

22

**STANDING COMMITTEE ON DEFENCE
(2020-21)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2021-22)

**ORDNANCE FACTORIES, DEFENCE RESEARCH AND DEVELOPMENT
ORGANISATION, DIRECTORATE GENERAL OF QUALITY ASSURANCE
AND NATIONAL CADET CORPS**

(DEMAND NOS. 19 AND 20)

TWENTY SECOND REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2021 / Phalguna , 1942 (Saka)

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**ORDNANCE FACTORIES, DEFENCE RESEARCH AND DEVELOPMENT
ORGANISATION, DIRECTORATE GENERAL OF QUALITY ASSURANCE AND
NATIONAL CADET CORPS**

(DEMAND NO. 20)

Presented to Lok Sabha on 16.03.2021

Laid in Rajya Sabha on 16.03.2021



LOK SABHA SECRETARIAT

NEW DELHI

March, 2021 / Phalguna , 1942 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2020-21)

SHRI JUAL ORAM

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CHAIRPERSON

Lok Sabha

2. Shri Deepak (Dev) Adhikari
3. Kunwar Danish Ali
4. Shri Ajay Bhatt
5. Shri Devusinh Jesingbhai Chauhan
6. Shri Nitesh Ganga Deb
7. Shri Rahul Gandhi
8. Shri Annasaheb Shankar Jolle
9. Choudhary Mehboob Ali Kaiser
10. Prof. (Dr.) Ram Shankar Katheria
11. Smt. (Dr.) Rajashree Mallick
12. Dr. T.R. Paarivendhar
13. Shri Kapil Moreshwar Patil
14. Shri Anumula Revanth Reddy
15. Shri Jugal Kishore Sharma
16. Dr. Shrikant Eknath Shinde
17. Shri Prathap Simha
18. Shri Brijendra Singh
19. Shri Mahabali Singh
20. Shri Kotagiri Sridhar
21. Shri Durga Das Uikey

Rajya Sabha

22. Dr. Ashok Bajpai
23. Shri Prem Chand Gupta
24. Shri Sharad Pawar
25. Shri V. Lakshmikantha Rao
26. Shri Sanjay Raut
27. Shri Rajeev Satav
28. Dr. Abhishek Manu Singhvi
29. Shri Kamakhya Prasad Tasa
30. Dr. Sudhanshu Trivedi
31. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

- | | | | |
|---|---------------------|---|-----------------------------|
| 1 | Smt. Kalpana Sharma | - | Additional Secretary |
| 2 | Dr. Sanjeev Sharma | - | Director |
| 3 | Shri Rahul Singh | - | Deputy Secretary |
| 4 | Shri Rajesh Kumar | - | Assistant Committee Officer |

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2020-21), having been authorised by the Committee, present this Twenty-Second Report (Seventeenth Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Ordnance Factories, Defence Research and Development Organisation, Directorate General of Quality Assurance and National Cadet Corps (Demand Nos. 19 and 20)'.

2. The Demands for Grants of the Ministry of Defence were laid on 13 February, 2021 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 17, 18 and 19 February, 2021. The draft Report was considered by the Committee at their Sittings held on 9 and 15 March, 2021 and was adopted at the Sitting held on 15 March, 2021.

3. The Committee wish to express their thanks to the officers of the Ministry of Defence and representatives of the Services/Organisations for appearing before the Committee and furnishing the material and information which the Committee desired in connection with examination of the Demands for Grants.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold letters in Part II of the Report.

New Delhi
15 March, 2020
24 Phalguna, 1942(Saka)

JUAL ORAM
Chairperson
Standing Committee on Defence

REPORT

CHAPTER I

ORDNANCE FACTORIES

The Committee took note of the fact that Ordnance Factories are an integrated base for indigenous production of Defence equipment and ammunition and form the backbone of the country's Defence production. Defence production is a highly specialized sector, full of complexities and challenges where products have to be safe, reliable, consistent and capable of operating under varying terrains as well as climates and in extreme conditions. Accordingly, the technologies applied, which cover a wide spectrum of engineering, metallurgy, chemical, textile, leather, optical technologies etc. have to ensure high quality and productivity, apart from meeting the primary objective of self-reliance. Ordnance Factories also fulfill certain requirements of Paramilitary and Police Forces for arms, ammunition, clothing and equipment. Ordnance Factories endeavour to enhance their capacity utilization not only by securing orders from the Defence forces but also through sustained efforts in diversification to non-Defence customers and exports. However, priority of the Ordnance Factories is to supply quality arms, ammunition and equipments to Armed Forces.

They produce a wide range of arms and ammunitions for the Infantry, Armoured Corps, Artillery, Air Defence Artillery and Engineer Corps of the Army. Ordnance Factories produce ammunition for Navy and Air Force and have taken up indigenous development of Naval armaments. The factories produce military transport vehicles, infantry combat vehicles, armoured vehicles, optical and opto-electronic instruments, summer and winter uniforms, parachutes, miscellaneous leather goods and general stores. To summarize the role of Ordnance Factory Board include to provide a dedicated manufacturing base for military hardware, indigenization and Transfer of Technology(ToT) absorption, maintenance of 'War Reserve' capacity and 'Life Cycle' support to arms and ammunition supplied etc.

The Ordnance Factories Organization is a blend of old and State-Of-The-Art factories, with the first Ordnance Factory established in 1801 at Cossipore, near Kolkata, and two new ordnance factories are coming up at Nalanda in Bihar and Korwa in UP. At present Ordnance Factories manage 41 manufacturing units and 32 other establishments. Ordnance Factories have been continuously upgrading their infrastructure, with induction of state-of-art technologies to meet futuristic requirements of users.

BUDGETARY PROVISIONS

1.1 The details of the budgetary provisions of last five years of Ordnance Factory are as under:

(Rs. in Crore)

2016-17	Budget Estimates (BE) (Projection)	Budget Estimates (BE) (Allocation)	Revised Estimates (RE) (Allocation)	Actual Expenditure
Total Revenue Expenditure	17,749.59	17,582.69	17,441.11	16,403.34
Total Receipts/Recoveries	16244.01	16365.07	16008.67	15476.82
2017-18				
Total Revenue Expenditure	19699.01	19212.99	14792.74	14562.83
Total Receipts/Recoveries	18496.84	18028.72	14716.20	14709.41
2018-19				
Total Revenue Expenditure	19236.00	15644.12	14856.00	13689.92
Total Receipts/Recoveries	18046.84	14916.84	14383.18	13370.66
2019-20				
Total Revenue Expenditure	17050.38	15653.09	14295.35	12610.84
Total Receipts/Recoveries	15602.50	15602.51	14099.52	9766.33
2020-21				
Total Revenue Expenditure	15687.00	15477.53	12166.50	-
Total Receipts/Recoveries	14790.93	14790.93	12159.76	-
2021-22				
Total Revenue Expenditure	14406.00	13657.11	-	-
Total Receipts/Recoveries	13543.23	13543.23	-	-

1.2 On the allocation of funds to various Ordnance Factories and the methodology being adopted for distribution of funds, the Ministry intimated the Committee as under:-

'Funds are allocated for expenditure under various accounting heads to each Ordnance Factory under Ordnance Factory Board. Following basis is adopted for allocation of funds to factories:

- (i) Target of production and supplies
- (ii) Projections of factories
- (iii) Past trends and statutory obligations
- (iv) Planned investment on modernization

Following methodology is adopted for distribution of fund:

- (i) Pay and Allowances and related expenditure based on manpower strength and production activities.
- (ii) Stores based on material estimates for the target of production, inventory status, committed liabilities and carry forwards liabilities.
- (iii) Other expenditure based on past trend, statutory obligation, production target as well as changed requirement time to time.
- (iv) Expenditure on Investment on Modernization based on planned requirement.

ORDER BOOK POSITION

1.3 On the issue of Order Book position in the Ordnance Factories for the next five years, the Ministry of Defence apprised the Committee as under:-

"OFB receives Order in the form of Five Years Roll on Indent from Army for Ammunition items to meet their war wastages as well as annual training requirement. In case of Armoured Vehicles, other stores and spares, fixed quantity indents are received from time to time. Considering all such indents, Order Book position as on 30.09.2020 was Rs. 51,939 Crore for the next five years for supply of Ammunition, Weapons, Troops Comfort items and Armoured Vehicles.

However, year wise targets for all items are finalized by the services during annual target fixation meetings based on availability of budget with services, priority of the requirements and capacity of OFB. All the equipment including ammunition are supplied to Army as per mutually agreed annual targets. The supplies of items in order book are ultimately supplied as per annual targets, which may be less than the total order book.

The present annual capacity of OFB for supply of equipment to the three services is to the tune of ₹17,000 Crs (including GST) subject to availability of adequate orders. Wide product range of OFB can broadly be categorised as Ammunition & Explosives, Armoured Vehicles, Weapons, Equipment items and spares. The existing order book is skewed and Ordnance Factories manufacturing Large Calibre Ammunition, Pinaka Rockets, Small Arms and Small Arms Ammunition are sub-optimally loaded”.

Value of production (in crore)

2014-15	11300
2015-16	13527
2016-17	15396
2017-18	16449
2018-19	15087
2019-20	13203
2020-21	7916

1.4 On the issue of products developed by Ordnance Factories and total value of products supplied to the three services, the Ministry in its written reply stated as under:

Value in Crores

Year	2017-18	2018-19	2019-20
Army	11,874	9,028	6,431
Navy	287	351	305
Air Force	658	635	501
Total	12,819	10,014	7,237

BUDGET FOR MODERNISATION

1.5 The Committee enquired about the details of the steps have been/are being taken to modernise Ordnance Factories across the country through introduction of state-of-the-art technologies, the Ministry in its written reply stated as under:

“Modernization in Ordnance Factories is a continuous process. To keep pace with the contemporary manufacturing technologies, OFB prepares a modernization plan for technological up-gradation as well as capacity enhancements. Modernisation plan in respect of capital investments are broadly divided in following categories:

- i) Renewal and Replacement (RR) of Plant & Machinery (P&M) which are beyond economical repairs
- ii) Acquisition of P&M under capacity creation/ Augmentation under New Capital

iii) Development of Civil Works infrastructure.

Details of outlay provided and spent by Ordnance Factories during the last five years:

Year wise outlay provided vis-a-vis expenditure by Ordnance Factories under modernisation [Renewal & Replacement (RR), New Capital (NC) P&M, Capital Civil works] from 2015-16 to 2019-20 is as follows:

(Rs. in Crores)

FY	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Outlay Provided	1073.00	1154.28	1263.58	1025.00	1252.50	5768.36
Expenditure	1034.45	1158.23	1226.27	980.40	1178.75	5578.10

- A. The following projects have been completed in the past 5 years:
- (i) Creation of capacity of T-90 Tanks 100 Nos. per annum at Heavy Vehicles Factory (HVF), Engine Factory Avadi (EFA), Opto Electronics Factory (OLF), and Ordnance Factory Medak (OFMK).
 - (ii) Creation of facilities for production of Pinaka Rocket @1000 nos P. A. at Ordnance Factory Ambajhari (OFAJ), Ordnance Factory Kanpur (OFC), and Ordnance Factory Medak (OFMK)
 - (iii) Augmentation of capacity for manufacturing of Mine Protected Vehicle (MPV) for 300 Nos. per annum at Vehicle Factory Jabalpur (VFJ).
 - (iv) Augmentation of Spares for T-72 & T-90 tanks at Heavy Vehicles Factory (HVF), Engine Factory Avadi (EFA).
 - (v) HMX Plant at Ordnance Factory Bhandara (OFBA)
 - (vi) NG Plant at Ordnance Factory Itarsi (OFI)
 - (vii) T- 72 Variants at Heavy Vehicles Factory (HVF).

B. Details of on-going projects (08 Nos.) of OFB is as per **Annexure-I:**

Annexure-I

S. No.	Project	Factory Involved	Current status of completion
1.	Augmentation of T-90 Tanks (100-140)	HVF, EFA, OLF, MPF	98% Civil Works(CW) has been completed and 95% Plant & Machinery (P&M) have been installed.Likely date of completion is November, 2021.
2.	Ammonium Perchlorate	HEF	P&M have been installed.Likely date of completion is March, 2021.
3.	Akash Booster& Sustainer	OFI	90% Civil Works has been completed and P&M installation is under progress.Likely date of completion is May, 2021.
4.	Pinaka@ 5000/annum	OFCH, OFI, OFAJ, MSF, HAPP, OFBH, OFC, MPF, OFDR	Civil Works has been completed and P&M installation is under progress.Likely date of physical completion is May, 2021.
5.	LCW	FGK, MSF, OFC, GCF	90% Civil Works has been completed and P&M installation is under progress.Likely date of physical completion is May, 2021.
6.	O F Nalanda	OFN	70% Civil Works has been completed and P&M installation is under progress.Likely date of completion is March, 2022.
7.	AMK-339 (Mango)	OFK, HAPP, OFBA	90% Civil Works has been completed and P&M installation is under progress.Likely date of completion is November, 2021.
8.	O F Korwa*	OFPKR	90% Civil Works has been completed and P&M installation is under progress.

C. Further, following new projects have been planned and approved by the Ministry in 2019-20:

- (i) Demilitarization Plant for Medium to High Calibre Ammunition (30 mm to 155 mm) at Ordnance Factory Badmal (OFBL) having sanctioned cost of Rs. 51.92 Crore.
- (ii) Demilitarisation Plant for small arms and ammunition at Ordnance Factory Varangoan (OFV) having sanctioned of cost: Rs. 45.68 Crore”.

CORPORATISATION OF THE ORDNANCE FACTORY BOARD

1.6 On being asked whether Government is proposing any change in administrative set/function of Ordnance Factories, the Ministry in its written reply submitted:

“With a view to address constraints in the existing system to take care of various issues raised by the users in respect of quality, timely delivery, cost etc and with the goal to help OFB grow to the next level of turnover, exports and self-reliance, the Government has decided to convert Ordnance Factory Board, into one or more than one 100% Government owned corporate entity (ies). Various Expert Committees set up in the past, such as TK Nair Committee (2000), Kelkar Committee (2005), Raman Puri Committee, (2015) and Shekatkar Committee (2016), have given recommendations to corporatize OFB. This move is expected to improve autonomy, accountability, and efficiency in Ordnance supplies.

An Empowered Group of Ministers (EGoM) under the Chairmanship of Hon’ble Raksha Mantri has been constituted with a view to oversee and guide the entire process of corporatization, including transition support and re-deployment plan of employees while safeguarding their wages and retirement benefits. EGoM has the following Terms of Reference:

- a) Conversion of Ordnance Factory Board into a single Defence Public Sector Undertaking (DPSU) or as multiple DPSUs.
- b) Transfer of non-production entities like Training Institutes, or Controllerates of Safety to the proposed entity/entities.
- c) Matters related to various categories of employees (Group A, B and C) including protection of their salary and pension of existing employees, number of employees to be transferred to the proposed entity/entities; terms of their transfer/ absorption; responsibility of pension liability of pre-2004 employees, etc.
- d) Grandfathering of orders already being executed by OFB and for which facilities have been created in OFB to ensure continuity in supply of strategic arms and ammunitions.

- e) Financial support that may be provided to the entity/entities to make them economically viable and self-reliant for purposes like working capital, modernization of equipment, settlement of employees' dues etc.
- f) Treatment for land assets of OFB.
- g) Future of Indian Ordnance Factories Health Service.
- h) Any other related matter, as required.

The Department has appointed a Consultant to suggest Organizational structural changes and business continuity plan for the new entity (ies) to continue on a sustainable basis. The study by the Consultant is presently in progress.

1.7 On being asked by the Committee regarding re-structuring of Ordnance Factories and whether budget for re-structuring is being provided for Ministry of Defence or it is arranged from internal resources, the Ministry has stated in their written reply as under:

“With a view to improve autonomy, accountability and efficiency in ordnance supplies, the Government has decided to convert OFB, presently a subordinate office of Department of Defence Production into a 100% Government owned Public Sector Unit”.

