLIERS</td>
<td>20</td>
</tr>
<tr>
<td>12</td>
<td>COMPENDIUM OF REGISTERED SUPPLIERS</td>
<td>21-22</td>
</tr>
<tr>
<td>13</td>
<td>SUSPENSION AND BANNING OF BUSINESS DEALING WITH SUPPLIERS</td>
<td>23</td>
</tr>
<tr>
<td>14</td>
<td>SELF CERTIFICATION</td>
<td>24</td>
</tr>
<tr>
<td>15</td>
<td>APPENDIX (A)</td>
<td>25</td>
</tr>
<tr>
<td>16</td>
<td>APPENDIX (B)</td>
<td>26</td>
</tr>
<tr>
<td>17</td>
<td>APPENDIX (C)</td>
<td>27</td>
</tr>
<tr>
<td>18</td>
<td>APPENDIX (D)</td>
<td>28</td>
</tr>
<tr>
<td>19</td>
<td>APPENDIX (E)</td>
<td>29</td>
</tr>
<tr>
<td>20</td>
<td>APPENDIX (F)</td>
<td>31-33</td>
</tr>
<tr>
<td>21</td>
<td>APPENDIX (G)</td>
<td>34</td>
</tr>
<tr>
<td>22</td>
<td>APPENDIX (H)</td>
<td>35</td>
</tr>
<tr>
<td>23</td>
<td>APPENDIX (I)</td>
<td>36</td>
</tr>
</tbody>
</table>
Introduction

1. Defence equipment and stores are subjected to a wide variety of end uses under varying operational and climatic conditions. Defence has special and critical requirements of storage, transportation, ease of maintenance/repair and ever changing personnel to operate and maintain the equipment. It is, therefore, essential that quality and reliability of products depend on the technical competence and capability of the Suppliers. Due to the special requirements of Defence, the task of Capacity Assessment and Registration of the Suppliers is more exacting than for common civil users. A vital step for assuring quality and product reliability is to lay down a systematic and institutionalised procedure for assessment of Suppliers for Defence stores and equipment. This task requires a high degree of professional competence of the assessment authorities for assessment in a comprehensive manner. It is important that Supplier assessment is carried out as per these guidelines for all Defence procurements.

2. Capacity assessment of a firm is necessary for the following purposes:-

   a. To select and register Suppliers/suppliers for development, indigenisation and bulk supply of specific products and to renew registrations periodically.

   b. To select and/or develop new design/technology for indigenisation and product improvement.

   c. To consider whether or not to continue placement of orders on Registered Suppliers.

3. This document gives general guidelines for carrying out Supplier assessment of new/potential Defence suppliers and grading them on their assessed capabilities for initial Registration and for its periodic renewal. The document further lays down guidelines for rating of Suppliers based on their recorded performance in respect of quality, delivery and experience including various aspects of post procurement services. With a view to effectively update the Defence Compendium of approved suppliers, this document also briefly covers the guidelines for monitoring of defence Suppliers and norms and procedure for removal of a firm’s name from compendium of Registered Suppliers and Suspension/Banning of business dealings with firms.
NECESSARY BACKGROUND REQUIRED FOR SUPPLIER ASSESSMENT

4. A through knowledge of the requirements of Quality Systems of Production and Services sector is necessary. In particular, technical expertise is required in the following areas to carry out Supplier assessment:

(a) **Quality of Design** – Material, Drawings, Performance reliability and Design evaluation reports.

(b) **Quality of production process** – Process documents, Machinery & Control limitation, Traceability.

(c) **Production Quality Control** – Systematic quality checks; Completeness, Adequacy & Documentation.

(d) **Quality of Suppliers & Suppliers’ Quality control of their sub-contractors.**

(e) **Quality of Material** – Incoming raw material properties, Systematic testing, Maintenance of records & treatment of rejected material.

(f) **Quality of End product** – Evaluation of end product quality, Systematic record, Treatment of unacceptable product.

5. For uniformity in Supplier assessment and rating, the Competent Authority, as given in para 7 or his authorised representative, will issue specific norms/ guidelines for products/technologies of their responsibility and the quality systems required. Related specifications & documents pertaining to JSG are:

   - IS-12040-1987 : Guidelines for Development of Supplier Rating System
   - DGQA guide on Self-Certification.
DEFINITIONS

6. (a) SUPPLIER ASSESSMENT APPLICATION FOR REGISTRATION FORM (SAAR).

The format containing information about the Name and address of Supplier, Nature of the Organisation, Details of manpower employed, Plant and Machinery, Quality Control facilities, Research and Development facilities, Nature of products, Monthly Production Capacity for their products, Financial status and items/stores for which registration is sought to be submitted by the firm.

(b) SUPPLIER GRADING.

Supplier grading is the classification allotted to Suppliers based on their Quality systems, documentation and their implementation, Plant and Machinery, Quality control facilities and production capacity as assessed.

(c) SUPPLIER RATING.

Supplier rating is the system of rating based on their actual performance item wise against each completed supply order in respect of quality of supplies, timely delivery of supplies and experience during a fixed period of time.

(d) COMPOSITE SUPPLIER RATING.

The Composite Supplier rating is the average of all rating for each item supplied by the Supplier over a period of preceding three years. This could be an index for assessing the overall quality of products and performance of a firm for procurement purposes and renewal of registration.

(e) SELF CERTIFICATION.

Self-Certification is the status awarded to a firm to certify, through their approved designated functionary for the products produced by them through an approved Quality system and supplied for Defence use.

(f) QUALITY POLICY.

It is the overall quality intentions and direction/commitment of an organisation/company as regards quality. as formally expressed by top management.

