



India International Supply Chain - 2025



Growth Through Partnership

Supply Chain Disruptions : The global supply chain has become an indispensable backbone for industries worldwide, facilitating the efficient flow of goods, services, and raw materials. Yet, supply chain disruptions in 2024 brought this intricate system to a critical juncture, exposing vulnerabilities in supply chain management and emphasizing the urgent need for improvements

USA Election and Trump Tariffs : The lead-up to the 2024 US presidential election brought uncertainty to global trade as discussions around the reinforcement of tariffs.

Supply Chain Challenges : The final quarter of 2024 brought heightened supply chain challenges as industries prepared for peak holiday demand. Logistics bottlenecks, coupled with heightened political instability and environmental factors, created so many issues in the supply chain. Rising shipping costs, labor shortages, and delays at critical ports added to the issues that businesses are already grappling with.

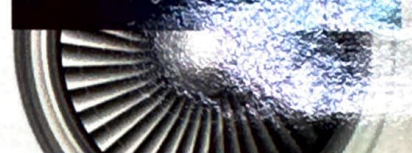
2024 Supply Chain
Priorities, Challenges,
and Trends

Operation Sindoor: A triumph of *Atmanirbhar* in India's excellence

In a bold display of strategy, skill, and self-reliance, Operation Sindoor has emerged as a landmark mission showcasing the deep
proficiency of India's defense capabilities - achieved entirely by indigenous technology



Modern Supply Chain
Technology to Address
Real Challenges in 2025



Society of Indian Aerospace Technologies and Industries

Some Policy Bottlenecks in Import of Steel/ Steel Alloys used in Manufacturing of Components both for Export and Domestic Use



Vedant Karwa

Director Operations, Sanauto Engineers (India) Pvt Ltd

Aerospace manufacturing industry in India is currently at the right path of growth and has a huge potential to support global supply chain. However, from the past 4 years, the industry has been facing hurdles from the Customs Department to import raw material in India. As per the Quality Order notification from Ministry of Steel there is a mandatory requirement to furnish a BIS Certificate for all Raw material manufacturers exporting to India.

Most of the raw material manufactures (outside India) who are already maintaining highest international quality standards and various additional approvals by aerospace customers have not yet taken BIS Certificate. Reason for not taking BIS by raw material mills outside India is due to annual quantity being very less and not feasible for low volumes.

It is mandated by all global customers / OEMs in the aerospace industry that the raw material (steel and alloy steels as per customer specification) must be purchased from approved Mills (Aerospace sector). These mills are currently located outside India.

Therefore, all the domestic manufacturers of end products must import 100% material from approved suppliers due to proven track record of stringent quality and safety requirements.

Although it is understood that the Steel Quality Order to reduce import dependence is majorly to stop import of cheap raw material from China and safeguard domestic steel mills. Ministry of steel must understand that the aerospace industry thrives on value addition of the end-product and imports majorly from European or USA mills which are very expensive and low in annual volumes. This does not hurt domestic steel mills in any way.

For example, Sanaerospace / Sanauto Engineers India Pvt. Ltd., leading manufacturer of aerospace gears for Actuation, Landing Gears and Avionics for many Aircraft Programs such as Airbus – A320, A380, A330, A340, A350, Superjet, Boeing 777, 787 have been affected by this notification to import steel and make end products. In fact, the company has taken Advanced license from DGFT to get clearance of the raw material imported against its export orders. Mr. Vedant Karwa, Director Operations states, this is a cumbersome process as the license must be renewed after every few months due to new raw material requirements for new projects/business won. In case of supplies for its orders meant for Indian Aerospace customers such as Tata Advanced System, they are stuck as the license does not cover domestic supplies.

It is to be noted that, even if the manufacturers buy from aerospace raw material distributors located in SEZ zones, the same hurdles of BIS Certification are present as the raw material must be custom cleared to supply anywhere in India.

Although recently some Indian Mills have started developing aerospace grades, they however, lack approvals from OEMs and cannot cater to demand of the whole Indian Aerospace Industry. Other big mills

do not find it feasible to get approvals as it does not make economical business sense due to very small annual quantities spread across various grades and the amount of time it takes for OEM approvals. It is to be noted that it will be a win for the supply chain if the Indian mills are fully approved as it will not only reduce costs but also, lead time and inventory carrying costs for end-product manufacturers.

Suggestion to Ministry of Steel – All raw material manufacturers have AS9100 / EN9100 certification

which is mandatory to supply in this industry. During import of material this certificate can be presented to Indian Customs Department which will ensure that the material is only meant for aerospace industry. Hence, the clearance can be given without BIS certificate.

If the above is not resolved, Indian aerospace manufacturers will lose out big business coming to India which will further affect nation's export and forex reserves.