1.8 During oral evidence, a representative of Department of Defence Production (Ministry of Defence), also apprised the Committee on the issue as under:—

‘सर, ऑर्डिनेंस फैक्टरी बोर्ड को आगे एक ग्रोइंग आर्गनाइजेशन के तौर पर उनके टर्न ओवर, उनके एक्सपोर्ट्स और डिजाइन एंड डेवलपमेंट में जो कमियां देखी गई हैं, उनको मैच करने के लिए, उनको एक ऑटोनोमस, एफिशिएंट और एकाउण्टेबल आर्गनाइजेशन बनाने के लिए सरकार ने यह निर्णय लिया है कि ऑर्डिनेंस फैक्टरीज को एक **100** प्रतिशत गवर्नमेंट-ओन्ड कॉरपोरेट एंटीटी के तौर पर परिवर्तित किया जाएगा। इस संबंध में निर्णय के उपरांत एक एम्पावर्ड ग्रुप ऑफ मिनिस्टर्स माननीय रक्षा मंत्री जी अध्यक्षता में गठित किया गया है। उसके टर्म्स ऑफ रेफरेंस में पूरी रूप रेखा तैयार करने का कार्य वर्तमान में चल रहा है। इसके लिए कंसल्टेंट को भी नियुक्त किया गया है, ताकि वेरिलेवेंट इनपुट और फीडबैक ले सकें। उसके आधार पर ऑर्डिनेंस फैक्टरीज को एक बहुत ही एफिशिएंट, एकाउण्टेबल और ऑटोनोमस आर्गनाइजेशन के रूप में परिवर्तित किए जाने की व्यवस्था की जा रही है। “ताकि वेरिलेवेंट इनपुट और फीडबैक ले सकें। उसके आधार पर ऑर्डिनेंस फैक्टरीज को एक बहुत ही एफिशिएंट, एकाउण्टेबल और ऑटोनोमस आर्गनाइजेशन के रूप में परिवर्तित किए जाने की व्यवस्था की जा रही है।”

On this issue, a representative of Ministry of Defence has stated as under:

आपने बिल्कुल सही पॉइंट कहा है। अभी तक ऑर्डिनेंस फैक्ट्रीज कस्टमर्स यानी आर्म्ड फोर्सज और सिविलियन फोर्सज की तरफ से जो डिमाण्ड आती थी, उन्हीं को केटर करती थी, जबकि इन सब चीजों की पूरी दुनिया में एक बहुत बड़ी डिमाण्ड है। इनके पास तो सरकार के पैसे से सारी फैक्ट्रियां हैं, एसेट्स हैं, मशीनें हैं, स्किल्डमैन पावर है, सब कुछ है तो ये लोग मेहनत करें, कोशिश करें और बाहर से भी ऑर्डर लेकर आएं तथा पूरी दुनिया से ऑर्डर लेकर आएं, सिर्फ आर्म्डफोर्सज के ऑर्डर के ऊपर ही जो फैक्ट्री चलती है, उस पर इनकी निर्भरता कम हो। आने वाले समय में ये ज्यादा प्रोडक्शन करें तो अपने आप कॉस्ट कम हो जाएगी। उस दिशा में इनको आगे बढ़ने के लिए, इन्फेक्ट सौ प्रतिशत गवर्नमेंट ओन्ड एंटीटी बनाने के पीछे एक भावना यह भी है कि ट्रांसपेरेंट, एफिशिएंट, अकाउंटेबल फंक्शनिंग होगी और इनको ऑटोनोमी मिलेगी। आज ये सरकारी डिपार्टमेंट के तौर पर काम करते हैं। इन्हें जीएफआर से लेकर सारे नीति - नियमों का पालन करना पड़ता है, जब कि कॉर्पोरेट होकर ये अपने ऑटोनोमस तरीके से फंक्शनिंग को आगे बढ़ा सकते हैं।

MANPOWER

1.9 The Committee learn that the authorised and existing strength of manpower in all Ordnance Factories both technical and non-technical for the last five years and steps by Ordnance Factory Board to overcome the shortage, the Ministry in a written note furnished to the Committee stated as under:

“Government has decided sanctioned and operational strength for Ordnance Factories. Sanctioned strength of Ordnance Factories is intended towards catering to peak load requirements of Indian Armed Forces while existing strength is maintained for meeting the current load of the Armed Forces on annual basis. The flexibility is required to help Indian Ordnance Factories to augment the manpower at a very short notice in times of exigency and to cater the workload fluctuations from time to time.

The authorized strength and existing strength of OFB for last five years is as under:

	Authorised (Sanctioned) Strength	Existing Strength April 2017	Existing Strength April 2018	Existing Strength April 2019	Existing Strength January 2020	Existing Strength January 2021
Technical	1,23,142	72,739	71,051	68,481	66,717	64,662
Non -Technical	22,361	15,067	14,418	13,756	13,055	12,577
Total	1,45,503	87,806	85,469	82,237	79,772	77199

Considering the declaration of items as Non-Core and decline of orders from Indian Army, very limited recruitment of the vacant posts has been carried out, in recent years. Further, in view of the initiation of OFB corporatization process, fresh recruitment as such are not being undertaken now.

However, still the Supervisory staff strength is much more in comparison with any good performing manufacturing unit. This results in higher product price due to more overheads.

Over a period of time the value of issue (Vol) has reduced drastically from around Rs.17000 Crore in 2016-17 to Rs.10, 600 crore in 2019-20, whereas the overall strength of employees has not been reduced to that extent. This indicates that the productivity per employee is declining.

1.10 Further, in this regard, challenges faced by Ordnance Factory Board, Ministry submitted as under:

“Per employee productivity is declining, making less efficient production”.

1.11 During the oral evidence, the Secretary, OFB also submitted as under:

“सर, मैं बताना चाहूंगा कि हमारी जो स्ट्रेंथ कम हो रही है और उसके साथ जो हमारी न सिर्फ मात्रा बढ़ाने की बात है, बल्कि नए अपग्रेडेड प्रोडक्ट्स, टेक्नोलॉजी के द्वारा निर्मित प्रोडक्ट्स की जरूरत है। उसमें हमने अपनी कुछ लाइन्स को ऑटोमेटेड बनाया है। मैं एक एग्जाम्पल देना चाहूंगा कि जो 84 एमएम एम्युनिशन है, जो ऑर्डिनेंस फैक्टरी, खमरिया में बनती है, उसकी पूरी लाइन ऑटोमेटेड है। अब हमारा ध्यान इस पर है कि चीजों में जो ह्यूमनइंटर फेस है, उसे कम करें। हमारी कुछ फैक्टरियां इसमें बहुत आगे हैं, जैसे ऑर्डिनेंस फैक्टरी, अम्बाझारी, वहां पर सारे इंडस्ट्रिमेंट्स ब्लूथ्रू इनेबल्ड हैं और डेटा एक्वीजिशन ह्यूमनइंटर फेस के बिना होता है। इस वक्त जरूरत इसी बात की है कि हम ज्यादा ऑटोमेशन और लीस्ट ह्यूमन इंटरफेरेंस के माध्यम से अपने को ज्यादा एफिशिएंट बनाएं।

हमको प्रोसेस इम्प्रूवमेंट की तरफ जाना है। उसमें मैंने आपको 84 एमएम का एग्जाम्पल दिया है, उस पर हमने सोचा है। यह बात सही है कि हमें इसके ऊपर बहुत काम करना पड़ेगा। यह सत्य है कि अगर हम कॉम्पिटेटिव बनें तो we have to further improve.”

QUALITY CONTROL

1.12 On being asked about quality check conducted by Ordnance Factories and second party inspection so as to avoid defective ammunition reach in the hands of Armed Forces, the Ministry in its written reply stated as under:—

Yes, all the products developed and manufactured by Ordnance Factories are subjected to various Quality Checks. The Quality checks of products are being carried out at Ordnance Factories on the basis of Quality Assurance Plan (QAP)/Acceptance Test Plan (ATP)/Quality Plan etc. These Quality documents have clear guidelines for all the checks to be carried out during the entire cycle of manufacturing of Defence Stores. Following tests are carried out for a batch of ammunition production to ensure quality:

- (i) 100%-dimensional checking is done by factory
- (ii) Sampling dimensional checking is done by DGQA
- (iii) Specified tests are conducted by Factory and DGQA
- (iv) Specified number of rounds are fired by DGQA as part of dynamic firing

The ammunition batch is accepted and issued to Army only after it passes all the above tests. However, in spite of maintaining stringent checks of quality, during bulk exploitation of above ammunition by User, at times some defects/ accidents are reported. Some probable reasons for the defect in performance of ammunition are:

- (i) Improper handling and Storage in ammunition depots
- (ii) Improper maintenance of weapon system
- (i) Improper handling of ammunition and weapon during firing
- (ii) Unnoticed Manufacturing deficiencies

Further, Second Party Inspection coverage, called Quality Assurance (QA), done based on QAP/ATP, is being provided by Directorate General of Quality Assurance (DGQA)/Directorate General of Aeronautical Quality Assurance (DGAQA)/Directorate General of Naval Armament Inspection (DGNAI) for the stores issued to Army, Air Force and Navy respectively. In addition to above, reliability of design always remains an issue before us.

Ammunition items are only onetime use items and dynamic test involved destructive testing. Hence quality conformance is being carried out based on Acceptance Quality Level (AQL) as per Indian Standard IS 2500 or International Standard ISO 2859. AQL is statistical tool for carrying out sampling inspection and accepted internationally. In this system certain non-conforming items in percentage are permitted. So, when ammunition is produced in mass production, chances of minuscule no. of defects may be observed at customer end which is accepted internationally. Unlike other products, ammunition is single-use item. For this reason, 100% inspection including dynamic proof cannot be carried out. A principle of Statistical Quality Control (SQC) is employed for final acceptance of ammunition. SQC is inherently associated with both Producer's risk and Customer's risk.

System of accelerated exploitation of ammunition has been introduced in December 2013, to have early feedback on performance of Ammunition. However, there have been quality issues raised by the Users repeatedly such as (i) exudation of TNT in field Shells 155MM/130MM/105MM ammunition; (ii) blackening of ammunition; (iii) quality issues in 40mm L70 ammunition; (iv) Qualities issues in anti personnel and anti tank mines etc.

Although 100% Quality Control (QC) is done by Factories, non-conformities are still observed during QA/Final Acceptance Inspection (FAI) resulting into high Return for Rectification (RFR). This high RFR is affecting overall productivity and resulting into delay in supplies to the Users.

DELAY IN PRODUCT DELIVERY

1.13 On the issue of Delay in supply of items produced by Ordnance Factories to the Forces and system in place to bring accountability in case of such delay, the Ministry submitted:

i) Delay in Ammunition stores

“OFB supply the items to the Services based on mutually agreed targets fixed on yearly basis in consultation with Services. Supply is restricted within available budget with Services.

Ammunition manufacturing requires critical inputs and has long cycle of testing. Mostly ammunitions are tested at different stages through firing like components, explosives, empty proof, filled proof etc. To ensure timely supply of ammunitions, it is necessary that all steps of process start well in advance. Ideally, item wise targets should be received at least 9 months before start of financial year, considering the procurement lead time for input materials of around 6 months and the out-turn time (Manufacturing/proof/inspection time) of around 3 months for OFB's products in general. In case of imported input materials, the lead time may be even

higher. Delayed receipt of item wise target for Ammunition items, which require passed proof components adversely impacts the issues of OFB.

There are also instances where order for a particular ammunition is received after a long gap (many years). In such cases, re-establishment of manufacturing lines is a big challenge. More particularly, reviving MSMEs sources for inputs which might have closed down or has shifted to some another business takes long time.

ii) Delay in Armoured Vehicles:

While glancing through the documents supplied by the Ministry, the Committee note that Armoured Vehicles are long lead time products requiring low volume of complex input materials. It is also pertinent to mention that “Armoured Vehicle” is a complex integrate of number of inputs which are to be arranged locally (from Indian industries) as well overseas sources. For example, HVF planned to issue 48 Nos T-90 Tanks in 20-21 and balance 40 Nos in 21-22 (to complete indent of 236 Nos). However, delayed receipt of items from OEM due to COVID19 pandemic situation has adversely affected production activity.

These reasons have contributed to delays in supply of certain ammunition and AV items. OFB is having institutionalized mechanism of interaction with Services to ascertain priorities and accordingly channelize the resources for meeting urgent requirements.

1.14 Further on the on the issue of how delays which have affected the Defence preparedness of the country, the Ministry in its written reply stated as under:

“OFB has institutionalized interaction mechanism with Indian Armed Forces. At apex level, MGO is permanent invitee to the board meetings of OFB. There is structured interaction system at various levels. OFB also has annual target fixation meetings with Armed Forces. In these meetings and interactions, ascertainment of realistic time frames for manufacture of various products is discussed. MGO, being a permanent invitee for attending Board meetings of OFB, issues related to supplies, priorities and constraints are discussed at highest level periodically. Whenever some urgent requirement is highlighted by MGO, due priority is being accorded to meet that urgent need and no such delay has been observed which has affected the preparedness of the country”.

1.15 During the oral evidence on the issue, Army stated that due to poor quality of ammunitions supplied by the Ordnance Factories Army suffered a loss of Rs. 960 crore. When pointed out about the same, the Secretary, OFB, clarified to as under:—

सर, जैसा कि मैंने बताया है कि जो एमजीओ या डीजीओ हैं, वे हमारी बोर्ड मीटिंग में आते हैं और इनके द्वारा जो प्रायोरिटी दी जाती है, हम उसके ऊपर काम करते हैं। रही बात एम्युनिशन्स की क्वालिटी की, मैं बताना चाहूंगा कि क्वालिटी के बारे में एक सेट मैकेनिज्म है। जैसा मैंने बताया है कि 2013 के बाद हमने एक अर्ली एक्सप्लॉयटेशन का सिस्टम बनाया है, ताकि हमें जल्द से जल्द पता चल जाए कि इसकी फीडबैक ड्यूरिंग फायरिंग या एक्सपोर्टेशन क्या है। इसमें तकरीबन 2500 लॉट्स ऑफ डिफ्रेंट एम्युनिशन्स फायर किए गए और उसमें हमारी सफलता और क्वालिटी रेटिंग 99 प्रतिशत आई। दूसरी बात, अगर कोई छोटी-मोटी चीज होती है, जिसमें हैण्डलिंग ऑफ एम्युनिशन, प्रिजर्वेशन, रख रखाव और सेल्फ-लाइफ आदि सारे पैरा मीटर्स भी आते हैं। अगर कोई ऐसी बात होती है तो इनको एग्जामिन करके रेमेडियल एक्शन लिया जाता है।

1.16 Further, in this regard, challenges faced by Ordnance Factory Board, Ministry submitted as under:

- (i) concerns being express repeatedly by users in respect of Quality, high cost & delays in supply of OFB products
- ii) Supervisory cost high compared to well performing manufacturing units, resulting in high overhead costs.
Despite some progress by OFB on R&D from, OFB is still dependent on TOT from foreign OEMs for their key products
- ii) To achieve target of Rs. 30,000 crore by 2025, OFB needs to increased its export base and diversity product profile simultaneously producing world class products by stringent quality control”.

EXPORT AND IMPORT OF ORDNANCE FACTORIES PRODUCTS

1.17 The Committee learnt that OFB is diversifying its product portfolio and expanding its base in the international export market as well as domestic civil trade sector. The Ministry in its written replies also stated as under:

“OFB is diversifying its product portfolio and expanding its base in the international market as well as domestic civil sector. In domestic civil sector, new Sporting Arms are being continuously developed and introduced in the civil market periodically. In exports also, OFB is exploring new areas/regions/countries to export products to the friendly countries.

As of now, OFB is only able to materialise 1% of their sales from export. For sustained growth and achieving target of Rs.30000 crores by 2025, OFB needs to increase its export base. Also, to have a dominance in South East Asia as brand OFB, the quality standards should be at par with European Countries. In addition, the cost has to be brought down to stay in the competitive market to achieve the targeted 25% of its revenue from the export market.

OFB is manufacturing and supplying products to Armed Forces, but concerns have been expressed on their quality, high costs of its products, and delays in supply etc repeatedly”.

1.18 On the issue of steps have been/are being taken to increase the exports of arms and ammunitions and details of the total turnover of the Ordnance Factories earned from exports of arms and ammunitions during the last five years, Ministry in its written replies stated that:

The following initiatives are being taken to increase the export of arms and ammunition:

- a) To focus on exports, a separate post of Member/Export & Marketing has been created at OFB for better coordination of export activities and interaction with prospective organizations/ customers at the highest level.
- b) OFB has implemented procedural enablement related to pricing of OFB products and operating instructions for boost in export through channel partners.
- c) OFB is participating in various international exhibitions to promote its products in foreign countries.
- d) Indian Defence Attaché posted abroad are being contacted for assistance in boosting export. OFB has been included in the itinerary of pre-posting exposure of the newly appointed Defence Attachés to various countries. OFB is also hosting Defence Attaché conclave for past two years with the objective of sensitizing the Officers being posted in various Indian missions abroad.
- e) Nodal officers have been nominated at factory level for improving export performance and identifying potential products which can be offered from the respective unit as per the market requirement.
- f) OFB has identified major target countries and country specific analysis is being done for offering exportable products as per the target country's existing and futuristic requirements.
- g) For targeted countries OFB has also started preparing Bilingual product catalogues in English & country's local language.
- h) Available comparative international prices are being referred to at the time of making offers.
- i) OFB has also started working on export potential against offset requirements.
- j) OFB has invited various delegations from OEM and foreign countries for technical discussions to explore export potential.

- k) OFB has started customization of products as per user requirements.
- l) OFB is certifying products & packing as per International standards accepted by international buyers.

The year wise turnover from export for the last five years is as follows:

Year	Value in INR (in Crores)
2015-16	6.51
2016-17	24.43
2017-18	13.51
2018-19	264.60
2019-20	140.28

1.19 On the issue of share of import content of spares and components of the OFB and steps taken by OFB to bring down import of spares and components, the Ministry in its written reply stated as under:

“At present, import content of OFB items is approximately 8% only in which spares and components are also included. Efforts are being made to reduce import content further through source development Open Tender Enquiry (OTE), Make-II procedure and “Long Term Orders (LTOs) etc.”

1.20 On the export, during oral evidence, a representative of the Ordnance Factory Board apprised as under:

‘सर, अब तक हम इसे बुल्गारिया, बांग्लादेश, यूएई, इजरायल, स्वीडन, ब्राजील आदि देशों में एक्सपोर्ट कर चुके हैं। बाकी कुछ कंट्रीज में हमने टारगेट किया है, जिनमें मिडिल इस्टर्न अफ्रीका कंट्रीज जैसे नाइजीरिया और ओमान एवं सउदी अरब हैं। इन कंट्रीज में हमने ऑफर दिया है। इनके अलावा यूएसए और यूरोप के चार कंट्रीज, जिनमें फ्रांस भी शामिल है, वहां भी हमने कोट किया हुआ है। वहां से हमें ऑर्डर्स मिलेंगे।’

Further he elaborates:

“सर, अगर हम इस कोईयर वाइज देखें कि हमारा एक्सपोर्ट लेवल क्या था और मैंने जैसे बताया कि इसकी वर्ष 2015-16 से शुरुआत हुई थी। हम इससे पहले इसके ऊपर ध्यान नहीं देते थे। अगर हम ओनेस्टली इस बात को कहें तो उसमें हम अभी ग्लोबली प्लेस्ड नहीं हैं। वर्ष 2015-16 में जो हमारा

एक्सपोर्ट था, वह 6 करोड़ रुपये का था। उसके बाद वर्ष 2016-17 में यह 24 करोड़ रुपये हुआ, वर्ष 2017-18 में यह फिर डिप होकर 9 करोड़ रुपये हो गया, लेकिन वर्ष 2018-19 में यह 267 करोड़ रुपये हो गया, वर्ष 2019-20 में यह 140 करोड़ रुपये का हुआ और इस वक्त हमारा लक्ष्य 225 करोड़ रुपये का है। इसमें जो मेजर कंट्रीब्यूशन है, वह लार्ज कैलीबर एम्युनिशन 155 mm का है, basically from the UAE”.