(g) QUALITY ASSURANCE.

All those planned and systematic actions necessary to provide adequate confidence that a product or service will satisfy when the quality requirements are given.
(h) **QUALITY SYSTEM.**

The Organisational structure, responsibilities, procedures, process and resources necessary for implementing quality management.

(i) **NON-CONFORMITY.**

It implies the non-fulfillment of specified requirements.

(k) **SPECIFICATION.**

It implies the document that prescribes the requirements with which the product or service has to conform.

(l) **TYPE APPROVAL/QUALIFICATION APPROVAL.**

Design, scrutiny and approval of a Product/Composition/Sub Assembly/Assembly/ Main Equipment from a National/International approved agencies for conformance to specific requirements/drawing/specifications.
COMPETENT AUTHORITIES

7. If Supplier assessment is required to be carried out by DGQA for their registration, the delegated competent authorities and their responsibilities would be as under. In respect of Ordnance Factory Board and other Defence Organisation, the delegated competent authorities shall be separately notified with the approval of Head of the organisation. Authorities so notified shall replace the corresponding authority of DGQA, mentioned in paras here after.

1. **Initial assessment/renewal and registration**

   (i) Initiation – QAE/ SQAE/AHSP/ Purchaser.
   (ii) Initiation of Renewal – Firm.
   (iii) Assessment & recommendations – SQAE with the assistance of AHSP.
   (iv) Accepting Authority – AHSP.

1. **Review and Appeal against Initial Registration – Technical Director**

(c) **Supplier Rating**

   1. Assessment – SQAO
   2. Recommendation & Confirmation – Controller

(d) **Removal of Suppliers from Compendium of Registered Suppliers on various grounds not involving fraud/malpractice.**

   1. Initiation – Controller and SQAO through Controller

      (ii) Recommendation – Technical Director. *

      (iii) Approving Authority- DGQA.

* In routine cases such as non-renewal of previous registration, firms closed down for any reason, Technical Director will be competent authority to order removal from compendium.

(e) **Re-instatement of firm in compendium of Registered Suppliers** – Technical Directors.
STEPS FOR ASSESSMENT & REGISTRATION OF FIRMS

8. Manufacturers preferably with three years of experience in the industry may be considered for Assessment and Registration. Assessment of Suppliers will be necessary for general registration of firms as Defence Suppliers and to take procurement action against tender enquiries. Whenever a Supplier approaches the nearest AHSP/SQAE, the Deptt shall give necessary technical guidance/assistance to the firm and supply the relevant application forms and related information to the Supplier irrespective of the discipline and type of stores for which the registration is sought by the firm.

Step No. 1

1. Suppliers can procure a copy of JSG from addresses given in the Forword

2. Study notes on assessment of Suppliers given in the JSG.

Step No. 2

1. Obtain a copy of Supplier Assessment Application Registration Form (SAAR) as per Appendix ‘A’ from nearest concerned Senior Quality Assurance Establishment (SQAE)/Quality Assurance Establishment (QAE) or any other authority as given in para 7 above. Alternatively, prepare copy of format given in JSG on computer or download the form from DGQA website (www.dgqadefence.gov.in)

(b) Fill up the form and submit to the concerned SQAE/QAE.

Step No.3

(a) After the acceptance of SAAR form by SQAE/QAE, a team will visit the Supplier to assess the details given in Supplier assessment application form and complete their Supplier Quality Survey Report (SQSR) as per Appendix ‘B’ of JSG.

(b) SQAE/QAE will prepare Supplier Assessment Report (SAR) as per Appendix ‘C’ of JSG and process the same with concerned competent authorities as given in para 7 above. Time period for processing is given in para 29.

Step No.4

1. Competent Authority will intimate acceptance or otherwise to the Supplier and also intimate concerned agencies including order placing authorities to include the Supplier in their Compendium of Registered Suppliers, after approval & issue of registration certificate.
*It is Supplier’s discretion to await tender enquiries based on action at (a) or intimate separately to all concerned about their registration.

9. **Flow Chart for Assessment and Registration of firms.**

![Flow Chart]

10. **Firms not eligible for registration.** Following categories of firms are not eligible for assessment.

    1. Traders/Dealers
    2. Sole Selling/authorised agents.
    3. Sick units as defined in the “Sick Industrial companies (Special Provision) act 1985” and which have been declared sick by the competent Central/state Govt authority.

11. **Value Addition Firms.** A product/item not manufactured by the supplier but taken for processing in a finished product, having higher value is said to be value addition. For other categories of firms who are not actual manufactures, the principle of ‘value addition’ will be applied to decide whether they can be assessed for Registration as Defence Suppliers e.g. fabricators of Ferrous/Non ferrous sheet metals and processors of grey cloth into finished fabrics may be considered as potential Suppliers meriting Registration since these involve value addition.

12. **Validity Period of Registration and Re-assessment for Renewal of Registration.** All firms on initial acceptance will remain registered for a period of **three years** unless and otherwise if removal from compendium of approved suppliers is processed as per para 36. For renewal, as far as possible concerned SQAE/AHSP will advise the firms to apply for renewal within six months before its expiry to Competent Authorities as per the format given in **Appendix “F”**. It is also mandatory for registered Supplier to apply for registration **atleast three months**
before the expiry of the registration certificate. Registration of firms will lapse who do not apply for renewal and their names will be removed from the compendium of registered suppliers and no requests/representation from the Suppliers will be entertained thereafter. Further, no show cause is required to be issued to the Suppliers in such cases. As and when the firms apply later, fresh assessment will be done as per procedure for initial registration and assessment fee will be charged from such firms.
PROCEDURE AND CHARGES FOR RENEWAL OF REGISTRATION

Essentially, the aforesaid procedure prescribed for initial registration will be followed for renewal also. The following guidelines may be followed regarding recovery of assessment fee and the requirement of a visit to the premises of the firm.

