

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:411
ANSWERED ON:11.07.2014
REVAMP OF DRDO AND DEFENCE PSUS
Panda Shri Baijayant "Jay"

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to revamp the Defence Research and Development Organization (DRDO) and other Defence Public Sector Undertakings (PSUs) in order to make them capable for developing advanced weapon systems without much time and cost overruns;
- (b) if so, the details thereof along with the steps taken by the Government on the recommendations of Dr. P. Rama Rao Committee to make DRDO more effective in defence production;
- (c) whether certain modernization projects of DRDO have been affected due to delay in decision making;
- (d) if so, the details thereof; and
- (e) the steps taken / proposed to be taken by the Government to make DRDO and other Defence PSUs more resourceful and effective in defence production?

Answer

MINISTER OF DEFENCE (SHRI ARUN JAITLEY)

(a) & (b): A Committee headed by Dr. P. Rama Rao was constituted by the Government for reviewing the functioning of Defence Research and Development Organisation (DRDO).

The Organisation has implemented the following recommendations of the Committee within its powers:

- (i) Nomination of Nodal Officers for structured interaction between DRDO and Services.
- (ii) Introduction of Integrated Financial Advice (IFA) Scheme for financial decentralization.
- (iii) Appointment of a dedicated Chief Controller for Human Resources (HR).
- (iv) Creation of Seven Technology Domain based Clusters headed by Director's General, Restructuring of DRDO HQrs, Creation of Directorate of Systems Analysis and Modeling (SAM) and Directorate of Quality, Reliability and Safety (QR&S).
- (v) Efforts have also been made to increase budget for Extramural Research as recommended by the Committee.

Note has been initiated by DRDO for approval of the Cabinet for:

- (i) Creation of empowered Defence Technology Commission (DTC).
- (ii) Creation of a Commercial Arm of DRDO.
- (iii) Renaming of Director General, DRDO as Chairman, DRDO.
- (iv) Creation of 5 Senior Administrative Grade (SAG) posts alongwith 162 other posts for full scale implementation of IFA Scheme.

At present, there is no proposal to revamp the Defence Public Sector Undertakings (DPSUs) to make them capable for developing advance weapons systems. The DPSUs have a strategy for strengthening their capabilities for producing and supplying various Weapon Systems and Platforms required by Defence Forces within the agreed timeframe. Some of the DPSUs have also collaborated with DRDO and other R&D institutions in this regard. With the objective of achieving self-reliance in defence production, the Ordnance Factories and DPSUs have been continuously modernizing and upgrading their capabilities and widening their product range.

(c) No, Madam.

(d) In view of (c) above, Question does not arise.

(e) Adequate resources have been made available by the government to DRDO for carrying out research and development works. Government continuously monitors the capacity utilization of DPSUs and emphasis is given for augmentation and modernization of their capacities to meet the growing demand of the Armed Forces.