1.21 Further, in this regard, challenges faced by Ordnance Factory Board, Ministry submitted as under:

- “i) Export share in total turnover is very low (around 1% in 2019-20)
- ii) To achieve target of Rs. 30,000 crore by 2025, OFB needs to increased its export base and diversity product profile simultaneously producing world class products by stringent quality control”.

CHAPTER II

DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION

The Committee understand that Defence Research & Development Organization has come a long way since its modest beginning in 1958. Starting with only 10 laboratories, DRDO has grown multi-dimensionally and has evolved to be a core research organization with a vast network of 52 laboratories and establishments spread across the country. With a vision to empower India with cutting-edge technologies and equip our Services with internationally competitive systems, DRDO has proven its competence to produce state-of-the-art strategic and tactical military hardware and related technologies in diverse disciplines such as Aeronautics, Armaments, Combat Vehicles, Combat Engineering, Electronics, Missiles, Life Sciences, Materials and Naval Systems. At the core of this technological strength of DRDO is its expertise in system design, system integration, testing and evaluation and project management built over the last five decades, which has enabled it in developing indigenous capabilities in weapons and their delivery systems. DRDO also plays significant roles to provide scientific and technological advice on aspects of weapons, platforms surveillance to the Ministry of Defence in support of Defence policy to support National Cyber Security Architecture – testing capabilities, security solutions, testing hardware, indigenous NW systems, Defence tools, support operations. The Organization also advises the Government to make technical assessments of international security threats and the military capabilities of both current and potential adversaries.

BUDGETARY PROVISIONS

2.2 Detailed data as given to the Committee with regard to Budget Estimates (Projection and allocation) and Revised Estimates (allocation) in respect of Department of Defence Research and Development for the last five years and Budget Estimate for the year 2020-21 are given in the following table:

(Rs. in Cr)

Year	BE Proposed	BE Approved	RE Approved	MA Approved
2016 - 17	18782.86	13593.78	13454.54	13501.00
2017 - 18	19935.60	14818.74	15463.25	15399.25
2018 - 19	22203.74	17861.19	17610.38	17121.99
2019 - 20	22953.95	19021.02	17730.78	17730.78
2020 - 21	23457.40	19327.35	16466.29(adopted)	-
2021-22	23460.00	20457.44(adopted)	-	-

On being asked about whether the budget provided is sufficient for the plans as envisaged by DRDO, the Ministry in written reply submitted as under:-

“The budget of DRDO has always been around 5-6% of the Defence Budget. A major amount of this goes towards expenses towards Strategic schemes & CCS projects/programmes, pay & allowances and other non-salary revenue expenditure, each of which essentially keeps growing every year. During the current year, instructions have been issued to Labs to undertake projects on critical & advanced technologies that Indian industries cannot do. DRDO has identified 108 exclusive systems for development by industry which will not be taken up by DRDO. This will substantially cut expenditure on development of certain technologies. However, DRDO has envisaged taking up major projects/ programmes for development of large weapon systems, platforms and sensors. The expense for these new projects/ programmes will be met from regular budget of DRDO and the standard increase in the budget.

Currently, DRDO uses 1-2% of its budget to support research in academia which is proposed to be enhanced to 5%, it is also proposed to use 5% of DRDO’s budget to support research in Indian industries for indigenisation of imported systems/ components and new systems especially by MSMEs/ Start-ups. To support this planned initiative of DRDO to open up research and promote research by all, an additional annual budget of Rs 2000 Cr/year is required”.

EXPENDITURE ON RESEARCH & DEVELOPMENT

2.3 The Ministry was asked to furnish the details regarding percentage of expenditure on Research and Development to the overall Gross Domestic Product(GDP) during each of the last five years and how does this percentage compare with that of the developed countries, the Ministry supplied the following information:

(Rs. in Crore)

Total GDP Vs R&D Expenditure			
YEAR	TOTAL GDP	DD R&D EXPENDITURE	DD R&D EXPDR AS % OF TOTAL GDP
2016-17	15183709.00	13501.00	0.088
2017-18	16847455.00	15399.25	0.091
2018-19	18971237.00	17121.99	0.090
2019-20(PE)	20339849.00	17730.78	0.087
2020-21(AE)	19481975.00	16466.29	0.084

In comparison to Defence funding in countries such as the US, Russia, and China, our Defence (R&D) spending is very less. As per published data, India is funding 6% on Defence R&D of the Defence Budget whilst, USA and China are spending approximately 12% and 20%, respectively on Defence (R&D) as compared to their Defence Budget. Vibrant economy is possible only when both saving and spending go hand in hand. Spending the tax payers' money wisely is as important as saving if not more for the stimulation of growth in Defence (R&D) capability.

2.4 The Ministry was requested to furnish the details of the projection and allocation for Thirteenth Plan in respect of Research and Development, the Ministry supplied the following information:

The projections for XIII Plan vs. allocation are presented in the Table below:

(Rs. in Crore)

Year	R&D Projections	R&D Allocations
2017-18	19936	15400
2018-19	22204	17611
2019-20	22954	19021
2020-21	29816	19327
2021-22	33949	-

2.5 When asked to furnish the reasons for decline, if any, in the allocation made on Research and Development to the total Defence Budget during the Thirteenth Plan period and projects which have suffered due to reduced allocation, if any, the Ministry supplied the following information:

“Reasons for decline in allocations as compared to projections may be due to constraints in the overall Defence budget. The budget of DRDO has always been around 5-6% of the Defence Budget. The major portion of this goes towards expenses towards Strategic schemes & CCS projects/programmes, pay & allowances and other non-salary revenue expenditure, each of which essentially keeps growing every year. During the current year, instructions have been issued to Labs to undertake projects on critical & advanced technologies only, which Indian industries cannot do. DRDO has identified 108 exclusive systems for development by industry which will not be taken up by DRDO. DRDO has envisaged taking up flagship projects/ programmes for the design and development of major platforms, weapon systems and sensors. The expense will be met from the available budget in the future as some of the ongoing projects will get successfully completed and assuming standard increase in DRDO’s budget”.

MANPOWER

2.6 As regard to the authorised and existing strength of Scientists in DRDO, the Ministry through a written note furnished to the Committee:

“The present authorized and existing strength of scientists in DRDO is 7773 and 6959 respectively”.

During the oral evidence, on the issue of shortage of manpower in DRDO, Secretary, DDR&D apprised the Committee:

“डीआरडीओ साइंटिस्ट का आरई लगभग **7700** के आस पास है। अभी कुल संख्या करीब **7100** के करीब है। यह छोटा-सा गैप है, लोग रिटायर होते हैं, नए लोगों को रिक्रूट करना है। हमने कोविड के कारण समय मांगा था। यह गैप इस साल में फिल हो जाएगा।”

2.7 On the issue of status of the recommendation of Manpower Planning Board (MPB) (April 2010) for recommended enhancement of manpower of DRDO by 4966, the Ministry in its written reply stated:

“In response to the proposal for augmentation of manpower by 4966 posts, Ministry of Finance instructed DRDO to restrict the manpower requirement to unavoidable and critical requirements. Accordingly, manpower requirement of 1316 was projected. Ministry of Finance agreed for augmentation of manpower by 1316 in three phases with 436 posts in first phase. The Govt of India has sanctioned creation of 434 posts (420 Scientists and 14 works cadre posts) in phase-1 towards meeting immediate and unavoidable critical requirements of additional scientific and technical manpower against ongoing projects in DRDO.”

2.8 On the issue of performance related incentives, Secretary, DDR&D during evidence apprised the Committee:

“परफार्मेंस से संबंधित इन्सेंटिव मॉनेटरी के लिए हैं। 6ठें पे कमीशन ने यह बेनीफिट इसरो डीएई जैसे साइंटिफिक डिपार्टमेंट में देने के लिए कहा था। इसमें तीन स्कीम्स हैं, इंडीविजुअल, ग्रुप और ऑर्गेनाइजेशन लेवल है। इंडीविजुअल में 6 इन्क्रीमेंट दे सकते हैं और ग्रुप में 10 परसेंट बेसिक तक दे सकते हैं और ऑर्गेनाइजेशन लेवल में 20 परसेंट दे सकते हैं। इस तरह से लिमिटेड नंबर हैं। इसरो और डीएई में इम्प्लीमेंटेशन हो गया लेकिन डीआरडीओ में नहीं हुआ। हम रिसर्च कर रहे हैं, प्रोडक्ट भी आ रहे हैं, इसलिए हम आपसे निवेदन कर रहे हैं।”

Ministry in written reply also stated:

“DRDO has been requesting incentives in line with the two organizations ISRO (Deptt of Space) and BARC (Deptt of Atomic Energy), who have a Performance Related Incentive Scheme (PRIS), which has three components namely:-

PRIS (O) – ORGANISATIONAL
PRIS (G) – GROUP
PRIS (I) – INDIVIDUAL

Since, DRDO has taken up a case with Ministry of Finance for continuation of earlier incentives of ‘Two additional increments’ to Scientist ‘C’ to Scientist ‘F’ and ‘Special Pay’ to Scientist ‘G’, till such time the PRIS is introduced in DRDO also”.

INDIGENISATION OF RESEARCH AND DEVELOPMENT ACTIVITIES

2.9 The Committee wanted to know about the indigenous production of Defence equipment designed and developed by the DRDO vis-a-vis the imported ones. In this connection, the Ministry in written reply stated as under:—

“DRDO develops products based on Qualitative Requirements (QRs) issued by the Services. DRDO Technology based systems worth over Rs.1.2 Lakh Cr. have been approved for induction into services during the last five years.

Latest technologies are adopted in development of these systems by DRDO. These systems are developed as per state of the art technologies and normally at par with international standards. These systems are subjected to comprehensive trials and evaluation involving various terrain and climatic conditions during summer, winter, MET, QA trials compared to the limited trials at OEM premises and OEM certification for acquisition of foreign systems.

However, it can be stated with a fair degree of certainty that the indigenous systems are cheaper than the import variants in terms of direct cost, besides the larger saving in opportunity cost in terms of the availability of technology and support within the country, boost of industrial growth, savings in foreign exchange and availability of Critical know-how within the country.

Details of products imported during the last five years are being obtained from MoD acquisition wing”.

2.10 On the issue of import of ammunition of the total budget and the, the Secretary R&D apprised the Committee:

““मैं एग्जेक्ट परसेंटेज नहीं बोल सकता, लेकिन टोटल इम्पोर्ट में आर्म्स एम्यूनेशन परसेंटेज बहुत कम है। इम्पोर्ट में एयर क्राफ्ट, हेलीकॉप्टर आदि की परसेंटेज बहुत ज्यादा रही है।”

2.11 During the oral evidence, on the issue of rejection of few DRDO products by Armed Forces, Secretary, DDR&D apprised the Committee as under:

‘हमने पिछले तीन साल से आर्म्ड और एम्यूनिशन में स्पेशल कन्सन्ट्रेशन किया है। अभी तो टैंक्स में जो चाहिए वह बनाया है, जो माइन्स में चाहिए, वह भी बन चुका है। बाकी इस साल या अगले साल में हो सकता है।

आपने कहा कि रिक्वायरमेंट फुल फिल नहीं हो रही हैं। जनरली डीआरडीओ के प्रोडक्ट्स अवेलेबल हैं।’

2.12 Further on the import of the products for Armed Forces, the Secretary, R&D submitted before the Committee:

“पिछले सालों में ऐसा हो रहा था, अब गैप कम और सिनर्जी बहुत ज्यादा हो गई है। आर्म्ड फोर्सिस से हम डेली मिल रहे हैं। हमारे प्रोजेक्ट में वे आकर शामिल हो रहे हैं। हमें एक-दूसरे के इश्यूज़ पता चल रहे हैं। हमारी सिचुएशन अच्छी हो गई है क्योंकि जो डिले हो रहा था, कम हो गया है, इंडस्ट्री बेस अच्छा हो गया है। हमारी टेक्नोलॉजी बहुत मेच्योर हो गई है। पहले मिसाइल और रडार डैवलपमेंट में दस साल लग रहे थे, अब तीन-चार साल में डैवलप हो रहा है। अब गैप बहुत कम हो गया है।”

2.13 Further on the production value of Rs. 3 lakh crore, whether the import came down and what was time frame in this regard, the Secretary, R&D apprised the Committee:

‘आपने पूछा था कि इतने प्रोडक्शन आर्डर्स आए हैं और इम्पोर्ट कितना काम हुआ है। आज हम यह बता सकते हैं कि कुछ एरियाज़ में जीरो के आसपास इंपोर्ट हो गया है। जैसे मिसाइल्स, राडार्स, सोनार, टारपीडो, इलेक्ट्रॉनिक वॉरफेयर सिस्टम्स, अवाक्स सिस्टम्स । आज हमारे देश में इनका इंपोर्ट ऑलमोस्ट जीरो हो गया है।’

PRIVATE INDUSTRY PARTICIPATION

2.14 On being asked to furnish a list of the laboratories and projects in which private sectors are involved and technologies developed by DRDO have been transferred, if any, to Private Sector, the Ministry in its written reply stated:

“In last three calendar years (2018-20) 416 Nos of ToTs have been signed with Private Industries.

2.15 On the issue of any royalty/money/development cost for Transfer of Technology (ToT) from the private sectors charged by DRDO, the Ministry submitted in its written reply:.

As per ToT guidelines, only 5% ToT fee is charged from non Development cum Production Partners (DcPP). However, in case the industry is a Development cum Production Partners (DcPP)/ Development Partner (DP), then ‘NIL’ ToT fee and ‘NIL’ Royalty is charged for supply to Indian Armed Forces and Govt. Deptt.

2.16 On the issue of revenue generation through sale of technology developed by DRDO, Secretary, DDR&D apprised the Committee as under:

“हम पहले रैवेन्यू जेनरेशन के लिए कुछ टेक्नोलॉजी ट्रांसफर फीस लेते थे, लेकिन अब हमने उसे माफ कर दिया है। आर्म्ड फोर्सिस को जो दे रहे हैं, इधर से हम लेते हैं और वह आर्म्ड फोर्सिस से चार्ज करता है। जब आर्म्ड फोर्सिस को सप्लाई करेंगे तो इसके लिए टीओटी फीस नहीं देनी होगी, लेकिन जब वह एक्सपोर्ट करेगा तो उसके लिए थोड़ी फीस लगाई है, यह थोड़ा रैवेन्यू जेनरेट करेगा।”

2.17 In regard to participation to private Sector in R&D and private industries collaboration with DRDO, the Secretary, Defence R&D apprised the Committee:

‘इंडस्ट्री अगर खुद रिसर्च करके बनाती है, उसे डीआरडीओ आने की जरूरत नहीं होती है, इसे डायरेक्टली आर्म्ड फोर्स को दे सकते हैं। इसमें बहुत स्कीम्स हैं। आर्मी अभी भी खरीद रही है। हम एक स्कीम लाए हैं, टेक्नोलॉजी डेवलपमेंट फंड में एक-एक इंडस्ट्री को जो आर्म्ड फोर्सिस को चाहिए, उस टेक्नोलॉजी को डैवलप करेंगे। इसके लिए हम 10 करोड़ तक फंड देंगे। यह अभी तक 25 प्राइवेट इंडस्ट्रीज़ को मिला है और 50 केस अभी प्रॉसेस में हैं। इसके बढ़ने की बहुत संभावना है।’

NUCLEAR, BIOLOGICAL AND CHEMICAL (NBC) WEAPONS DETECTION SYSTEM

2.18 The Ministry was asked to furnish the details regarding efforts are being made by the Defence Research labs to focus on Nuclear, Biological and Chemical (NBC) weapons detection system, the Ministry replied as under:-

“DRDO, through its R&D efforts over the last two decades developed several products for NBC detection, protection, decontamination and medical management to continue the sustainment of the indigenous NBC defence capabilities. The following items have been developed so far:

S. No.	Items
1.	Chemical Agent Monitor
2.	Automatic Chemical Agent Detection and Alarm(ACADA)
3.	Residual Vapour Detection (RVD)
4.	Water Poison Detection Kit (WPK)
5.	Three Colour Detector Paper (TCD)
6.	Vertox Laboratory
7.	Kits for Detection of various Biothreat Agents
8.	Biodetectors for detection of biological warfare agents

9.	Respiratory Mask
10.	Integrated Hood Mask
11.	Leak Tester
12.	Resuscitator
13.	CBRN Permeable Suit Mk V

During the oral evidence, Secretary, Defence R&D further clarified on this issue: “DRDO works on CBRN – chemical, biological, radiological and nuclear – related technologies. Lot of work is going on and lot of advanced research is also going on. Some of the world organisations have recognised our work in this area. They have notified it also.”

COLLABORATION WITH UNIVERSITIES/ACADEMIC INSTITUTIONS

2.19 On the issue of research programmes being sponsored through universities by the DRDO during 12th Plan and the benefit accrued to DRDO and defence services, Ministry submitted that DRDO has established five centres of excellence at various institutions/Universities for creating strong academic links:

“**680** research projects costing **490 Cr** were sponsored to various universities and academic institutions (100 nos. approx.) during 12th Plan. **579** research projects costing Rs. **689 Cr** were sponsored in the 13th plan (2018 – till date).

DRDO has established following eight Advanced Technology Centres/Centres of Excellences (ATCs/CoEs):

Name of the ATCs/CoEs	Month & Year of Estt.	Location	Achievements
Advance Centre for Research in High Energy Materials (ACRHEM)	2005	University of Hyderabad, Hyderabad	5 types of high energy materials demonstrated at HEMRL/TBRL
DRDU-BU Centre for Life Sciences*	2005	Bharathiar University, Coimbatore	R&D activities are going on
Research and Innovation Centre (RIC)*	2012	IITM, Chennai	Developed large area Piezoelectric thin films and established process technology for MEMS based devices.
JC Bose Centre for Advance Technology (JCBCAT)	Jun 2016	Jadavpur University, Kolkata	Design and fabrication of large mode area (LMA) double-clad Yb-doped fibres have been done for development of Indigenous 1kW Fiber Laser source for Directed Energy Weapon applications.