1. In case the firm has applied for renewal of registration for only those items/group of items/products for which it is already registered and it has satisfactorily supplied all these items/group of items/products during the past three years without any adverse feedback, the registration of the firm be renewed based on its satisfactory performance and Supplier rating. **The computation of SR/CSR for the last three years by the SQAO against supply orders of the same generic type of items executed shall decide the fitness of the Supplier for renewal of registration.** In such cases and where there are no changes in the infrastructure, no visit will be required. In case there are infrastructural changes, it is up to the discretion of the initiating/recommending authorities on whether a visit is necessary. In all such cases no assessment fee will be charged.

2. In cases other than (a) above, where the Supplier applies for additional items or has not supplied all the items or a specific group of items/product for which they were registered during the past three years or the performance of the firms is not satisfactory for any or all of the products, the firm will be asked to submit all the documents afresh and a re-verification visit will be carried out. In such cases assessment fee will also be charged except where additional items applied for do not involve new technology/design.

(c) Applications for general registration of additional items from existing Suppliers will NOT be entertained earlier than expiry of 6 months from date of last registration/visit.

**Flow Chart for Assessment of Supplier for renewal of**

```
<table>
<thead>
<tr>
<th>SUPPLIER</th>
<th>SOAE/OAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission of application</td>
<td>1. Scrutiny of RR &amp; AF.</td>
</tr>
<tr>
<td>for Renewal of Registration &amp; for</td>
<td>2. If changes noticed,</td>
</tr>
<tr>
<td>Additional items (RR &amp; AF)</td>
<td>visit of Assessment</td>
</tr>
<tr>
<td></td>
<td>team to Supplier's</td>
</tr>
<tr>
<td></td>
<td>factory/works.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AHSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Scrutiny of all documents.</td>
</tr>
<tr>
<td>(b) If accepted, renewal of</td>
</tr>
<tr>
<td>registration certificate/letter</td>
</tr>
<tr>
<td>for additional items to</td>
</tr>
</tbody>
</table>
```
14. **Validity of renewal.** All renewals of registration will be valid for a **period of 3 years** from date of validity of previous certificate expires. Renewal of registration, with or without a visit to the premises of the firm, will be done only once. Therefore, **after six years, renewal of registration will be done afresh after obtaining complete documents required for initial registration, assessment fee as applicable at that time and visiting the firm again.**

15. **Grace Period.** Where application for renewal has been made before the due date in terms of para 12 above and fresh registration certificate of renewal is delayed in processing, and then the previous registration will remain valid for a **period of three months from the date of expiry.** Such Suppliers will be deemed to be registered till the renewal action is completed.

16. **Scrutiny of Assessment Report.** To ensure timely materialisation of Defence Supplies of requisite quality, selection of technically capable and financially sound suppliers for defence is of paramount importance. It is, therefore, vital that the assessment report of the visiting team should be prepared with due care and scrutinised thoroughly at a higher level before recommendations are made to the Accepting Authority.

17. **Responsibility for carrying out Supplier Assessment.** Supplier Assessment of firms will be done strictly as per AHSP responsibility stipulated in **Army, Navy or Air force Orders issued from time to time.**

18. **Registration with one discipline of DGQA is valid for others.** For similar stores/process, registration of a Supplier with one discipline will be valid for all other disciplines and purchase Officers of Defence. However, in case of Supplier already registered with one discipline, applies for registration for additional items/new products or process to a different assessing/initiating authority, the procedure to be followed for registration will be as per the guidelines given in **Appendix ‘D’** to this guide.

19. **Special Circumstances.** The formal procedure for submitting all documents indicating details of technical infrastructure/facilities and the quality system may be modified by the approving authority or his authorised representative in **specific cases of renowned and outstanding firms** where it is desirable to keep such firms in compendium of registered suppliers. For example, in the case of TELCO, BHEL, etc, it may be difficult and irrelevant to compile and collect all details of installed machinery, personnel etc. However, in such cases the quality system of these firms for specific product(s), for which it is desired to register them, can be verified and recorded. Registration of such firms may be done after discussions between the Recommending Authority and suitable officials of the top-level management of the company and assessment of the quality control practices & quality of the product. Before registration, a written commitment will be obtained from the top management of the company to develop, indigenise and manufacture the stores in question as per Defence requirement.

20. Special situations may also arise where purchase agencies advertise tenders and non-registered firms offer competitive quotations. Invariably purchase agencies such as DGS&D, DGOS, and DGST etc. require Supplier assessment of such firms to be done within a **specific period generally within 30 days** during which the offers are valid. In such cases the purchase agencies will ask these firms to submit their details and documents as per requirement of **Appendix ‘K’** of this guide particularly highlighting their capability for the product offered to the concerned area SQAE by a fixed date. In case the documents are submitted by the firm before the given date, the concerned SQAE, without waiting for authorisation, should carry out the assessment of the firms for the relevant product/s. Assessment reports as per **Appendix ‘L’** will be forwarded to the concerned Recommending/Accepting Authority. In such cases, where there
may be limitations of time and contractual urgency, the accepting authority may scrutinize the details and recommendations of the area SQAE directly and intimate the purchasing agency regarding capacity/capability of such firms. However, such firms will not be included in the compendium of the approved suppliers unless the firm makes a specific request for registration and deposits the requisite fee prior to the assessment as indicated above. In this event, registration will be done only after the proper procedure is followed and formal recommendations are received by the Accepting Authority. In case if the firm does not desire to be registered and/or does not deposit the requisite fee for assessment, intimation of capacity/capability of the firm to purchase Officer will be valid only for that specific tender inquiry. In case the firm does not submit all the documents/details by the due date laid down by the purchaser or submits them later, the assessment will NOT be carried out and the matter will be referred to the purchaser. Further, the firm will not be entitled for similar assessment in future for similar product.