Bi-nodal Centre of Propulsion Technology (CoPT)	Jul 2016	IITB, Mumbai & IITM, Chennai	Measurement of propellant response function, erosive burning, predictive tools for ignition of solid rocket motor being carried out.
DRDO-IIT Delhi, Joint Advanced Technology Centre (JATC)	Nov 2016	IITD, Delhi	Hard armour panels for Bullet Proof Jackets (BPJ) were designed, fabricated and tested for ballistic performance for desired threat levels
North East Science & Technology Centre (NESTC)	Feb 2019	Mizoram University, Aizwal	Newly established
Kalam Centre for Science & Technology (KCST)	Sep 2019	Central University of Jammu, Kathua (UT of J&K)	Newly established

2.20 On the budgetary provision given to the Universities, their actual allocation and system of monitoring thereon, Ministry submitted:

Budget Allocation F.Y. 2020-21:	Rs 253.55 Cr
Expenditure till Mar 2021:	Rs. 180.65 Cr.

Monitoring System:

Projects are monitored as per comprehensive SoP and release the funds thereon. Projects are reviewed periodically by the experts from academia, DRDO & other R&D Organizations through:

- (i) Monthly Interaction between the PIs and Director, Quarterly Review and interaction by the Centre PI, the stake holding lab and DFTM.
- (ii) Six Monthly Review by the Technical Expert Committee (TEC)
- (iii) Research Advisory Board (RAB) chaired by DG(TM)
- (iv) Governing Council (GC) chaired by Chairman, DRDO/Chairman of the Research Boards

Funds of the next year are disbursed only upon the receipt of expenditure statements, utilization certificates and interest accrued in SB accounts. Audited statements are submitted by PI on the closure of projects.

CHAPTER III

DIRECTORATE GENERAL QUALITY ASSURANCE

ROLE OF DGQA

The Committee appreciate the fact that the Role of DGQA Organisation is to ensure that the entire range of Armaments, Stores and Equipment used by the Army and those stores of the Navy and Air Force for which DGQA is responsible, are of the specified Quality and Reliability to enhance the combat efficiency of the Armed Forces.

FUNCTION OF THE ORGANISATION

3.2 The major functions of DGQA are enumerated below:-

- i) Quality Assurance of Defence Stores & Equipment encompassing Quality Audit & Surveillance during various stages of manufacture and Final Acceptance Inspection (FAI) of finished stores.
- ii) Act as a second party Quality Assurance (QA) Agency on behalf of Users.
- iii) Participation in formulation and finalisation of GSQR / JSQR.
- iv) Participation at all stages of capital acquisition process.
- v) Responsible for DGQA Technical Evaluation.
- vi) Responsible for Pre Despatch Inspection of Equipment / Store.
- vii) Issue DGQA Approvals / Assignment Lists and assists in cataloguing of defence stores.
- viii) Repository of OEM documents and preparation, updation and issue of drawings, specifications, technical publications and Quality related instructions etc.
- ix) Associating and rendering assistance in the design and development process by DRDO and OFB.
- x) Render advice and technical support services to the stakeholders including MoD, Users, Procurement Agencies, Designers, Manufacturers and Private Industry.
- xi) Investigation of defects, complaints and advice remedial measures.
- xii) Provide support in the process of Standardisation & Codification.
- xiii) Render Quality Assurance and testing assistance to Ministry of Home Affairs (MHA) and private agencies.

3.3 Role of DGQA in induction of New System has informed that before induction of a new system, it checks the following:

- i) Technical inputs for General Staff Qualitative Requirement (GSQR) & Request for Proposal (RFP)
- ii) Checking compliance of Technical Bids in accordance with GSQR & RFP during Technical Evaluation Committee (TEC) meetings
- iii) Association during User Trials
- iv) Technical & Environmental Trials by DGQA
- v) Formulation of Acceptance Test Procedures (ATP)
- vi) Pre Despatch Inspection (PDI) at Vendor Premises
- vii) Joint Receipt Inspection (JRI) on receipt in India

BUDGET

3.4 The Committee found that Projected Amount, Budget Estimates (BE), Revised Estimates (RE) and actual allocations in respect of DGQA for the last five years along with the Projections and Budget Estimate allocation for the year 2021-2022 are as follows:

(Value in crores)

Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure
2015-16	Revenue	1008.3	876.04	932.91	931.91	867.73
	Capital	12.00	7.12	7.12	11.12	10.57
	Total	1020.30	883.16	940.03	943.03	878.30
	Difference between allocation & expenditure	65				
	Percentage surrender	7%				
Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure
2016-17	Revenue	1090.99	1068.10	1077.97	1139.72	1075.30
	Capital	9.00	7.27	9.00	9.00	8.83
	Total	1099.99	1075.37	1086.97	1148.72	1084.13
	Difference between allocation & expenditure	65				
	Percentage surrender	6%				
Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure
2017-18	Revenue	1292.14	1163.54	1086.03	1030.86	1001.67
	Capital	15.00	7.97	7.97	7.97	7.35
	Total	1307.14	1171.51	1094.00	1038.83	1009.02
	Difference between allocation & expenditure	30				
	Percentage surrender	3%				

Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure
2018-19	Revenue	1310.81	1137.02	1179.83	1179.45	1104.43
	Capital	12.00	9.96	19.96	19.96	12.24
	Total	1322.81	1146.98	1199.79	1199.41	1116.67
	Difference between allocation & expenditure	83				
	Percentage surrender	7%				
Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure
2019-20	Revenue	1211.18	1202.70	1286.70	1187.92	1087.02
	Capital	30.00	10.96	<u>15.96</u>	15.96	13.31
	Total	1241.18	1213.66	1302.66	1203.88	1100.33
	Difference between allocation & expenditure	104				
	Percentage surrender	9%				
Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure (till Jan. 2021)
2020-21	Revenue	1297.70	1254.04	1171.41	-	816.34
	Capital	20.00	12.06	12.06	-	5.22
	Total	1317.70	1266.70	1183.47	0	821.56
	Difference between allocation & expenditure					
	Percentage surrender					
Year	Head	Projected	Budget Estimates	Revised Estimates	Modified appropriations	Expenditure
2021-22	Revenue	1340.08	1274.40	-	-	-
	Capital	20.00	20.00	-	-	-
	Total	1360.08	1294.40	-	-	-
	Difference between allocation & expenditure					
	Percentage surrender					

MANPOWER AND TRAINING

3.5 In regard to manpower, during oral evidence, specifically on the issue of sufficient technical manpower and their training, DG, QA apprised the Committee:

“सर, अभी हमारी जो संख्या है, जो टेक्निकल मैन पॉवर इंगेज करते हैं, उसका जैसे विस्तार हो रहा है, रोल बढ़ रहा है, भूमिका बढ़ रही है, वैसे ही हमारी मैनपॉवर की रिक्वायरमेंट बढ़ रही है। हमने कुछ सुझाव दिए हैं की टेक्निकल मैनपॉवर का करीब 20 पर्सेंट के आसपास इंक्रीमेंट होना चाहिए। अभी भी वह प्रोसेस चल रहा है। अभी एक कमेटी संगठित हुई है, जो इसका रिव्यू और स्टडी कर रही है। हमारा जो आज का काम है और जो आने वाली रिक्वायरमेंट्स हैं, जो नई फैसिलिटीज़ आने वाली हैं, उसके लिए क्या रिक्वायरमेंट है? यह स्टडी ऑलरेडी प्रोसेस में है। उसका एक अच्छा रिक्तमंडेशन और अच्छा कान्क्लूजन निकल कर आएगा। उससे हमारे टेक्निकल स्टाफ की संख्या बढ़ेगी। इसके साथ-साथ एक हजार के करीब डायरेक्ट रिक्रूटमेंट की एप्लीकेशंस हमारे पास आई हैं, जो कंडीटेंट्स पास हो कर आए हैं। अगर ये लोग हमारे पास आ गए, तो हमने जो पहले 1:5 का रेश्यो बताया था, उसके ऊपर अब कम ही फर्क पड़ेगा। यह प्रोसेस ऑलरेडी शुरू है। कुछ दिनों में कमेटी की रिपोर्ट आ जाएगी। रक्षा मंत्रालय में उसका प्रॉपर विश्लेषण किया जाएगा कि क्या-क्या सुझाव दिए हैं। अगर उसमें अच्छे इनपुट्स दिए हैं तो उसमें से एक अच्छा रूप ही निकल कर आएगा।”

3.6 Further, on the issue, Secretary (Defence Production) complemented as under:

“मैं इसी में थोड़ा ऐड करना चाहूंगा। मिनिस्ट्री ऑफ डिफेंस ने डीजीक्यूए आर्गनाइजेशन के इंप्रूवमेंट के लिए, इनके रोल्स, रिस्पॉसिबिलिटीज़ और चैलेंज़ को देखते हुए ऑलरेडी एक्सपर्ट कमेटी के माध्यम से एक स्टडी दी हुई है। उस स्टडी की रिपोर्ट आएगी, उसके बाद इनके आर्गनाइजेशन को कैसे री-आर्गनाइज करके, एफिशिएंट और इफेक्टिव बनाया जाए, उस दिशा में काम कर रहे हैं। इनका काम बढ़ रहा है, ऐसा नहीं है कि वह सारा काम यही आर्गनाइजेशन करे। देश में और भी स्पेशलिस्ट आर्गनाइजेशंस एवलेबल हैं और हम उनकी भी मदद ले रहे हैं। इन सब मुद्दों को साथ में जोड़कर हम कंसल्टेंट की रिपोर्ट का इंतजार कर रहे हैं, फिर उस पर आगे बढ़ेंगे।”

3.7 During oral evidence, on the issue of training programme for the personnels, DG, QA, apprised the Committee by stating:

“Sir, we have a very established and comprehensive training programme. Just for the information of hon. Members, we have an Institute called, Defence Institute of Quality Assurance (DIQA) in Bengaluru. वहाँ पर पूरी कोर्सेज की जाती हैं। They are all quality-based Training Courses. जो भी पूरी इंटरनेशनल बेस्ड बेस्ट प्रैक्टिसेस हैं, क्वालिटी नॉर्म्स हैं, उनके अनुसार हम प्रैक्टिस करते हैं।

साथ-साथ अभी जो ग्रुप-बी केंद्र है, हमारे टेक्निशियन है, यह ग्रुप-बी तथा नॉन-गजटेड है। उनको भी हम इसके ऊपर बढ़ावा दे रहे हैं। इसके साथ-साथ एक्विपमेंट स्टडी है, वह उस पार्टिकुलर फील्ड के साथ लगती है। हमारे ट्रेनिंग स्कूल्स हैं, जैसे पुणे, अहमदनगर और आवड़ी में हैं। इन जगहों पर प्रॉपर ट्रेनिंग दी जाती है। इसके साथ-साथ जो अकादमीज हैं, आईआईटीज हैं, जो टेक्निकल ऑफिसेज़ हैं, उनको हम मार्क करते हैं। वहाँ से एमएस और एमटेक करके आते हैं। डीआईडी, पुणे है, वहाँ एमटेक करने के लिए एक्विपमेंट क्वालीफाई होकर आते हैं। इसके साथ-साथ जितने भी प्राइवेट इंडस्ट्रीज हैं, जो प्राइवेट इंस्टीट हैं, वहाँ से हम क्वालिटी कोर्सेस करा रहे हैं। जैसे जयपुर, बेंगलुरु, पुणे में है, इनके साथ हमारा संपर्क रहता है। हमारा एक्सचेंज प्रोग्राम इनके साथ रहता है। सालभर के लिए एक अच्छा प्रोग्राम बना हुआ है। हालांकि अभी आटोमेशन, डिजिटाइजेशन के ऊपर काफी जोर पड़ रहा है। यह बड़ा ही बैलेंशड प्रोग्राम है, जहाँ पर रेगुलर ट्रेनिंग दी जाती है। जैसे ही इंडक्शन ट्रेनिंग के टाइम पर या बीच में कोई ऑफिसर इस्टैब्लिशमेंट में आता है, वे काम करते हुए ट्रेनिंग लेते हैं, for gaining highly professional skills.”

3.8 He further stated:

“We have already identified the future requirements as you have rightly pointed out. We are already having a software testing labs coming up now in Secunderabad, Bengaluru and in many other places. These hubs are there. We have already started training people on Industry 4.0 courses. So, all these things are being followed up to meet the advanced requirements of the future. Though the industries are catching up with automation and digital platforms, we are also pushing them towards Industry 4.0 and these ERP norms which are going to be there in the next few years.

Another thing that we have identified for training is more application of AI tools now. We could have done it already but because of COVID-19, we could not launch it. We are deliberating on simulation like methodology in validation, etc. So, these are all in advanced stage. We are already working with DG (Acquisition) and other officers in other Wings of Army Headquarters. Along with this, the complete conventional norms that we have been observing for QA practices are being gradually reviewed. As a result, because of the way people are getting trained and because of the way people

are getting qualified, I am sure in the days to come there will be good pool of officers and staff with us who will be quite competent to take upon these responsibilities”.

QUALITY ASSURANCE

3.9 On the issue, before a product goes to the user, DGQA carries out various tests, especially in major equipments and DGQA find, any defect, the Ministry in its written replies stated as under:

‘Before any product goes to the User, DGQA carry out various tests as per Quality Assurance Plan at different stages of manufacturing. If any Non conformation / defects are observed by DGQA during the testing, in such cases, DGQA either issues rejection Inspection Note or Return the stores For Rectification (RFR) depending upon the nature of equipment and defect. Advisory Note is also issued to the manufacturer to take corrective action. In case of Ordnance Factories and Defence PSUs, the issue is raised during Quality Liaison Meet (QLM). No vendor has been black listed for this reason. Rendering advise to Ordnance Factories on corrective action is an ongoing process.’

3.10 The DGQA conducts 19000 inspections per month, however, despite that some ammunitions and equipment being supplied to Defence Services found faulty. During oral evidence, on the issue, DG, QA, apprised the Committee as under:

“यह एक बहुत ही महत्पूर्ण प्रश्न है और हमारे लिए भी एक चैलेंज है। मैं आपको बताना चाहता हूँ कि जो भी हमें यूजर फीडबैक आता है, पहली बात कि जो भी एम्युनिशन, गोला-बारूद आर्मी में इश्यू होकर जाता है, उसको प्रॉपर चेकिंग के बाद ही या जब तक वह क्वालीफाई नहीं करता, तब तक हम उसको रिलीज नहीं करते हैं। कुछ क्वालिटी इश्यू जो यूजर फीडबैक की डिफेक्ट रिपोर्ट के हिसाब से आते हैं, उसकी बेसिस पर हम उसको एनालाइज करते हैं। हम इसके बाद प्रिवेंटिव मेजर्स शेयर करते हैं। उनके अनुसार, हमने देखा है कि पिछले 5-10 साल में क्या पैटर्न रहा है, किस प्रकार के डिफेक्ट्स रहे हैं, क्या आया है, उसी प्रकार से जितनी भी मैनुफैक्चरिंग एजेंसीज़ हैं, प्रोडक्शन एजेंसीज़ हैं, उनको भी हमने सुझाव दिए हैं और वे अपना इनफ्रास्ट्रक्चर अपग्रेड कर रही हैं। वे अपना ह्यूमन इंटरवेंशन कम कर रही हैं और नया-नया इनफ्रास्ट्रक्चर आ रहा है।

हमने गत वर्षों में देखा है कि क्वालिटी ऑफ प्रोडक्ट्स से संबंधित यूजर फीडबैक में प्रोग्रेसिव इंप्रूवमेंट आ रही है। यह एक रेगुलर ऑनगोइंग प्रोसेस हमारे हैं। अपग्रेडेशन, टेस्टिंग फैसिलिटी, इन्फ्रास्ट्रक्चर को हम रेग्युलर मानीटर करते हैं। हमारे बताने के बाद उसे फॉलो करते हैं। किसी फैक्ट्री के अंदर कोई शार्ट कमिंग्स पाई गईं, तो जो हमने उनको सुझाव दिए, उन्होंने इसे इंप्लीमेंट किया या नहीं, हम उसे चेक करते हैं। इसके लिए एक सिस्टम बना हुआ है कि वे उसे प्रॉपर फॉलो करें। उसके ऊपर काफी इनकरेजिंग साइन आ रहा है। अब चीजें पहले से बेटर होती जा रही हैं।”

3.11 He further stated:

”The biggest challenge is putting these processes in place. That is the challenge we are facing now. Quality product can be produced only if the processes are in place. We are impressing upon all the manufacturing agencies to revisit the documents with the literature that they have got, revisit their processes, try to update their plant and machinery, etc. This is a major challenge that we are facing now. As you must be aware, quality of any product is based on the effective quality control that you have in your unit. If you have effective quality control set-up, then your quality assurance becomes absolutely perfect. We are finding some gaps there because of these inadequacies, like process absorption, absorption of technologies, taking timely action to implement preventive measures, etc. So, these are major challenges that we face from the manufacturing point of view. We have to do the double job. We have to intervene. We have to take double the precaution. I cannot allow things to go on like that. So, in case the people fall in line and improve the processes, I think, the quality will go up phenomenally. I will put it that way. It is not only applicable for the Government agencies but also applicable for the private partners.

We are talking about automation and digitisation. Now, how industries would respond to it is a major challenge. I can only change my attitude and way of working depending upon the kind of response I am getting from the private industry. The day the private industries start implementing the 4.0 practices, like automation, digitization, etc. I will also move fast. So, this is a comprehensive package as far as quality is concerned. If you can address the processes and create awareness about the quality among the workers, then there will be no problem at all”.

USE OF DGQA FACILITIES BY PRIVATE SECTOR

3.12 During oral evidence, on a question regarding low capital utilization despite being a technical force and private sector involvement in defence and role of DGQA in the process, representatives of the DGQA apprised the Committee as under:

“I do agree with you on this point. Since our job is purely man-intensive because a lot of movement and travel is involved, they have to do a lot of testing, they have to sit with technical staff, they have to move around. So, a lot of movement is involved in terms of testing, in terms of QA activities etc. The only thing is that with the advancement of technology, because as of now our capital expenditure was restricted to constructing infrastructure, in terms of accommodation and buildings for offices etc., but now we are creating state-of-art laboratories. So, as the things are improving, the focus is going to shift on them and our capital expenditure is going to take a further boost on that. So, capital expenditure can only be accommodated in terms of our testing facilities, state-of-art testing infrastructure and proof ranging.”

CHAPTER IV

NATIONAL CADET CORPS

The Committee are aware that National Cadet Corps (NCC) was established under the NCC Act, 1948. NCC aims at developing character, comradeship, discipline, a secular outlook, the spirit of adventure and ideals of selfless service amongst young citizens. Further, it aims at creating a pool of organized, trained and motivated youth with leadership qualities in all walks of life, so that they become useful citizens and serve the Nation with all their might regardless of the career they choose. Needless to say, the NCC also provides an environment conducive to motivating young Indians to join the armed forces. The motto of NCC is 'Unity and Discipline'.

4.2 NCC has a dual funding pattern where both the Central and State Governments meet the expenditure on NCC activities in a properly specified manner. The idea behind sharing of expenditure by the State Governments is to ensure that they too have a sense of participation and belonging in the various activities undertaken by the NCC cadets towards nation building. The Central Government bears expenditure on the following items:-

- (a) Pay & Allowances of Services and Civilian personnel
- (b) Transport expenses
- (c) Expenditure on office accommodation and contingencies in Directorate General, NCC, State NCC Directorates and Training Academies
- (d) Expenditure on equipment, vehicles and clothing
- (e) 75% expenditure on Camp training in all States (except J&K and North Eastern Region – Sikkim, where it is 100%).

The State Government bears expenditure on:

- (a) Pay & Allowances of State Government Civilian employees posted to NCC
- (b) Office accommodation and Contingencies in NCC group Headquarters and Units
- (c) Allowance for NCC cadets and Associated NCC Officers(ANOs)
- (d) Institutional training in all states (except J&K and North Eastern Region - Sikkim)
- (e) 25% of camp expenditure in all States (except J&K, North Eastern Region and Sikkim).

4.3 Today, NCC is largest uniformed youth organisation in the world. It has presence in 721 districts of the country with enrolled cadet strength of 13.48 lakhs cadets (Army – 84%, Navy and Air force – 16%). As on date 17644 educational institutions (both schools and colleges) have been covered. 58% are Urban/Semi-Urban and 42% are Rural. Girl Cadets consist of 33.72% of the total strength of NCC. One lakh cadets sanctioned under Fully self Financed Scheme (FSFS) for senior division/wing.

BUDGET

4.4 Details regarding the projections and allocations made NCC by the Ministry and expenditure incurred during the last five years including 2021-22 as provided to the Committee as provided to the Committee are as under:

Year	Projections: RE			Allocations: RE			Actual Expenditure		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
2016-17	1305.90	22.85	1328.75	1200.80	11.00	1211.80	1136.75	7.80	1144.55
2017-18	1554.89	29.96	1584.85	1436.23	13.40	1449.63	1362.82	24.39	1377.21
2018-19	1561.31	53.05	1614.36	1529.18	22.40	1551.58	1414.53	20.39	1434.92
2019-20	1618.28	49.95	1668.23	1618.28	49.64	1667.92	1551.61	39.59	1591.20
2020-21	1594.86	18.50	1613.36	1630.00	18.50	1648.50	1170.41	2.13	1172.54
2021-22	2385.81	15.00	2400.86	1635.76	15.00	1650.76	00	00	00

TRAINING AND JOBS IN ARMED FORCES FOR NCC CADETS

4.5 On the issue of training, selection and jobs in Armed forces for trained NCC candidates, the DG, NCC apprised the Committee as under:

“Sir, as far as the defence forces are concerned, the figures that I will quote are for the last 5-6 years. As far as the solider category is concerned, we have an average of 800-900 a year. As far as the officers are concerned, they average from 22-30 taking into consideration the Army, Air Force as well as Navy.

The new initiative that we have taken as far as the officer category is concerned is that we have gone into this IIT concept of 'Super-30'. What we have done is that all the State Directors have been told that they have to produce 30 people to get into the armed forces, which is a very great idea that we have picked up. The number of officers who are getting into it is less, but this initiative is picking traction and most probably within 2-3 years' time we might be able to achieve this also".

Further, on the level of training of the NCC cadets, DG, NCC stated as under:

"As far as training presently is concerned, we have the institutionalised-based training and the camp training. इसमें कॉमन सर्विस सब्जेक्ट होते हैं or the other special subjects. कैडेट्स को ड्रिल, फिजिकल फिटनेस, फायरिंग आदि के बारे में बताया जाता है। We have this point due to rifles in which they are given exposure to firing. Of course, some cadets are given exposure to firing the higher-grade weapons also. इसके साथ मैप रीडिंग, फील्ड क्राफ्ट, बैटल क्राफ्ट की ट्रेनिंग दी जाती है। हम इनकी करैक्टर क्वालिटीज़ पर फोकस करते हैं, as far as the development of comradeship, self-less service, integrity and social integration with the main stream. So, keeping these two aspects in mind, this is the type of training being given because we are looking at future leaders who are capable of taking up any facet of leadership as far as the Indian nation is concerned and not only in the Army.

Basically, coming to the question as far as the Army is concerned, we have cadets who cannot be put in the front as far as war is concerned. They will be employed at second-or-third-line duties, which has been the case in point in 1965 operations where a cadet got Ashok Chakra Class-III. It was a very good type of activity that they have done. You will appreciate that their activities are restricted to the type of activity and training that they are getting at this stage".

EXPANSION OF NCC IN SCHOOLS AND COLLEGES

4.6 On the issue of total number of educational institutions where students can opt for NCC, the Ministry in its written replies stated as under:

'Total number of institutions where students can opt for NCC is 17644. In addition, 1104 institutions have been further allotted NCC under scheme of expansion of NCC to one lakh cadets in Border Taluks/Coastal Taluks, etc. sanctioned by the Ministry on 22.7.2020'.

4.7 The Committee would like to know about the waitlisted institutions and expansion of NCC, Ministry in its written replies stated as under:

- (a) Total No. of waitlisted institutions in the country are 8902 comprising of 5862 schools and 3040 colleges.
- (b) Steps taken to provide NCC in these institution are as follows:-
 - (i) Performance audit of all educational institutions having NCC is being carried out by a Board of officers once in 2-3 yrs for schools and 3-4 years in colleges w.e.f 01 Apr 2018. NCC is withdrawn from non performing institutions and vacancies are allotted to the senior most institution in the waiting list as per existing procedure’.

4.8 On the steps taken by the Ministry to attract and motivate the students to join the NCC, the Ministry in its written reply informed the Committee as under:

“Following efforts are being undertaken to motivate students to join NCC :-

- (i) Case for provision of employment avenues is made in Central Armed Police Forces (CAPFs), Railways and other security related jobs under Central and State government, Aviation and Shipping industry has been initiated and is in progress on the same lines as existing for armed forces.
- (ii) Initiatives taken to hone the skill in relief and rescue task along with first aid through MoU with Red Cross and NDRFs.
- (iii) Initiatives taken through Ministry of AYUSH to impart training on YOGA and healthy way of life. This would enable the cadets to acquire certification by the Ministry of AYUSH.
- (iv) Conduct of classes and coaching in personality development which will empower the cadets with skill for security related jobs in Armed forces and CAPFs etc.
- (v) Increase in the various attachment training with the three services and their training establishments, to empower & motivate the cadets to join the armed forces. The attachment training annually gives opportunity to approx 29000 cadets to undergo training in these establishments.
- (vi) Vacancies for various adventure activities and Special Camps under the stewardship of NCC has been increased to 30000 annually to meet the aspirations of the cadets.

- (vii) Introduction of incentives in jobs by Central Armed Police Forces (CAPFs) and State Police for NCC A, B, C certificate holders have been institutionalized which will further motivate students to join NCC.
- (viii) Increase of YEP (Youth Exchange Programme) of NCC from 10 to 15 countries is a major initiative for the students towards joining NCC.
- (ix) Expansion of NCC with 1 lakh cadets exclusively for Border & Coastal districts of the Country will motivate the students of those areas to join NCC and contribute towards National Integration & Nation Building”.

FULLY SELF FINANCE SCHEME

4.9 On being asked about Fully Self Financed Scheme, Ministry in its written replies stated as under:

‘One Lakh additional Senior Division/Junior Division(SD/SW) vacancies have been released under the Fully Self Financed Scheme vide GSL No. 4/7/2019-D(GS-VI) dated 13 Dec 2019. 43000 vacancies are likely to be subscribed under this scheme. Sanction for additional One lakh vacancies of JD/JW under Fully Self Financing Scheme is under consideration’.

4.10 During the oral evidence, on the issue of norms of the Fully Self Financing System (FSFS), the DG NCC replied:

“It is a self-financing scheme –1 lakh is the sanction which we have received. Out of which, we are able to get 44,000 allotment till now. We are still working on it. I want to mention that because of the Covid measures, we have not been able to get that, and the entire institution has to bear the cost of training, etc.”

Further clarifying on this issue, DG, NCC during oral deposition submitted:

“This is a fully self-financing scheme. The institutions will have to take the responsibility to bear the expenditure of the cost of training, the uniform, the equipment, the hiring of the instructors also and the PI staff. इसका फाइनेंशियल इफैक्ट देखना पड़ेगा। जैसा कि हमारे पास अभी सीनियर डिविजन विंग से एक हजार कैडेट्स का सैंक्शन है। 244 इंस्टीट्यूशन्स ने 44 हजार वेकेंन्सीज को ऑलरेडी ले रखा है। हम देख रहे हैं कि इस स्कीम को आगे भी और भी इंस्टीट्यूशन्स अपनाए। उस प्रकार से हम इसका एनरोलमेंट भी करेंगे। गवर्नमेंट का एक लाख रुपये का सैंक्शन जूनियर डिविजन के पास है, जब इसका सैंक्शन हो जाएगा तो फिर हम इस स्कीम को आगे बढ़ाएंगे।”

SKILL DEVELOPMENT FOR NCC CADETS

4.11 During the oral evidence, in regard to skill development course with the State Governments to explore avenues of training of cadets of Skill Development Centres for NCC cadets to ensure gainful employment in the future, the DG, NCC replied;

“.....this deals with the future employment and absorption of my boys and girls cadets from NCC. We have also taken up the case, apart from the Armed Forces, सेन्ट्रल आर्म्ड पुलिस फोर्सेज, फायर ब्रिगेड सर्विसेज, we are talking about Forest Services, etc. which have got this sort of content.

Absolutely. Our hon. *Raksha Rajya Mantri* has written to all the Chief Ministers. I am happy to state that we have got the response from seven States but this is only in concert with the particular schemes that I am mentioning. We would expect other States also to fall in line. I have been meeting the Governors of Meghalaya, Assam, Arunachal Pradesh. I said, they should also do this. All States should fall in line because we have such a good, trained, motivated youth and manpower which is only going to do good for the nation.

As far as the private sector is concerned, we have not explored this particular thing, to be very honest. Mostly, we are trying to get them as far as our own Central Armed Police Forces are concerned and other institutions. If the other States took on, we would only be too happy and the children will be more motivated.

As of now, it is basically restricted to disaster management and not the actual skills which is being offered by the Ministry of Skill Development. We are trying to incorporate that into our syllabus. It would depend; we have projected the case to higher-ups. In case that comes up, we would not mind incorporating in our syllabus because that would also give additional benefit and advantage to our cadets. As of now, it is not there; It is only related to disaster management.

He further stated:

“जो स्किल डेवलेपमेंट के कोर्सेज हैं, हमने अभी तक उनको हमारे सिलेबस में इन्कॉर्पोरेट नहीं किया है, लेकिन हमारी कोशिश जारी है। हमें यह देखना पड़ेगा कि हम इसमें क्या-क्या कर सकते हैं। हमारी नॉर्मल इंस्टीट्यूशनल ट्रेनिंग है, कैंप ट्रेनिंग है। हमें अदर ईश्यूज को भी एड्रेस करना पड़ता है, लेकिन हम चाहेंगे कि कुछ स्किल्स को आइडेन्टीफाई किया जाए, ताकि उनकी स्किल डेवलेपमेंट हो और वे आगे इसमें अब्जॉर्व हो सकें।”

PART II
OBSERVATIONS/RECOMMENDATIONS

ORDNANCE FACTORIES

BUDGETARY PROVISIONS

1. The Committee was apprised that Ordnance Factories(OFs) are an integrated base for indigenous production of Defence equipment and ammunition and form the backbone of the country's Defence production. Reading through budgetary allocations for OFs, the Committee find that the projection in BE 2021-22 was Rs. 14,406.00 crore and the allocation is Rs. 13,657.11 crore. The estimated receipts/recoveries BE 2021-22 stage is worth an amount of Rs. 13,543.23 crore. The Committee were further apprised that the Funds are allocated for expenditure under various accounting heads to each Ordnance Factory under Ordnance Factory Board. The criteria for allocating funds include various parameters such as target of production and supplies, projections of factories, past trends and statutory obligation and planned investment on modernization etc. The Committee desire that absolute prudence and probity shall be exercised in allocation of funds to different factories under OFB.

ORDER BOOK POSITION

2. On the issue of Order Book position in the Ordnance Factories, the Committee learn that OFB receives order in the form of Five Years Roll on Indent from Army for ammunition items to meet their war wastages as well as annual training requirement. In case of armoured vehicles, other stores and spares, fixed quantity indents are received from time to time. Considering all such indents, Order Book position as on 30.09.2020 was Rs. 51,939 crore for the next five years for supply of Ammunition, Weapons, Troops Comfort items and Armoured Vehicles. The Committee also note that the present annual capacity of OFB for supply of equipment to the three services is to the tune of ₹17,000 crore (including GST). In this connection, the Committee recommend that OFB look into all possibilities to expand their client list for achieving 100 percent capacity utilization.

BUDGET FOR MODERNISATION

3. The Committee were apprised that in Ordnance Factories modernization is a continuous process. To keep pace with the contemporary manufacturing technologies, OFB prepares a modernization plan for technological up-gradation as well as capacity enhancements. In the span of 5 years from 2015-16 to 2019-20, Rs. 5578.10 crore has been expended on various modernization work. After going through the data furnished to them, the Committee took note of numerous production activities completed/undertaken by OFs during last five years which include creation of capacity for the production of T-90 Tanks 100 Nos. per annum, creation of facilities for production of Pinaka Rocket and many others. The Committee desire that OFB

shall strive for imbibing best manufacturing techniques in production of goods so that Services get the latest State-of-the-Art equipment.

CORPORATIZATION OF THE ORDNANCE FACTORY BOARD

4. During oral evidence, the representative of the Ministry of Defence submitted that with a view to address constraints in the existing system to take care of various issues raised by the users in respect of quality, timely delivery, cost etc and with the goal to help OFB grow to the next level of turnover, exports and self-reliance, the Government has decided to convert Ordnance Factory Board, into one or more than one 100% Government owned corporate entity(ies). Various Expert Committees set up in the past, such as TK Nair Committee (2000), Kelkar Committee (2005), Raman Puri Committee, (2015) and Shekatkar Committee (2016), have given recommendations to corporatize OFB. This move is expected to improve autonomy, accountability, and efficiency in Ordnance supplies. The Committee concur with the view of the Ministry on this issue and believe that with necessitated structural improvements, OFB will be able to further improve quality of products and expand their market. The Committee were further informed that the Department has appointed a Consultant to suggest Organizational structural changes and business continuity plan for the new entity (ies) to continue on a sustainable basis. The study by the Consultant is presently under progress. The Committee recommend that the details be shared with them and at the same time would like to say that Ministry should weigh all the pros and cons in favour of OFB before arriving at any finality on the findings of the Consultants.

MANPOWER

5. As regards, to the authorised and existing strength of manpower in all Ordnance Factories both technical and non-technical, the Committee find that as on January 2021, the total strength is 77,199 as against a sanctioning of 1,45,503 number of posts. On the issue of huge gap in strength, the representative of Ministry of Defence informed the Committee that considering the declaration of items as non-core and decline of orders from Indian Army, very limited recruitment of the vacant posts has been carried out, in recent years. Further, in view of the initiation of OFB corporatization process, fresh recruitment are not being undertaken presently. The Committee recommend that the essential processes and due-diligence shall be undertaken in time bound manner so that capabilities are not left unutilized for long.

QUALITY CONTROL

6. It has come to the knowledge of the Committee that although hundred per cent Quality Control (QC) is done by Factories, non-conformities are still observed during Quality Assurance/Final Acceptance Inspection (FAI) resulting into high Return for Rectification. (RFR). This high RFR is affecting overall productivity and resulting into delay in supplies to the users. On raising the issue with the representatives of OFB, the Committee were told that all the products developed and manufactured by Ordnance Factories are subjected to various Quality Checks. The Quality checks of products are being carried out at Ordnance Factories on the basis of Quality Assurance Plan (QAP)/Acceptance Test Plan (ATP)/Quality Plan etc. These Quality

documents have clear guidelines for all the checks to be carried out during the entire cycle of manufacturing of Defence Stores. The Committee wish that OFs shall strive to function on zero defect motto and they recommend that the enumerated guidelines shall also be practically implemented in processes of production. The accountability at all levels of workmanship shall be fixed in order to find faultlines and take remedial action.