Flow Chart for Assessment of Supplier against Tender Enquiry

21. **Assessment of Financial Health**. While carrying out the Supplier Assessment, apart from verification of technical capability/capacity, it is also necessary to assess the financial soundness of the firms to invest and incur expenditure for initial development, raw materials and various other inputs required for execution of Defence Supplies as per the stipulated delivery. For this purpose, the audited Balance sheets and profit and loss statements of the firm for the previous three financial years will be obtained. From these documents, the assessment team will give factual position as under:

(a) Sales/Turnover in the last three years and average/year. For this purpose trading account will not be considered and only sales account given in the audited Balance Sheets will be included.

(b) Profit/losses during the past 3 years.

(c) Accumulated losses.

(d) Net Worth of the firm (Assets minus liabilities) The average turnover of the firm for the last three years will be taken as the monetary limit up to which order can be placed on the firm and this will be included in the assessment report. In case a firm is making losses it will not be assumed that it can not be considered for registration. Each case will be assessed and examined on its overall merits by the Recommending and Accepting Authorities.
22. **Action on Rejection for Registration.** In case it is not possible to register a Supplier due to deficiencies noticed during assessment, the details of the deficiencies noted will be intimated to the firm as an advice by the recommending authority indicating that the firm may apply for registration afresh within a prescribed time frame. Normally reassessment of such firms will be taken up only after six months and on payment of fresh assessment charges for initial registration. However, reassessment may be taken up earlier at the discretion of the accepting Authority for reasons to be recorded in writing depending on the nature of deficiencies noted earlier and merits of the case. To avoid the possibility of Suppliers for a particular item which may have been rejected for registration by one authority seeking to get registered through some other Authority dealing with similar items, it will be incumbent on the part of Suppliers to furnish all information regarding previous assessment results. For such serious acts of omission and commission by Supplier, the Supplier will not be considered for registration with Defence for a period of three years.
CATEGORIES OF REGISTRATION

In addition to grading, Suppliers will be assessed for categorisation depending on their infrastructure and capabilities for one or more type of activities like design, development & production. The firms will, therefore, also be categorized as under:

(a) **Design, Development & Production (DDP)**. Firms who have design capability and infrastructure for Research & development apart from manufacturing capability, covering all requirements of a quality system will be registered for all three capabilities and categorised “DDP”.

(b) **Development & Production (DP)**. Such firms will have capability for development and bulk manufacture only. Such firms will obviously not have infrastructure for design i.e. conversion of a concept into an engineering design. Accordingly these firms will be categorised as “DP”.

(c) **Production (P)**. All other firms 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”
ASSESSMENT FEE

For assessment, Assessment Fee as fixed by Govt. from time to time will be paid by potential Suppliers (including Govt./Semi Govt Undertakings and PSUs) prior to actual assessment being taken up. This fee is non-refundable. At present the fees are as under:-

1. **For Initial Registration.**
   
   (i) Large Scale Industries Rs.10,000/-
   
   (ii) Small Scale Industries Rs. 3000/-

1. Pharmaceutical Industries (irrespective of their category) Rs 5000/.

2. The assessment fee will also be recovered in the following contingencies.

   1. For additional items involving new Technology/Design at any stage after initial registration/renewal. In case of doubt the decision of AHSP regarding technology being new or otherwise will be final.
   
   2. Change of location/premises of factory/works of the firm involving fresh visit.

(3) **The assessment fee will NOT be charged in the following contingencies:**

   1. Renewal of registration request received before expiry of registration.
   
   2. Registration for additional item/s of similar technology/design for which firm is already registered.
   
   3. Change in status of firm i.e. from proprietary to partnership or private limited etc.

25. **Grading of Suppliers** : All Suppliers will be graded and registered according to their quality system, technical facilities available with them and their financial status. The grading will be awarded based on a system of allotment of marks by the assessment team deputed to verify the firm in their report viz. “Supplier Quality Survey Report (SQSR)” given at Appendix “B” to this guide as per details indicated below. Based on the marks obtained by the firms in the SQSR, the following grading will be awarded to Suppliers.

<table>
<thead>
<tr>
<th>Points</th>
<th>Grading</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) 80% and more marks</td>
<td>I</td>
<td>Fit for Registration.</td>
</tr>
<tr>
<td>(b) 60% to 80% marks</td>
<td>II</td>
<td>Fit for Registration &amp; advice to improve</td>
</tr>
</tbody>
</table>
26. **Marking system for Grading**: For the purpose of grading “Supplier Quality Survey Report (SQSR)” given at **Appendix “B”** will be used as a guideline. This SQSR has been framed in two parts as under:

(a) **Part-I.** This part has been formulated to assess the requirement of the Quality Management System as per attributes (clauses) of ISO 9001-2000. 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.

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

The SQSR given at **Appendix ‘B’** should be taken as a guide and AHSP of various disciplines may add or delete sub clauses to meet the requirements of assessing firms for stores/processes of their responsibility under the provisions of para 8 & 17.