DELAY IN PRODUCT DELIVERY

7. On the issue of Delay in supply of items produced by Ordnance Factories to the Forces, the Committee were guided that OFB supply the items to the Services based on mutually agreed targets fixed on yearly basis in consultation with Services. Supply is restricted within available budget with Services. The Committee take a serious note of the fact that delays not only affect the demands of Defence Forces but also lead to cost escalation thereby putting extra financial burden. Further, the Committee were updated on the measures being taken to overcome delays and install timely deliveries. In this connection, it was submitted by representatives of Ministry of Defence that OFB has institutionalized interaction mechanism with Indian Armed Forces. At apex level, Master General of Ordnance (MGO) is permanent invitee to the board meetings of OFB. There is structured interaction system at various levels. OFB also has annual target fixation meetings with Armed Forces. In these meetings and interactions, ascertainment of realistic time frames for manufacture of various products is discussed. MGO, being a permanent invitee for attending Board meetings of OFB, issues related to supplies, priorities and constraints are discussed at highest level periodically. Whenever some urgent requirement is highlighted by MGO, due priority

is being accorded to meet that urgent need. The Committee wish that the above measures would be helpful in curbing inordinate delays and streamlining of demand-supply activities.

EXPORT AND IMPORT OF ORDNANCE FACTORIES PRODUCTS

8. During deliberations on DFG 2021-22, the Committee were pleased to find that OFB is diversifying its product portfolio range and expanding its base in the international market as well as domestic civil sector. In domestic civil sector, new Sporting Arms are being continuously developed and introduced in the civil market periodically. In exports also, OFB is exploring new areas/regions/countries to export products to the friendly countries. It was further explored that as of now, OFB is only able to materialise 1% of their sales from export which even given to conservative estimates is a very meagre figure. The Committee feel that for sustained growth and achieving target of export of Rs. 30,000 crores by 2025, OFB needs to increase its export base. The Committee recommend that OFB will have to explore methodologies and products for ingress into international markets. For this, appointing sales personnel in different global zones and vigorously following latest market needs are essential. OFs in the country are a large network of production base and unless and until the humungous world market is optimally protruded, the capacity of OFs cannot be fully utilized. Last but not the least, every expert success has a hidden story in terms of very strong Research and Development base. All achievements become subservient in the absence of any advance R & D base. Therefore, as a priority OFB should give more than due emphasis on continued R & D.

DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION

BUDGETARY PROVISIONS

9. The Committee find that during the Financial Year 2021-22, the proposed BE allocation of DRDO was Rs. 23460.00 crore and the approved allocation is Rs. 20457.44 crore. There is a shortfall of Rs. 3002.56 crore. DRDO has pointed out that the insufficient left over amount is for R&D activities after meeting the mandatory expenses for strategic schemes and pay & allowances. The Department, as Committee understand, however, manages within the existing allocations by prioritizing project activities.

10. During the course of examination of Demands for Grants 2021-22, the Committee find that in 2020-21, the approved BE allocation for DRDO was Rs. 19,327.35 crore while the approved RE allocation was Rs. 16,466.29 crore. The Committee note that the RE allocation is lesser than the BE allocation by Rs. 2,861.06 crore.

11. Further, in respect of the Budgetary grants, the Committee find a steady drop in DRDO expenditure as percentage of total GDP over past few years. The DRDO expenditure was 0.084% of the GDP in 2021-22 as compared to 0.088% in 2016-17.

12. The Committee note that expenditure which has remained around 1% of GDP expenditure incurred on Defence Research and Development in the country is substantially less as compared to other developed nations.

13. The Committee were informed by the Ministry of Defence that the budget of DRDO has always been around 5-6% of the Defence Budget. Though DRDO has identified 108 systems for development by private industry which will not be taken up by DRDO, there are other flagship projects/programmes for the design and development of major platforms, weapon systems and sensors of DRDO for which enhancement in fund allocations is desirable. The Committee, therefore, recommend provision of adequate enhanced allocations to DRDO to enable it to scale up its R&D activities especially keeping in view the focus of the Government on 'Make in India' towards building an '*Atmanirbhar Bharat*'. The Committee are of the view that without sufficient budgetary support, DRDO may fail to fulfill the indigenisation efforts of the Government. To tap the export potential of the country development of R&D activities in the defence sector is mandatory which still in nascent stage. The Committee also would like to stress upon the need for enhancement of expenditure of DRDO as percentage of total GDP as well as increasing its percentage share of the total Defence Budget to enable it to take up its flagship projects/programmes for the design and development of weapon systems etc.

14. The Committee also appreciate the proposal of DRDO to enhance the budget to support research in academia to 5% and feel that a proper channelization and correct utilization of these funds can be a great boost to research in Indian industries

especially MSMEs/Start-ups for indigenisation of imported systems/components and building new systems. The Committee recommend that the provision of appropriate additional funding may be provisioned for in the revised allocations in this regard. The Committee, therefore, recommend that the Government may ensure adequate overall budgetary allocations to DRDO in the additional/supplementary grants stages.

MANPOWER

15. The Committee were apprised that presently authorized strength of scientists in DRDO is 7773 while existing strength is 6959. It shows that there is 10% shortage in scientist in DRDO. The Committee note that the shortage of manpower can prove to be a hindrance towards fructification of committed R&D projects. In its written reply, the Ministry of Defence has stated that the Government of India has sanctioned creation of 434 posts (420 Scientists and 14 works cadre posts) in phase-1 towards meeting immediate and unavoidable critical requirements of additional scientific and technical manpower against ongoing projects in DRDO out of the total manpower of 1316 which the Ministry of Finance had agreed for augmentation in three phases. The progress in this regard may be apprised to the Committee through the Action Taken Replies.

16. While appreciating the sanction of posts in phase-1 for augmentation of manpower in DRDO which the Committee feel can further bolster the capabilities of DRDO to meet its goals, the Committee recommend that all efforts be made to provide for the balance projected manpower requirement of 882 posts to DRDO on priority basis.

17. During the oral evidence, the Committee were apprised that the Performance Related Incentive Scheme on the lines as it exists in ISRO and BARC has not been implemented in DRDO. The Committee, therefore, recommend that organizational and group incentives may be extended to scientists of DRDO keeping in view the fact that DRDO is involved in extremely critical research work and also bringing out products that are extremely vital not only for the security of the country but also for the development of defence manufacturing in the country.

PUBLIC PRIVATE PARTNERSHIP

18. The Committee feel that the active involvement of private sector, Universities, Indian Institute of Technologies and Indian Institute of Science can play an important role in the process of modernization and re-orientation of the functions of DRDO. The Committee are happy to note that a conducive environment for better coordination between the Public Sector and Private Sector is created by DRDO and DRDO is passing on its research work to the benefit of the private sector without seeking any remuneration. The Committee recommend the fixation of some remittances in lieu of the Technology Transfer by DRDO to Private Industry which can then be used for augmenting the R&D efforts of the organization.

INDIGENISATION OF RESEARCH AND DEVELOPMENT ACTIVITIES

19. The Committee note that steps have been taken by DRDO for better coordination with the armed forces to bring down the rejection rate as well as reduce the delay in supply of products. The Committee would like to reiterate that more

stringent measures need to be taken by DRDO to ensure adherence to deliver timelines and minimize rejection rates of their products by the armed forces.

20. The Committee appreciate that DRDO has managed to bring down the imports in missiles, radars, sonars, torpedo, electronic warfare systems, AWACs systems to almost negligible level due to their indigenisation efforts. The Committee recommend that DRDO must make all efforts to develop a mechanism for regular and steady adoption of the ever developing state-of-art latest technologies to boost the indigenisation process.

NUCLEAR, BIOLOGICAL AND CHEMICAL (NBC) WEAPONS DETECTION SYSTEM

21. The Committee ARE aware of the ever increasing threat of nuclear, biological and chemical attacks in the current times. The Committee appreciate the R&D efforts of DRDO over the last two decades which has enabled the development of several products for NBC detection, protection, decontamination and medical management like Chemical Agent Monitor, Residual Vapour Detection (RVD), Water Poison Detection Kit (WPK) etc. The Committee would like to see more pro-active efforts towards high scientific developments in the field of NBC warfare capabilities by DRDO as it feels that the future warfares will be more and more NBC based.

22. The Committee would like to recommend that sufficient budgetary allocations should be provisioned for R&D efforts of DRDO in the field of NBC warfare.

COLLABORATION WITH UNIVERSITIES/ACADEMIC INSTITUTIONS

23. The Committee have learnt that DRDO conducts many research programmes in collaboration with different universities/institutions. In this connection, they have been informed that 680 research projects costing 490 Crore were sponsored to various universities and academic institutions (100 nos. approx.) during 12th Plan. 579 research projects costing Rs. 689 Crore were sponsored in the 13th plan (2018 – till date). This has accrued benefits to DRDO's research programmes. The Committee also note in this regard that universities and academic institutions are full of budding talent. Therefore, more such collaborations need to be encouraged with a view to advancing research in the country.

24. The Committee are pleased to note that DRDO has established eight Centres of Excellence in advanced areas viz., Center of Propulsion Technology at IIT Bombay (CoPT), Joint Advanced Technology Center at IIT Delhi (JATC), Jagdish Chandra Bose Center for Advanced Technology (JCBCAT) at Jadavpur University, Kolkata, Research Innovation Center (RIC) IIT Madras, Advanced Center for Research in High Energy Materials (ACRHEM), University of Hyderabad and DRDOBU Center of Life Sciences at Bharathiar University and two newly established i.e. North East Science & Technology Centre (NESTC), Mizoram University, Aizwal, Kalam Centre for Science & Technology (KCST), Central University of Jammu, Kathua (UT of J&K). The Committee would like to witness a scenario that more such centres be established in the future and fruitful research efforts be used for the benefit of Defence Services and the country. It is also appreciable that DRDO has started scholarship schemes, financial support to organize

conferences/seminars/workshops in niche areas of technology of interest to DRDO at various academic institutions.

ROLE OF DRDO DURING COVID-19 PANDEMIC

25. The Committee are appreciative of the efforts made by DRDO at the time of 'COVID Crisis' during past one year. The concerted efforts made by DRDO to help the common man in providing Ventilators for Covid patients in hospitals, hand sanitizers and N99 masks, body suits for doctors, medical staff, sanitation workers, Para Military Forces and other Government Organisations, overall proved to be very helpful in fighting the pandemic.

DIRECTORATE GENERAL QUALITY ASSURANCE

BUDGET

26. The Committee note that in BE 2021-22, a total budgetary projection made by DGQA is Rs. 1360.08 crore whereas the allocation is Rs. 1294.40 crore for both Revenue & Capital Heads. The projection under Revenue Head is Rs. 1340.08 crore and the allocation is Rs. 1274.40 crore which records a shortfall of Rs. 65.68 crore. In case of Capital Head, the allocation is Rs. 20.00 crore against a projection of Rs. 20.00 crore. Since the allocation for the Revenue Head is less than the projection, the Committee would like to know the reasons for the same.

27. The Committee, upon gleaning, the documents supplied, note the under utilization of the allocations given at the RE stage in the year 2020-21. In this regard, the Committee recommend that in future, DGQA should make all out efforts to ensure optimal utilization of final allocation and invariably a uniform pattern of expenditure throughout the year should be maintained.

MANPOWER AND TRAINING

28. It is apparent for the Committee to see that DGQA is one organisation whose work affects performance of every other department/organization of Defence. The quality of products being used by Defence Forces is ensured by DGQA. The products go unbridled, the very purpose of production would be defeated. In the present times when technological advancements are a frequent and regular feature, it becomes quite essential for DGQA to regularly update their training module. The Committee opine that being a technical service, constant upgradation of technological advancements taking place globally has to be regularly included in the training curriculum of DGQA.

29. During the oral evidence, it was submitted that the role of the technical manpower was expanding and their role was also assuming greater importance thus enhancing their requirement. The Committee were apprised that an increment of about 20 percent was required in technical manpower by DGQA. The Committee are happy to note that a Review Committee under the Ministry of Defence has already been formed which is reviewing and studying the technical manpower requirement of

DGQA. The Committee hope that this Committee of the Ministry of Defence would rationalize the requirements and will help to augment the technical manpower of DGQA. The Committee recommend that all efforts may be made to fill up the vacancies in DGQA at an early date and end the 20 percent shortage of technical manpower in the Organization. The Committee also recommend that the report of the Review Committee of the Ministry of Defence may be shared with the Committee while furnishing the Action Taken Replies.

30. During the oral evidence, the Committee were informed that DGQA has a training institute called 'DIQA' located in Bangalore whose training programme is based on international based best practices.. Besides, DGQA has a number of training schools in Pune, Ahmednagar and Awari where proper training is given. Besides, there is also involvement of various academies, IITs, private industries etc. in providing quality training. The Committee appreciate these various training avenues being availed by DGQA and also observe that a due mechanism with synchronization with modern technological advances need to be incorporated in all training programmes being operated in DGQA especially due to the added responsibilities entrusted on DGQA owing to focus of the Government on 'Make in India Policy' and manufacturing under 'Defence Corridors'.

QUALITY CHECK

31. The Committee note that DGQA is mandated with quality assurance of all defence equipment and weapon systems such as arms, ammunition clothing etc. The Committee in their earlier reports had expressed their dismay at the faulty ammunition reaching out to Defence Forces despite quality check of products at DGQA. During the evidence, the Committee was apprised the one of the major challenges DGQA facing for quality maintenance was putting the processes in place in regard to impressing upon all the manufacturing agencies to revisit the documents with the literature they have got, revisit their processes, update their plant and machinery etc. The Committee understand the difficulties being faced by DGQA in this regard but recommend that unwavering efforts may be made to ensure quality issues by employing more personnel and introducing more stringent procedures for better quality adherence as well as better coordination with all concerned agencies. In this regard, the Committee recommend that while carrying out inspection at various stages of production it should be ensured that inventory which reaches in hands of user should be zero defect so they can believe in the armament being used. The DGQA should embrace hyperactive role in ensuring zero-effect on the environment. It shall also ensure that the industries/manufacturing units adopt best available practices/guidelines for production activities and waste disposal by putting in place state-of-the art waste disposal system. It is needless to say that old methodologies should be replaced with the new ones in due course of time.

32. The Committee appreciate the use of the user feedback for critical analysis of the quality of the product and the progressive improvement in the user feedback being received by DGQA. The Committee would like to be apprised of the analysis done in this regard in the Action Taken Replies. The Committee would also suggest the preparation of a comprehensive manual by DGQA on the best practices for quality maintenance. The Committee also recommend that the process of upgradation of infrastructure of manufacturing industries, production industries etc. may be expedited.

USE OF DGQA FACILITIES BY PRIVATE SECTOR

33. The Committee find Capital expenditure is going to take a boost in DGQA as mentioned by a representative during the oral evidence. The DGQA has a plan to spend the capital expenditure on state-of-art testing infrastructure and proof ranging.

34. The Committee consider, advent of Private Sector in the field of defence production as an advancement of defence infrastructure in the country. The Committee feel that there lies an opportunity for DGQA for testing the stores and products manufactured by Private Industry. Therefore, they recommend that DGQA with its expertise in inspection and certification of ammunition can offer its services to the private sector in return of a specified fee. It would be mutually beneficial to both the parties as it would make DGQA self-reliant in financing its projects and the private sector expertise of DGQA at nominal fee. In the long run DGQA can give dividends back to the Government.

NATIONAL CADET CORPS

BUDGET

35. The Committee take note of the fact that, in Budget Estimate 2021-22, the total projection is Rs. 2400.81 crore against which there is an allocation of Rs. 1650.76 crore thereby registering a shortfall of Rs. 750.10 crore. Out of the total budget projection Revenue budget was Rs. 2385.81 crore and allocation Rs. 1635.76 crore, whereas in case of Capital budget, the projection was Rs. 15.00 crore and allocation Rs. 15.00 crore. There is a deficit of Rs. 750.05 crore in Revenue budget, however in Capital budget there is no change in projected and allocated amount. The Committee are of the view that such a trend and a cut in the Revenue Expenditure which includes Pay and allowances of Personnel and no increase in the Capital Expenditure for the procurement of durable assets would slow down the expansion and training activities of NCC. The Committee, therefore, at this stage can only recommend and urge the Ministry of Defence to lay down appropriate financial provision for NCC in future allocation at the Revised Estimate stage to enable it to perform efficiently.

36. Gleaning through the figures, the Committee note the under utilization of the allocations given at the RE stage in the year 2020-21 but considering the Covid situation in the country, the Committee would not like to comment adversely against it. However, they recommend that NCC should make all out efforts to ensure optimal utilization of allocation and a uniform pattern of expenditure throughout the year commencing from this year and invariably in future.

TRAINING AND JOBS IN ARMED FORCES FOR NCC CADETS

37. The Committee appreciate the innovative training initiative of NCC by adoption of the IIT concept of 'Super-30'. The Committee hope that by introducing such innovative methods the number of officers qualifying for this grade reach the optimal level in the next few years and in the future it would become a great source of rearing ground for the Cadets to join Armed Forces.

38. On the issue of the development of combat capabilities through the training being provided by NCC, the Committee observe that some cadets are given exposure to firing of the higher-grade weapons also. The Committee, therefore, recommend that efforts should be made by NCC to tailor the training programmes in a more effective manner to help the cadets to not only develop comradeship, self-less service, integrity and social integration but also combat capabilities and take part in frontline war duties in case of emergent situations like war etc. arise.

EXPANSION OF NCC IN SCHOOLS AND COLLEGES

39. The Committee observe that as on date 17,644 educational institutions (both schools & colleges) have been covered under NCC and there are 8902 waitlisted institutions throughout the country. The Committee are happy to note that under the scheme of expansion of NCC, one lakh cadets in Border Taluks/Coastal Taluks etc. have been sanctioned by the Ministry on 22.7.2020. This is a appreciable step and if implemented judiciously, can help gainful expansion of the footprint of the NCC in coastal and border areas of the country and also prove to be a boon for the students of schools and colleges in these uncovered areas and help in their development. It

can also instill a patriotic fervor among these students and motivate them to join the armed forces. The Committee hope that this expansion programme would also help in bringing down the number of waitlisted institutions throughout the country. The Committee would like to be apprised on the implementation of this expansion programme of NCC while submitting action taken replies.