Part-I and Part-II of SQSR at **Appendix ‘B’** each carry 200 marks. A suggested marking system for the sub clauses of the SQSR has been indicated against each. Evaluation norms for allotting marks have been given in Part-II of SQSR. Certain clauses/sub clauses may not be applicable to same types of Suppliers 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 SQSR will be worked out based on the total marks of the applicable elements of the quality system and the product specific aspects.

27. **Issue of Registration Certificate.** After Supplier Assessment and approval of recommendations to register a firm in the compendium of Registered Suppliers by the accepting Authority, a registration certificate as per specimen given at **Appendix ‘E’** attached will be issued by the Accepting Authority. Copies of the Registration Certificates will be endorsed to the following:-

1. The firm.
2. Concerned Area SQAE.

(c) AHSP to include firm’s name in the compendium and inform all concerned i.e. all disciplines of DGQA, principal purchase officers in Ministry of Defence/Services HQs (as applicable) and concerned sections of DGOS, DGST, DGAFMS, OFB/concerned Addl DGOF etc.

28. **Contents of Registration Certificate** In respect of items for which registration is accorded, the contents of the Registration Certificate should be prepared as per the following guidelines:-

1. A combination of similar technology/design and specific description of the stores/processes should be included.
2. The range of dimensions/weight/tolerance limits should be specified where applicable.
3. Specific technology may be mentioned.
In case of processes such as machining, casting, forging etc mention may be made of component/sub assemblies/assemblies (as examples) which the Supplier is capable of manufacturing.

- Where possible/necessary, specification/and/or drawings may be indicated
TIME LIMIT FOR ASSESSMENT

29. All essential elements of the procedure indicated above to verify the technical infrastructure and quality management systems of intending suppliers will always be followed during Supplier assessment. As far as possible, capacity assessment against requests for general registration will be completed **within 90 days** after the receipt of complete set of documents from the intending Suppliers. In case of Supplier assessment against tender enquiries where there is a need for contractual urgency, the assessment procedure will normally be completed **within 30 days**, but in no case this will exceed 45 days after submission of complete documents by the Supplier.
MONITORING OF SUPPLIER PERFORMANCE

30. For purpose of continuous monitoring the performance of a Supplier registered on the compendium of Registered Suppliers, a system of Supplier rating and its periodic review is necessary to forestall bad quality and/or irregular deliveries. This is also necessary to provide a systematic database to defence purchase agencies to assist them in their decision making for placement of orders.

31. **Supplier Rating.** All Suppliers will be given a Supplier rating expressed as a percentage score based on their actual performance against each completed supply order by the concerned SQAE/AHSP. Incomplete orders will not be Supplier rated. Development orders for Indigenisation/new items (placed for the first time only) will also not be Supplier rated. The Supplier rating will be based on the following:

   (a) **Quality Rating (QR).** The following attributes shall be considered:

   (i) The quality of supplies as per the contractual specifications shall play the dominant role.

   (ii) The number of rejections/modifications/improvements affected to the product to meet the laid down specifications.

   (iii) The quality systems adopted, superiority of the process involved and the Quality Control (QC) methods to achieve the end product.

   (iv) The effectiveness of the subcontractor policy in vogue to control the quality of inward goods from sub-contractors and the raw materials/bought out items and their traceability factors.

   (v) The overall effectiveness/independency of the QC Deptt and the quality management of the Suppliers.

   (vi) **Weightage of Quality rating will be 60.**

\[
QR = \sum \frac{[Kd \times Kr \times Na]}{Ni}
\]

Where,

\[Na = \text{Qty accepted in the I-note.}\]

\[Kd = \text{deviation coefficient applicable where quality audit & surveillance done by QA staff based on criticality of stores. The values of Kd will be 0.5 in case deviation is observed during process/product audit, QIN issued during Quality Audit & Surveillance. Kd will be 1.0 when the quantity is accepted without any deviation.}\]
**Kr** = Rectification coefficient. The value of Kr will be 0.5 for lots accepted after segregation/rectification and 1.0 for lots with no rectification/segregation.

**Ni** = Quantity offered for Inspection.

*Note*: $\sum$ indicates summation of QRs computed where supplies are in various lots.

**(b) Delivery Rating (DR)**: The following attributes shall be considered:

1. The timely supply of advance samples/prototypes for evaluation and subsequent timely delivery of supplies after accordance of the **BPC**. The delays caused by the purchaser are not to be considered in computation of **DR**.

(ii) The number of DD extensions sought by the firm and the validity of the reasons for such extensions.

(iii) The effectiveness planning/coordination of the firm to meet the stipulated delivery schedules especially when imported items/raw materials are involved.

(iv) **Weightage for delivery rating is 30.**

Delivery rating (DR) for a lot or consignment depends upon the quantity supplied within the stipulated delivery time for the full consignment. The delivery rating may, therefore, be obtained by the following formula:

$$DR = \frac{Q1}{Q} \times \frac{T}{T \times p + 1.5 \times T1 \times q}$$

Where,

- **Q** = Quantity promised to be supplied with in the stipulated delivery time.
- **Q1** = Actual quantity supplied within the stipulated delivery time.
- **T** = Promised delivery time for the full consignment.
- **T1** = Actual delivery time for the full consignment (The delivery time should be taken from the date of offering acceptable stores by the Supplier).

$$p = \frac{Q1}{Q}$$

$$q = 1 - p.$$  

**(c) Experience Rating (ER)**. The following factors will be considered while computing the Experience rating.

**PROMPTNESS**
REMOVAL OF SUPPLIERS FROM COMPENDIUM OF REGISTERED SUPPLIERS

Removal of Suppliers from the Compendium of Registered Suppliers may be ordered by DGQA on the following grounds:-

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

(b) If a firm no longer has the technical staff or equipment considered necessary;

(c) If a firm fails to furnish income tax clearance certificate as required under the rules;

(d) If a firm is declared bankrupt or insolvent or its financial position has become unsound, and in case of limited company, it is wound up or taken into liquidation;

(e) If Composite Supplier rating computed by the AHSP or SQAO is below 60% against a specific store;

(f) CER cases where the firm is at fault in supplying substandard stores (Appx ‘M’).

In the above said contingencies when brought to the notice of the Registration Authority, a show cause notice will be issued to the firm with the approval of the competent authority concerned, about the action proposed & grounds therefor. 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 registration of the firm and removal from the list of Registered Suppliers. Orders regarding removal for reasons mentioned at (c) & (d) above shall apply for all items for which the firm is registered. However, in case of reason (a) and (b) orders regarding removal may be made applicable in respect of one or more items as may be relevant. Once removed from the compendium, the name of the firm may not be restored on the compendium unless it satisfies the registration requirements to the satisfaction of the Accepting Authority. After taking due corrective measures / after expiry of the period of removal from compendium, as the case may be, the firm will make a request to the competent authority to review its case accordingly.
37. In the compendium of Registered Suppliers, comprehensive gradation of the firm will be indicated viz classification of the Supplier as an industry (Large or Small Scale and category as per para 23 and grading as per para 25 above). For example a Large Scale Industry has Design, Development & Production capability and Supplier grading as Grade I will be stated as LS-DDP-Grade I in the compendium as well as Registration Certificate.

38. Compendiums of registered suppliers of each discipline/AHSP will be prepared in two volumes as per details given below:-

(a) **Volume I.** This will be prepared to indicate/details of registered sources of supply for all end stores/equipment and ancillaries. This volume will be in three parts as under:-

(i) **Section A.** Firm-wise alphabetical list of registered Suppliers qualifying for tender enquiries covering their entire range of stores, equipment, spares tools, other accessories/sub-assemblies and processes for which the Supplier is registered. Specific details of types, ranges, tolerances and limits for each item will be given.

(ii) **Section B.** Product/item-wise directory of registered firms with cross-reference to firms covered under Section A.

(iii) **Section C.** Engineering process-wise directory of registered firms with cross reference to firms covered under Section A.

(b) **Volume II** Compendium of registered sources of supply for specific items after Qualification/Type approval, as Original Equipment (OE) supplier, items cleared for rate contracts and sources for indigenised spares. Qualification approval is a status given to a manufacturer in recognition of their capability to produce an item conforming to the requirements of the stipulated and relevant paper particulars, standards and specifications. Type approval is given to a manufacturer in recognition of their capability to produce an equipment/stores that meets all design specifications and test requirements including type tests, fitment and performance tests under varying climatic/terrain conditions as laid down by the approval authority.

39. **Layout of compendiums:** The details of the layout of compendiums are given at Appendix ‘H’ to this guide. These layouts will be followed and complete gradation of Suppliers described in para 25 above along with month and year of registration/renewal will invariably be indicated in Section A.

40. **Updating of compendiums:** The compendiums will be updated through notifications by the issuing authorities once in every quarter i.e.. April, July, October and January for amendments processed during the preceding quarter. The notifications will be issued as per specimen at Appendix ‘J’ to this guide. The details that may be included in the notification are as under:-
1. Addition of new sources of supply.
2. Deletion of Suppliers already registered with reasons.
3. Approval of new sources/products against Qualification/Type Approval, indigenisation and rate contract items.
4. Revision of grading or other important details given in existing edition of the compendium.

Fresh updated compendiums will be issued at least once in three years. Copies of compendium of Registered Suppliers as and when issued will also be endorsed to all Technical Directors 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 as per para above will also be given to all concerned.
SUSPENSION AND BANNING OF BUSINESS DEALING WITH SUPPLIERS

42. For serious acts of omission and commission, action may be taken for Suspension/Banning of business dealings with defaulting Suppliers as per Govt. orders issued from time to time.
SELF CERTIFICATION

Self Certification status can be accorded to approved defence suppliers who have a comprehensive Quality System to meet quality objectives and demonstrate an ability to consistently achieve a high performance/Supplier rating in respect of supplies made by them. Quality Assurance Authorities at various levels should constantly monitor the performance of their respective Suppliers and advise them on the benefits of self-certification. Deserving firms meeting the requirements to supply quality stores to defence as per the Self Certification Guide should be motivated to seek assessment for obtaining self-certification status. Self-certification has a number of advantages for the seller and purchaser (Govt). There is a need to vigorously implement the scheme for according self-certification status to maximum number of defence suppliers of proven ability.
APPENDIX ‘A’
(Refers to Step No. 2 (a) of para 8)
SUPPLIER ASSESSMENT APPLICATION FOR REGISTRATION
(To be filled and submitted by Supplier)

Note:  (a) This information will be treated as ‘Confidential’.
(b) Supplier will sign all the pages of application and enclosures along with the stamp.
(c) All enclosures will be serially numbered and linked with relevant paras.