40. The Committee appreciate the various steps taken by the Ministry to enhance the worth of NCC Cadets. There are employment avenues in CAPFs, Railways and other security related jobs under Central and State government, Aviation and Shipping industry, training programmes with Red Cross and NDRFs, Certification Course for Yoga through Ministry of Ayush, Conduct of classes and coaching in personality development, Increase in the various attachment training with the three services and their training establishments. The Committee also find that vacancies for various adventure activities and Special Camps under the Stewardship of NCC has been increased to 30000 annually to meet the aspirations of the cadets, Introduction of incentives in jobs by Central Armed Police Forces (CAPFs)& state police for NCC A, B, C certificate holders have been institutionalized which will further motivate students to join NCC and Increase of YEP (Youth Exchange Programme) of NCC from 10 to 15 countries.

41. The Committee also observe that the performance audit of all education institutions is being carried out by NCC once in 2-3 years for schools and 3-4 years for colleges. In this regard, the Committee recommend that for better and more efficient monitoring of the system, the frequency of the performance audit may be improved

and conducted once in a year for both schools and colleges. The decision in this regard may be taken expeditiously under intimation to the Committee.

FULLY SELF FINANCE SCHEME (FSFS)

42. The Committee note that to minimize the waiting list of NCC units in various schools and colleges, the NCC had started a self financing scheme. This scheme is fully self financing and the institutions have to take the responsibility to bear the expenditure of the cost of training, the uniform, the equipment, the hiring of the instructors etc. During oral evidence, the representatives of the NCC have apprised the Committee that one lakh additional vacancies have been sanctioned under this Scheme out of which an allotment of 44000 vacancies have already been made. Further, the Committee also observe that the release of an additional One lakh vacancies of Junior Division /Junior Wing (JD/JW) under this Scheme is also under consideration.

43. The Committee welcome the steps initiated by NCC for its expansion under Fully Self Finance Scheme (FSFS), however, they recommend that NCC should expedite the process of allotment of the remaining 56000 Junior Division/Senior Wing (SD/SW) vacancies which, even given to conservative estimates is a substantial number. The Committee also recommend that additional one lakh vacancies of Junior Division/Senior Wing (SD/SW) be also released and allotted expeditiously to ensure that the benefits of the scheme can be fully operationalized for the benefit of the

students of the various schools and colleges in the country. The Committee also feel that a proper monitoring mechanism should be developed by NCC to ensure the correct implementation of the scheme in the various schools and colleges and adherence to the highest quality in the conduct of the training programmes. Therefore, they recommend that effective mechanism be devised for requisite monitoring then only the goals of the institution can be fully accomplished. The progress made in this regard should be intimated to the Committee at the earliest but definitely during submission of Action Taken Replies.

SKILL DEVELOPMENT

44. The Committee note that NCC do not provide any other Skill Development training and it is basically restricted to disaster management. The Committee, therefore, succinctly recommend that the incorporation of skill programmes as devised by the Ministry of Skill Development in the curriculum of training be incorporated for NCC cadets which will enhance their employment potential. The Committee also note that the NCC has not explored the private sector for training purposes. The Committee in this regard recommend that efforts should be made to explore all avenues and incorporate all good training practices in the training programmes of the NCC Cadets which would eventually lead to their induction in private sector as well.

45. The Committee also observe that apart from the Armed Forces, the Forest Services etc. as well as the various State Governments are also being communicated with to explore gainful employment for the NCC Cadets. The Committee note that only seven States have given their response to the communication of Ministry of

Defence, which is a meager figure. The Committee hope that concerted efforts should made to further take up the matter with remaining States as well as other Services to maximize the employment potential of the trained NCC Cadets. This would not only keep our youth focused but in the long run would make healthy and happy citizens.

46. It is an encouraging development that the Government in Uttar Pradesh and Tamil Nadu have started two Defence corridors which will surely need suitable trained and skilled manpower in multi-faceted environment. The Committee feel that this great opportunity should be explored by NCC as a potential employment generator for especially those cadets who fail to make it to the armed forces and who can be imparted suitable technical training to serve in these two Defence corridors as well as in both the public and private Defence Production Sector organizations in general. The Committee, therefore, recommend the provision of suitable technical training to NCC Cadets in the field of Defence Production Sector which can enable them to get gainful employment in this sector. It would not be out of place to mention here that NCC pass out cadets can be utilized for security purposes also with an attachment with established security forces such as Central Industrial Security Force(CISF) etc. or otherwise. The job market is proving security services as one of the fastest growing sectors of which NCC can make maximum use.

New Delhi
15 March, 2020
24 Phalguna, 1942(Saka)

JUAL ORAM
Chairperson
Standing Committee on Defence

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Wednesday, the 17th February, 2021 from 1100 hrs to 1730 hrs in Committee Room D, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Jual Oram - **Chairperson**

MEMBERS

Lok Sabha

2. Kunwar Danish Ali
3. Shri Ajay Bhatt
4. Choudhary Mehboob Ali Kaiser
5. Smt. (Dr.) Rajashree Mallick
6. Dr. T.R. Paarivendhar
7. Shri Kapil Moreshwar Patil
8. Shri Jugal Kishore Sharma
9. Shri Brijendra Singh
10. Shri Mahabali Singh
11. Shri Durga Das Uikey

Rajya Sabha

12. Dr. Ashok Bajpai
13. Shri Prem Chand Gupta
14. Shri V. Lakshmikantha Rao
15. Shri Kamakhya Prasad Tasa
16. Dr. Sudhanshu Trivedi
17. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

- | | | | |
|---|---------------------|---|----------------------|
| 1 | Smt. Kalpana Sharma | - | Additional Secretary |
| 2 | Dr. Sanjeev Sharma | - | Director |
| 3 | Shri Rahul Singh | - | Deputy Secretary |

LIST OF WITNESSES

MINISTRY OF DEFENCE

Sl. No.	Name & Designation
1.	Dr. Ajay Kumar, Defence Secretary
2.	Gen. Bipin Rawat, CDS & Secy. DMA
3.	Shri Ravikant, Secretary (ESW)
4.	Shri Raj Kumar, Secretary(DP)
5.	Lt. Gen CP Mohanty, VCOAS
6.	VAdm G Ashok Kumar, VCNS
7.	VAdm R Hari Kumar, CISC
8.	Shri Jiwesh Nandan, Addl. Secy.
9.	Smt. Nivedita Shukla Verma, Addl. Secy
10.	Shri Sanjay Jaju, Addl. Secy. (DP)
11.	Lt. Gen. Anil Puri, Addl. Secy.
12.	Air Mshl Sandeep Singh, DCAS
13.	Smt. Mala Dutt, FA(DS)
14.	Lt. Gen. Harsha Gupta, Adjutant General
15.	Lt. Gen Harpal Singh, E-in-C
16.	Lt. Gen Rajinder Dewan, DG SP
17.	Lt. Gen Paramjit Singh, DCOAS (Strat)/DGMO
18.	Lt Gen TK Chawla, DG FP
19.	Lt. Gen RKS Kushwaha, DG OS
20.	Lt. Gen SS Mishra, QMG

21.	Lt. Gen Shantanu Dayal, DCOAS (CD&S)
22.	VAdm Narayan Prasad, IN(Retd.), CMD MDL
23.	Shri A.N. Das, Addl. FA(AN) & JS
24.	Shri RK Karna, Addl. FA(RK) & JS
25.	Shri Rajesh Sharma, Addl. FA(RS) & JS
26.	Shri Anurag Bajpai, JS(P&C)
27.	Shri Puneet Agarwal, JS(LS)
28.	Shri Chandraker Bharti, JS(Aero)
29.	Shri Surendra Prasad Yadav, JS(NS)
30.	Maj Gen NR Indurkar, MD ECHS
31.	Maj Gen K Narayanan, JS(Army &TA)
32.	Maj Gen Adosh Kumar, Offg MGS
33.	Maj Gen KP Singh, ACIDS (Transformation)
34.	Maj Gen H Dharmarajan, ADG FP
35.	Maj Gen Pankaj Chouhan, ADG Works
36.	Maj Gen S K Khanna, DG Works
37.	AVM SK Jha, JS (Air)
38.	AVM N M Desai, ACAS (Fin P)
39.	RAdm Kapil Mohan Dhir, JS(Navy & Def Staff)
40.	RAdm Sameer Saxena, ACNS (P&P)
41.	RAdm VK Saxena (Retd.), CMD GRSE
42.	Cmde Siddharth Mishra (Retd), CMD BDL
43.	Shri R. Madhavan, CMD HAL
44.	Shri MVG Gowtama, CMD BEL
45.	Cmde Hemant Khatri, CMD HSL
46.	Shri MV Rajasekhar, CMD BEML
47.	Cmde BB Nagpal, CMD GSL
48.	Dr. Sanjay Kumar Jha, CMD MIDHANI
49.	Shri D. Gopi Krishna, GM (Prod & Marketing), MIDHANI
50.	Shri Ambarish Barman, Director (Budget)

51.	Brig MRK Rajesh Panicker, MA to VCOAS
52.	Brig Bimal Monga, Brig (Budget)
53.	Brig UK Ojha, Brig FP(B)
54.	Brig Tarun Agrawal, Brig FP(A)
55.	Brig RS Lamba, Brig CD(B)
56.	Cmde Joginder Chandna, Cmde (Budget)
57.	Smt. Deepa Bajwa, DGDE
58.	Lt. Gen RK Anand, DG LW&E
59.	Maj Gen NR Indurkar, MD ECHS
60.	Smt. Inderjeet Kaur, Sr. Addl. DG
61.	DG K Natarajan, DG ICG
62.	Dr. Pudi Hari Prasad, JS(ESW)
63.	Mrs. Nidhi Chhibber, Joint Secretary
64.	Shri Rakesh Mittal, Joint Secy.
65.	Maj Gen MK Sagoch, DG (Resettlement)
66.	Maj Gen YP Khanduri, GM & Chairman, BOA
67.	IG Mukesh Purohit, DDG(P&P)
68.	Shri Valeti Premchand, Addl. DG
69.	Shri Ravi Shankar, Addl. DG
70.	Smt. Sonam Yangdo, Addl. DG
71.	Smt. Vibha Sharma, Addl. DG
72.	DIG SC Gupta, PD(P&P)
73.	Dr. PP Sharma, OSD (WE)
74.	Shri Sushil Kumar, Director (Res.I)
75.	Air Commodore B Ahluwalia, Secy. Kendriya Sainik Board
76.	Smt. Sharmishtha Maitra, Director
77.	Brig Akaash Johar
78.	Shri Harendra Singh, DDG
79.	Comdt (JG) TD Pandey, DD(Plans)
80.	Brig APS Chahal, Secy. BOCCS

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2021-22 on the subjects 'General Defence Budget, Department of Military Affairs (DMA), Ministry of Defence (Civil) and Defence Public Sector Undertakings (DPSUs), Directorate General Defence Estate (DGDE), Ex-Servicemen Welfare, Canteen Stores Department (CSD), Border Roads Organization (BRO), Coast Guard Organisation (CGO), Navy and Joint Staff'.

3. The Committee then invited the representatives of the Ministry of Defence and the Services/Organisations. The Chairperson welcomed the representatives to the Sitting of the Standing Committee on Defence and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings. Thereafter, the Chairperson requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day.

4. The Defence Secretary initiated the discussion by giving an overview of Defence Services Estimates and other Demands for Grants of the Ministry of Defence for 2021-22. The highlights of the brief given by the Defence Secretary are as under:

- i. Significant increase in allocation under Capital Outlay by 18.75 percent over Financial Year 2020-21;
- ii. 100 new Sainik Schools in partnership with NGOs/private schools/States;
- iii. Allocation under Non-Salary Revenue to meet operational requirement increased to Rs. 54,624.67 crore;
- iv. Introduction of new Defence Acquisition Procedure in 2020; and
- v. Delegation of emergency procurement powers to the Services.

5. Then, a Power Point Presentation on General Defence Budget was made before the Committee. This was followed by detailed deliberations on the following issues:

- i. Basis of selection of new Sainik Schools and role of the Ministry of Defence in such selection;
- ii. Difference between projection and allocation of funds;
- iii. Increase in Defence Budget for 2021-22 in comparison with Budget Estimates and Revised Estimates 2020-21;
- iv. Schedule of commencement and other details *viz.* curriculum, selection of teaching faculty etc. of Indian National Defence University;
- v. Plans for critical procurement of equipment in Defence Budget;
- vi. Replacement of MIG aircraft in Air Force;
- vii. Current status of Army Base Workshops;
- viii. Updates regarding Wheeled Armoured Personnel Carriers;
- ix. Plans to compensate for urgent and critical capabilities in view of mismatch between allocation and project at Revised Estimates stage in 2020-21;
- x. Notification of Negative list of import of 101 items in line with steps being taken for 'Aatmanirbhar Bharat'; and
- xi. Clarification regarding findings of a recent study by United Service Institution of India (USI) on Indian Army personnel.

6. The representatives of the Ministry of Defence commenced their briefing on the subject 'Defence Public Sector Undertakings' through a Power Point presentation. This was followed by detailed deliberations on the following issues:

- i. Commendable role of Bharat Electronics Limited (BEL) in manufacturing of ventilators during COVID period;
- ii. Percentage of contribution of Hindustan Aeronautical Limited (HAL) in manufacturing of helicopters in the country;
- iii. Mismatch between order book position and Profit after Tax/Value of Sales in certain DPSUs;
- iv. Shortfall in composition of Board of Directors in a DPSU; and
- v. Delivery of submarines by Mazagon Dock Shipbuilders Limited (MDL).

7. Thereafter, a Power Point Presentation by the representatives of the Defence Estates Organisation (DEO) was made. This was followed by extensive discussion on the following points:

- i. Implementation of recommendations of Expert Committee on the Working of Cantonment Boards;
- ii. Amendment of Cantonment Board Act, 2006;
- iii. Participation of private agencies and introduction of Corporate Social Responsibility (CSR) scheme in educational and health institutions in the Cantonment areas;
- iv. Elections of Cantonment Boards;
- v. Budgetary provisions for 2021-22 and effect on various activities carried out by Cantonment Boards ;
- vi. Encroachment of Defence lands;
- vii. Proposal to convert civil areas of Cantonments into municipalities;
- viii. Issues related to convenience of the civilian population residing in the Cantonment areas such as renewal of leases, repair ect., simplification of permission process etc.

8. Next, a Power Point Presentation was made by the representatives of the Department of Ex-Servicemen Welfare. This was followed by detailed deliberations on following issues:

- i. Current status of pending bills of Ex-Servicemen Contributory Health Scheme (ECHS);
- ii. Payment of bills for emergency treatment of COVID in respect of Ex-Servicemen;
- iii. Skill development and other welfare programmes for Ex-Servicemen and their re-settlement;
- iv. Budgetary grants for the Department of Welfare of Ex-Servicemen;
- v. Share of State Governments in Sainik Board; and
- vi. Opening up of 100 Sainik Schools consequent to the announcement in the Union budget.

9. Thereafter, a presentation was given by Canteen Stores Department (CSD) and followed by discussion *inter alia* on operationalisation of facilities of CSD during CORONA pandemic etc.

10. Thereafter, a Power Point presentation on Border Roads Organization (BRO) was made. This was followed by extensive discussion on the following points:

- i. Organisation structure in BRO;
- ii. Connectivity of border roads;
- iii. Public private participation model in BRO;
- iv. Construction of roads in coastal areas;
- v. Use of indigenous equipment by BRO;
- vi. Training of manpower;

11. Thereafter, the Chairperson invited representatives of the Coast Guard Organisation. The representatives of the Coast Guard Organisation commenced their briefing through a Power Point presentation. This was followed by discussion *inter alia* on mismatch between projection and allocation in budgetary provisions for Indian Coast Guard.

12. The representatives of the Ministry of Defence commenced their briefing through a Power Point presentation on Navy. This was followed by detailed deliberations *inter alia* on the following issues:

- i. Additional allocation of funds to Navy in Revised Estimates 2020-21;
- ii. Sea trials of aircraft carrier;
- iii. Role of Indian Navy in Quadrilateral Security Dialogue (QUAD); and
- iv. Difference between projection and allocation in budget.

13. Thereafter, a presentation on Joint Staff was made which was followed by discussion *inter alia* on budgetary provisions for Joint staff and Indian National Defence University.

14. The Chairperson directed the representatives of the Ministry to furnish written replies/information on the points raised by the Members at the earliest.

The Committee then adjourned.

A copy of verbatim record of the proceedings has been kept.