Part-I

ADMINISTRATIVE INFORMATION

1. Name of the Supplier

2. Addresses
   (a) Regd Office
       Pin
       Phone No
       STD Code
       Mobile No
       Fax
       Telegraphic Address
       E-Mail
   (b) Factory/Works
       (Manufacturing unit)
       Pin
       Phone No
       STD Code
       Mobile No
       Fax
       Telegraphic Address
       E-Mail
   (c) Local Branch (if any)
       Pin
       Phone No
       Fax
       STD Code &
APPENDIX ‘B’

(Refers to Step No. 3 (a) of para 8)

PART –I

QUALITY MANAGEMENT SYSTEM : REQUIREMENTS

Total Marks - 200

1.0  Quality Management System  
6

1.1 General Requirements

1.1.1 Whether the organisation has established, documented, implemented, maintained and continually improves a quality management system in accordance with the requirements of ISO 9001-2000? 2

1.1.2 Whether the organisation has identified the processes needed for the quality management system, determined the sequence and interaction of these processes, criteria and methods required to ensure the effective operation and control of these processes, ensures the availability of information necessary to support the operation and monitoring of these processes, measures, monitors and analyses these processes and implements action necessary to achieve planned results and continual improvement. 4

2.0  Management Responsibility

2.1 Management Commitment: Whether the top management is committed to the development of the quality management system. 6

2.2 Customer Focus: Whether the Top management ensures that customer needs and expectations are determined considering obligations related to product including regulatory and legal requirements, converted into requirements and fulfilled with the aim of achieving customer satisfaction. 6

2.3 Quality Policy: Has the top management defined its Quality policy? Is it appropriate to the purpose of the organisation, committed to meeting requirements of customers and to continual improvement, provides a framework for establishing and reviewing quality objectives, communicated and understood at appropriate levels in the organisation, reviewed for continuing suitability and controlled? &
APPENDIX ‘C’
(Refer to Step No. 3 (b) of para 8)

PART I - SUPPLIER ASSESSMENT REPORT

1. Composition of the assessment team
   
   1.1 Team leader
   Name & Designation
   
   1.2 Member(s)
   Name & Designation:
   1.
   2.

2. Name of the firm

3. Address

   3.1 Registered office:
   Tel No.
   Fax:
   Grams:
   e-mail:

   3.2 Factory/ Works
   Tel No.
   Fax:
   Grams:
   e-mail:

4. Item/ Eqpt for which Supplier assessment carried out.

   4.1 Nomenclature

   4.2 Specification/ Drawing No

   4.3 Cat Part No.

5. Date(s) of Assessment

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

   6.1 Producing quality goods conforming to Specn/Drg.

   6.2 Inspection/ testing

   6.3 Adhering to delivery schedule

   6.4 Financial capacity

   6.5 Providing literature for AHSP work

7. Comment on management/Labour relation:

8. &am
APPENDIX ‘D’
(Refers to para 18)

PROCEDURE FOR SUPPLIER REGISTRATION
OF MULTI DISCIPLINE FIRMS

AHSP responsibility for all Army & common User’s items or generic group of stores have been laid down in DGQA Standing Orders-2001 and in SAO 7/S/80. Firm will approach the Principal AHSP (as per SAO 7/S/80)/Principal SQAE for Supplier registration with documents as specified in the JSG.

2. Technical Document will be in two Parts:-

   Part I:- Containing all relevant documents common for the purpose regarding infrastructure, Financial documents, license etc required for the purpose.
   Part-II:- Containing product specific infrastructure with corresponding product list AHSP wise, for assessment of items pertaining to each AHSP separately.

3. AHSP having maximum items for consideration of Registration will be considered as Principal AHSP and all other AsHSP as agent AHSP.

4. Principal AHSP will appoint a team for Capacity Assessment of the Firm which will be constituted as under: -

   (a) Team Leader - from Principal AHSP/SQAE.
   (b) One Representative from each agent AHSP to be nominated by corresponding AHSP.
   (c) One Member Secretary from Principal AHSP/SQAE.

5. After satisfactory scrutiny of the documents, the above team will visit the firm on date fixed and assess the items corresponding to their discipline and seek queries/clarification directly from the firm’s rep designated for the purpose. Firm’s rep for coordination of Capacity Assessment process should be fixed in advance by Team Leader so that he is available full time with the Assessment Team on the date of visit.

6. All members of team will prepare their product specific recommendations separately and get them approved from their respective AHSP.

7. Principal AHSP will issue one Registration Certificate to the firm by grouping all the items AHSP wise.

8. In case the firm is already registered with a Principal AHSP and applies for additional items of some other discipline which are not pertaining to the Principal AHSP, then the firm will initially inform the Principal AHSP/SQAE who had issued the original certificate. The Principal SQAE will contact the concerned SQAE (agent SQAE) for the additional items for which the registration is now being sought. The agent SQAE will arrange the visit and process the case as per the laid down procedure and forward their recommendations to their AHSP (agent AHSP). After scrutiny the agent AHSP will issue the Registration Certificate (RC) to the Principal AHSP who will then keep this RC for record purposes and include the additional items as an annexure in the main RC issued by them.
APPENDIX ‘E’

(Refers to Para 27)

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DIRECTORATE GENERAL OF QUALITY ASSURANCE

CONTROLLERATE OF QUALITY ASSURANCE (CQA)

REGISTRATION CERTIFICATE

This is to certify that M/s ______________________ after verification of their capacity/ capability are registered vide registration No. ___________________ dated _______________ and are found capable of manufacturing of the following items for Defence.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Nomenclature and details of the store (s)</th>
<th>MPC</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(attach a separate sheet as Annexure if required)

No. of items for which registered: ______________________only
Monetary limit : ______________________
Grading of the Supplier : ______________________
This Certificate is valid upto : ______________________

This Certificate is issued subject to conditions indicated overleaf

Controller
CQA(_______)
Date:________

Approving Authority on behalf of DGQA
Ministry of Defence

NOO...
CDB Control Number.
Conditions of Registration

1. Please apply for renewal of registration on the prescribed form **at least 90 days before expiry of this certificate.**

2. In case no application for renewal is received on the prescribed form (which is available with AHSP or the nearest SQAO) as stated above, your registration will lapse and the name of your firm will be automatically removed from the compendium of approved suppliers without any further notice.

3. Changes, if any, in address or constitution of the firm, major machinery/ equipment or technology used for the items registered should be intimated to the Registration Authority and concerned AHSP/ SQAO immediately on occurrence. Changes in location/premises of the factory/works will render this registration as invalid.

4. The Approving Authority reserves the right to cancel this Registration certificate at any time during the validity of the Certificate.
APPENDIX ‘F’

(Refers to para 12)

Reference No:_________________                        Date: …………..

From

M/s __________________________
____________________________
____________________________

To

Concerned AHSP or SQAE

SUBJECT: APPLICATION FOR RENEWAL OF REGISTRATION AS REGISTERED SUPPLIER TO DEFENCE

Dear Sir,

1. Kindly refer to our Registration Certificate No._________________ dated_________________ which is due to expire on_________________

2. As per the conditions of registration, we hereby apply for renewal of our registration for a further period of 3 years.

3. The renewal of registration may be done for__________items for which we are already registered.

   We may also be assessed for _____________ additional items as per details given in Annexure attached.

4. Latest updated information in respect of our firm alongwith related documents is attached at Annexure to this application

   Yours faithfully,

Signature of Authorised Signatory/
Representative of firm along with seal.
Annexure to Appendix ‘F’

Annexure to Application for Renewal of Registration/Registration for Additional Items
Registered Supplier for Defence
(Information given in this Annexure will be CONFIDENTIAL)

Part I - GENERAL INFORMATION

1. Name of Firm : __________________________________________

2. Office Address : __________________________________________

   __________________________________________

   Telephone No:_________________ E Mail____________________________
   (with STD Code)

   Grams:________________________ Fax:_______________________________

3. Factory Address: __________________________________________

   __________________________________________

   Telephone No: __________________ E Mail: __________________________

   Grams:________________________ Fax : ____________________________

4. (a) Is there any change in address from last registration. Yes/No

   (b) If Yes, give reasons for change

   (Attach relevant documents of ownership or rent receipts).

5. Changes if any in the management or constitution of the firm.(If so, give details and attach relevant documents)

6. Changes if any, in the numbers and qualifications/experience of permanent personnel employed for production and quality control/testing. If so, attach details separately for each.

7. Changes, if any, in the availability of covered accommodation and open area available including, bond rooms and inspection facilities.
8. Changes, if any, in the financial state of the firm including availability of bank finance.

9. Following documents are attached:
   (a) Certified copies of latest audited
APPENDIX ‘G’
(Refers to para 35)

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DIRECTORATE GENERAL OF QUALITY ASSURANCE

CONTROLLERATE OF QUALITY ASSURANCE (___________)
CERTIFICATE OF RENEWAL OF REGISTRATION

Reference
No.____________________

Registration Certificate No._________________ Dated___________________

Valid upto____________________

The registration accorded to M/ s_______________________ vide registration certificate mentioned above for manufacture / supply of the following items to defence is hereby renewed for a further period of three years.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Nomenclature and details of the store / stores</th>
<th>MPC</th>
<th>Monetary limit</th>
<th>Specifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Attach separate sheet as Annexure if required)

No. of items for which registration is renewed:_________ items.

No of Additional item for which Supplier is registered ________

This certificate of renewal of registration is valid upto__________. Conditions of renewal of registration will be the same as per the original Registration Certificate.

Controller
CQA (__________)
Date

Approving Authority
on behalf of DGQA
Ministry of Defence
APPENDIX ‘H’

(Refers to para 39)

VOLUME I

COMPENDIUM OF REGISTERED SUPPLIERS

SECTION ‘A’ - ALPHABETICAL LIST OF REGISTERED SUPPLIERS

<table>
<thead>
<tr>
<th>S No</th>
<th>Name and Address of Firm</th>
<th>Regn No.</th>
<th>Date</th>
<th>Product/Processes</th>
<th>Full Grading with Month &amp; Year</th>
<th>Production Capacity (MPC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>

SECTION ‘B’ - PRODUCT-WISE ALPHABETICAL LIST CROSS LINKED WITH SERIAL NUMBER OF REGISTERED SUPPLIERS LISTED IN SECTION “A”

S. No. Products Serial Nos of Approved Suppliers listed in Section “A”

SECTION ‘C’ - PROCESS-WISE ALPHABETICAL LIST CROSS LINKED WITH SERIAL NUMBERS OF REGISTERED SUPPLIERS LISTED IN SECTION “A”

Sr No Process Serial Nos of Approved Suppliers listed in Section “A”

VOLUME II

COMPENDIUM OF REGISTERED SUPPLIERS

SECTION ‘A’ - DISCIPLINE

<table>
<thead>
<tr>
<th>S No</th>
<th>Name &amp; Address Of Firms</th>
<th>Item Approval No.</th>
<th>Date</th>
<th>Qualification/Type Approval</th>
<th>Items under R/C</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
</tbody>
</table>
**APPENDIX ‘J’**

(Refers to para 40)

Notification No.

**Notification Date**

Period - From ___________________ To ___________________

AMENDMENTS No. TO COMPENDIUM OF REGISTERED SUPPLIERS

**DISCIPLINE**

**EDITION**

- 

**VOLUME**

**SECTION**

____________________________________________________________________________

**Details of Amendments**

- 

____________________________________________________________________________

**ISSUED BY**

________________________

Controller CQA ( )

Place :

Date : 