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Thursday, the 18 February, 2021 from 1100 hrs. to 1740 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

-

CHAIRPERSON

MEMBERS

LOK SABHA

2. Kunwar Danish Ali
3. Shri Ajay Bhatt
4. Shri Rahul Gandhi
5. Shri Annasaheb Shankar Jolle
6. Choudhary Mehboob Ali Kaiser
7. Smt. (Dr.) Rajashree Mallick
8. Dr. T.R. Paarivendhar
9. Shri Kapil Moreshwar Patil
10. Shri Jugal Kishore Sharma
11. Dr. Shrikant Eknath Shinde
12. Shri Brijendra Singh
13. Shri Kotagiri Sridhar
14. Shri Durga Das Uikey

RAJYA SABHA

15. Dr. Ashok Bajpai
16. Shri Prem Chand Gupta
17. Shri V. Lakshmikantha Rao
18. Shri Sanjay Raut
19. Shri Rajeev Satav
20. Dr. Sudhanshu Trivedi
21. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

1. Smt. Kalpana Sharma - Additional Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

LIST OF WITNESSES

MINISTRY OF DEFENCE

Sl. No. Name & Designation

1. Shri Ajay Kumar, Defence Secretary
2. Gen. Bipin Rawat, CDS & Secy. DMA
3. Shri Ravikant, Secretary (ESW)
4. Shri Raj Kumar, Secretary(DP)
5. Lt. Gen CP Mohanty, VCOAS
6. Shri Jiwesh Nandan, Addl. Secy.
7. Shri Sanjay Jaju, Addl. Secy. (DP)
8. Lt. Gen. Anil Puri, Addl. Secy.
9. Smt. Mala Dutt, FA(DS)
10. Lt. Gen. Harsha Gupta, Adjutant General
11. Lt. Gen Harpal Singh E-in-C
12. Lt. Gen Rajinder Dewan, DG SP
13. Lt. Gen Paramjit Singh, DCOAS (Start)/DGMO
14. Lt. Gen TK Chawla, DG FP
15. Lt. Gen SS Mishra, QMG
16. Lt. Gen Shantanu Dayal, DCOAS (CD&S)
17. Lt. Gen Tarun Kumar Aich, DG NCC
18. Lt. Gen RK Malhotra, DGQA
19. Shri A.N. Das, Addl. FA(AN) & JS
20. Shri RK Karna, Addl. FA(RK) & JS
21. Shri Rajesh Sharma, Addl. FA(RS) & JS
22. Dr. Pudi Hari Prasad, JS(ESW)
23. Shri Shantanu, JS(Parl & Works)
24. Shri Satish Singh JS(Trg)
25. Shri Puneet Agarwal, JS(LS)
26. Maj Gen NR Indurkar, MD ECHS
27. Maj Gen K Narayanan, JS(Army & TA)
28. Maj Gen Adosh Kumar, Offg MGS
29. Maj Gen H Dharmarajan, ADG FP
30. Maj Gen Pankaj Chauha, ADG Works
31. Maj Gen S K Khanna, DG Works
32. Shri Rajeev Ranjan, ADG (Adm)
33. Dr. PP Sharma, OSD(WE)

34. Shri Ambarish Barman, Director (Budget)
35. Brig MRK Rajesh Panicker, MA to VCOAS
36. Brig Bimal Monga, Brig (Budget)
37. Brig UK Ojha, Brig FP(B)
38. Brig Tarun Agrawal, Brig FP(A)
39. Brig RS Lamba, Brig CD(B)
40. Brig P K Sharma, Inspecting Officer Sainik Schools Society
41. Shri S Gopal Krishna, Director (Trg)
42. Brig Jim James, Brig QA (Dte of PP&T)
43. Shri CP Gusia, Dir (P&F)
44. Dr. G. Satheesh Reddy, Secretary, Deptt. DR&D & Chairman DRDO
45. Shri CS Vishwakarma, DGOF & Chairman/OFB
46. Shri K.S. Varaprasad, DS & DG(HR)
47. Dr. AK Singh, DS&DG(LS)
48. Ms. Nabanita R Krishnan, OS & DG(R&M)
49. Shri GN Rao, OS& DG(PC&SI)
50. Air Mshl Sandeep Singh, DCAS
51. Lt. Gen RKS Kushwaha, DG OS
52. Air Mshl HS Arora, ADC
53. Shri Subir Mallick, Addl. FA & Addl. Secy
54. Shri RK Arora, Member/Finance (OFB)
55. AVM NM Desai, ACAS (Fin P)
56. AVM SK Jha, JS (Air)
57. Dr. Ravindra Singh, Sc 'G' & Dir. DPARO&M
58. Dr. Sumit Goswami, Sc 'F' & Dir. DP&C
59. Shri M.P. Gupta, Addl. Dir., DFMM
60. AVM N Tiwari, ACAS(Plans)
61. Dr. K. Ramachandran, OS & Director, DIPR
62. Shri Alok Mall, Scientist 'G' & Director, DHRD
63. Shri Vivek C Verma, Secy/OFB
64. Shri Vijay Mitta, DDS/OFBNDO
65. Shri PK Dash, DDG/ P&P OFB
66. Shri NI Laskar, DDG/Budget, OFB
67. Shri B. Krishnamoorthy, Dir/ OFBNDO
68. Shri Devi Dutt Nailwal, JWM(SG)/OFBNDO
69. Brig T Rajesh Bhanu, Brig ADB(TRC)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting. The Committee then invited the representatives of the Ministry of Defence and the Defence Services. The Chairperson welcomed the representatives to the sitting of the Standing Committee on Defence and requested them to brief the Committee on various issues included in the agenda for the day. He also drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

3. The Vice Chief of Army Staff commenced the briefing by giving an overview on Army to the Committee and thereafter, a Power Point presentation was made. This was followed by detailed deliberations on following issues:

- 1) Budgetary allocation to Army;
- 2) Maintaining ideal ratio between Revenue and Capital Budget;
- 3) Use of non-salary revenue for operation and maintenance of Indian Army
- 4) Under-utilisation of Capital expenditure due to Covid
- 5) Less allocation as compared to amount projected by Army
- 6) Compulsory retirement of non-essential staff
- 7) Updation on situation at China borders
- 8) Restructuring of Army
- 9) Reduction in tooth-to-tail ratio

4. Thereafter, a Power Point presentation was made by the representatives of Military Engineer Services (MES) covering the following issues:

- 1) Standard schedule of rates for construction activities
- 2) Under utilization of Revenue and Capital budget due to Covid-19
- 3) Use of solar energy

5. The Chairperson then invited representatives of Directorate General of Quality Assurance (DGQA). The representatives of DGQA commenced their briefing through a Power Point presentation which was followed by discussion on following issues:

- 1) Role of DGQA organization in procurement of ammunitions etc.
- 2) Third party inspection of ammunition and store
- 3) Training programme of DGQA personnel
- 4) Role of DGQA in providing testing facility to private sector
- 5) Process of testing of ammunition supplied to Forces
- 6) Shortage of manpower

6. Thereafter, the Chairperson invited representatives of the National Cadet Corps (NCC). They made a Power Point presentation before the Committee which was followed by discussion on following issues:

- 1) Training of NCC cadets in war like situation
- 2) Creation of jobs for NCC Cadets in Armed and other Forces
- 3) Expansion of NCC in schools, colleges and Coastal and Border Areas
- 4) Implementation of Self Financing Scheme(SFS) in schools and colleges
- 5) Inclusion of Skill development syllabus for NCC Cadets
- 6) Implementation of Super 30 scheme for NCC cadets for selection in Armed Forces
- 7) Use of Tamil Nadu and Uttar Pradesh Defence Corridors for increasing employability of the NCC Cadets.

7. The representatives of the Sainik Schools were invited next by the Chairperson. The representatives of the Sainik Schools commenced their briefing through a Power Point presentation which was followed by discussion on following issues:

- 1) Issues related to opening of 100 new Sainik Schools
- 2) Use of CSR policy for Sainik Schools
- 3) Implementation of EWS quota in Sainik Schools
- 4) Involvement of private sector and NGO in the proposed opening of new Sainik Schools
- 5) Release of pension of teachers
- 6) Percentage of Cadets of Sainik Schools in Forces

8. Consequently, a Power Point Presentation was made by the representatives of the Ex-Servicemen Contributory Health Scheme (ECHS), which was followed by discussion on following issues:

- 1) Mismatch in projected Estimate and the actual Budget Estimate of ECHS
- 2) Present policy of ex-servicemen getting treatment in service hospitals
- 3) Enhancement of capacity of service hospitals
- 4) Employment of Infantry Officers and doctors as OIC, ECHS
- 5) Issue of pendency of payments of bills of hospitals empanelled under ECHS

9. Subsequent to a briefing by the Vice Chief of the Air Staff regarding overview on modernization plan of Indian Air Force (IAF), a Power Point presentation was made. This was followed by detailed deliberations on following issues:

- 1) Self-reliance in maintenance and repair of Aircraft
- 2) Dependency on HAL and BEL for maintenance and repair of different type of Aircraft
- 3) Under-utilisation of budget
- 4) Decline in percentage of budget allocations;
- 5) Shortage of Training Aircraft
- 6) Indigenous development of AMCA Aircraft

10. Then, a Power Point presentation was given on Defence Research and Development which was followed by discussion on the following points:

- 1) Indigenisation of products by DRDO
- 2) Coordination with private Industry and Technology transfer to private industries
- 3) Revenue generation for technology transfer to private industry
- 4) Opening of new laboratory for Artificial Intelligence

- 5) Implementation of Performance related Incentive Scheme in DRDO as introduced in ISRO
- 6) Participation of private sector in R&D of DRDO
- 7) Shortage of Scientists in DRDO
- 8) Opening of new Defence Corridors in Tamil Nadu and Uttar Pradesh
- 9) Enhancement in research activities in area of Chemical, Nuclear and Biological warfare

11. Thereafter, a Power Point presentation was given by the representatives of the Ordnance Factory Board (OFB), which was followed by discussion on the following points:

- 1) Corporatization of Ordnance Factories for efficient, accountable and autonomous organization and to improve quality of products and expand their market
- 2) Use of upgraded version of 'Dhanush Gun'
- 3) Exporting of Ordnance Factories' products to other countries
- 4) Shortage of manpower
- 5) Delay of Product delivery to Forces by Ordnance Factories
- 6) Quality Check of ammunition
- 7) Use of Ordnance Factories weapons for personal use and private market
- 8) Coordination between Ordnance Factories, DRDO and other agencies in Transfer of Technology of products.

12. The Chairperson directed the representatives of the Ministry to furnish written replies/information on the points raised by the Members at the earliest.

The Committee then adjourned.

A copy of verbatim record of the proceedings has been kept.

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Friday, the 19 February, 2021 from 1100 hrs. to 1340 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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CHAIRPERSON

MEMBERS

LOK SABHA

- 2 Kunwar Danish Ali
- 3 Shri Ajay Bhatt
- 4 Shri Rahul Gandhi
- 5 Shri Annasaheb Shankar Jolle
- 6 Choudhary Mehboob Ali Kaiser
- 7 Pro. (Dr.) Ram Shankar Katheria
- 8 Smt. (Dr.) Rajashree Mallick
- 9 Shri Kapil Moreshwar Patil
- 10 Shri Anumula Revanth Reddy
- 11 Shri Jugal Kishore Sharma
- 12 Dr. Shrikant Eknath Shinde
- 13 Shri Brijendra Singh
- 14 Shri Kotagiri Sridhar
- 15 Shri Durga Das Uikey

RAJYA SABHA

- 16 Dr. Ashok Bajpai
- 17 Shri Prem Chand Gupta
- 18 Shri V. Lakshmikantha Rao
- 19 Dr. Sudhanshu Trivedi
- 20 Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

1. Smt. Kalpana Sharma - Additional Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

LIST OF WITNESSES

MINISTRY OF DEFENCE

Sl. No. Name & Designation

1. Dr. Ajay Kumar, Defence Secretary
2. Gen. Bipin Rawat, CDS & Secy. DMA
3. Shri Ravikant, Secretary (ESW)
4. Shri Sanjiv Mittal CGDA
5. Lt. Gen CP Mohanty, VCOAS
6. Air Mshl HS Arora, VCAS
7. VAdm G Ashok Kumar, VCNS
8. Ms. Anuradha Mitra, Addl. CGDA
9. Lt. Gen. Anil Puri, Addl. Secy.
10. Smt. Mala Dutt, FA(DS)
11. Lt. Gen Rajinder Dewan, DG SP
12. Lt. Gen Paramjit Singh, DCOAS (Strat)/DGMO
13. Lt Gen TK Chawla, DG FP
14. Lt. Gen SS Mishra, QMG
15. Lt. Gen Shantanu Dayal, DCOAS (CD&S)
16. Lt. Gen RK Anand, DG LW&E
17. Air Mshl SP Wagle, DCIDS
18. Air Mshl BR Krishna, DG Air(Ops)
19. Mr. VL Kantha Rao, DG(Acq)
20. Dr. Pudi Hari Prasad, JS(ESW)
21. Shri Rakesh Mittal, Joint Secy. (Estt.)
22. Shri A.N. Das, Addl. FA(AN) & JS
23. Shri RK Karna, Addl. FA(RK) & JS
24. Shri Rajesh Sharma, Addl. FA(RS) & JS
25. Shri Shantanu, JS(Parl & Works)
26. Smt. Dipti Mohil Chawla, JS&AM(LS)

27. Mrs. Nidhi Chhibber, JS&AM(MS)
28. Shri Sanjai Singh, JS&AM(Air)
29. Maj Gen Adosh Kumar, Offg MGS
30. Maj Gen H Dharmarajan, ADG FP
31. Maj Gen Jagdeep Singh Ishar, DGMAP
32. Maj Gen PK Saini
33. Maj Gen Ashok Singh, ADG PS
34. AVM N Tiwari, ACAS(Plans)
35. AVM SK Jha, JS(Air)
36. AVM NM Desai, ACAS (Fin P)
37. RAdm Sameer Saxena, ACNS(P&P)
38. IG Mukesh Purohit, DDG(P&P)
39. Shri Praveen Kumar, DDG (DOMW)
40. Smt. K Inderjeet Kumar, Sr. Jt. CGDA
41. Shri Kanwaldeep Singh, Jt. CGDA (Pen)
42. Smt. Vinakshi Gupta, Jt. DGDA
43. Shri Vishvajit Sahay, PCDA (Pen)
44. Shri Akhilesh Kumar, CDA
45. Shri Ambarish Barman, Director (Budget)
46. Brig MRK Rajesh Panicker, MA to VCOAS
47. Brig Bimal Monga, Brig (Budget)
48. Brig UK Ojha, Brig FP(B)
49. Brig Tarun Agrawal, Brig FP(A)
50. Brig RS Lamba, Brig CD(B)
51. Brig Paritosh Shah, DDG
52. Mr. VK Adhana, Director(Acq)
53. Mr. LM Kaushal, Advisor (Cost)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting. The Committee then invited the representatives of the Ministry of Defence. The Chairperson welcomed the representatives to the Sitting of the Standing Committee on Defence and requested them to brief the Committee on various issues included in the agenda for the day and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

3. The representatives of the Ministry of Defence then gave a Power Point Presentation on Married Accommodation Project (MAP). This was followed by a detailed discussion on the subject and during deliberations following issues were discussed:

- (i) Budgetary allocations for MAP.
- (ii) Reduction in the initially sanctioned number of Dwelling Units under MAP.
- (iii) Proposal for increasing dwelling units under MAP in Kashmir Valley.
- (iv) Preference for accommodation for Lady officers in the Defence Forces.
- (v) Allotment of already completed dwelling units of MAP.
- (vi) Constraints on construction activities for civilians around military stations.

4. Thereafter, a Power Point Presentation by the representatives of the Ministry of Defence was made on Defence Procurement Policy. This was followed by extensive discussion on following points:

- (i) Enhancement of Foreign Direct Investment limit under Defence Acquisition Policy from 49 per cent to 74 per cent.
- (ii) Digital facilities for the private players under DPP
- (iii) Efforts to encourage indigenisation in Defence sector to reduce dependence on imports
- (iv) Inclusion of more private industries under DAP 2020.
- (v) Ensuring quality of products manufactured under Make in India.
- (vi) Delays in design and development of a product to be manufactured indigenously.
- (vii) Adherence to the time-line for acquiring a defence asset.

5. Thereafter, a Power Point Presentation on Ministry of Defence-Pension was made by representatives of Ministry of Defence. This was followed by extensive discussion on the following issues:

- (i) Reduction in the final calculated amount of the Defence Pension in 2020-21.
- (ii) Issues related with One Rank One Pension (OROP).
- (iii) Constraints and problems related with disbursement of Pension.

- (iv) Time frame for redressal of grievances of Ex-servicemen.
- (v) Manpower employed under Controller General of Defence Accounts (CGDA).
- (vi) Centralised Pension Disbursement System.

6. The Chairperson directed the representatives of the Ministry of Defence and other organizations to furnish written replies to all the queries at the earliest.

A copy of verbatim record of the proceedings has been kept.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Tuesday, the 09 March, 2021 from 1500 hrs. to 1530 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

-

CHAIRPERSON

MEMBERS

LOK SABHA

- 2 Shri Devusinh Jesingbhai Chauhan
- 3 Shri Nitesh Ganga Deb
- 4 Shri Annasaheb Shankar Jolle
- 5 Choudhary Mehboob Ali Kaiser
- 6 Shri Kapil Moreshwar Patil
- 7 Shri Anumula Revanth Reddy
- 8 Shri Jugal Kishore Sharma
- 9 Shri Prathap Simha
- 10 Shri Brijendra Singh
- 11 Shri Kotagiri Sridhar
- 12 Shri Durga Das Uikey

RAJYA SABHA

- 13 Dr. Ashok Bajpai
- 14 Shri Sanjay Raut
- 15 Shri Rajeev Satav
- 16 Dr. Sudhanshu Trivedi
- 17 Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

1. Smt. Kalpana Sharma - Additional Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee and gave a brief on the following six reports to be adopted during the meeting and also solicited their suggestions :-

- (i) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Defence Public Sector Undertakings, Canteen Stores Department, Welfare of Ex-Servicemen and Defence Pensions (Demand Nos. 18 and 21)';
- (ii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 19 and 20)';
- (iii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)';
- (iv) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Ordnance Factories, Defence Research and Development Organisation, Directorate General of Quality Assurance, and National Cadet Corps (Demand Nos. 19 and 20)';
- (v) Action Taken by the Government on the Observations/Recommendations contained in the Third Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2019-20 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'; and
- (vi) Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2020-21 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'.

3. However, some members requested Hon'ble Chairperson for some more time to study the Reports. As per consensus arrived at in the meeting, Hon'ble Chairperson postponed the meeting to 15.03.2021 (Monday).

4. Hon'ble Chairperson also informed the Committee that the responses to Members, supplementary questions will be received from the Ministry in due course of time. Accordingly, Hon'ble Chairperson directed that those responses would be incorporated at subsequent stages such as examination of subject reports, drafting On the Spot Study Tour questionnaires and even at the time of finalizing Action Taken Reports, if required.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Monday, the 15 March, 2021 from 1000 hrs. to 1045 hrs. in Committee Room No. 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Ajay Bhatt
3. Shri Rahul Gandhi
4. Shri Kapil Moreshwar Patil
5. Shri Anumula Revnath Reddy
6. Shri Jugal Kishore Sharma
7. Shri Prathap Simha
8. Shri Brijendra Singh
9. Shri Kotagiri Sridhar
10. Shri Durga Das Uikey

RAJYA SABHA

11. Dr. Ashok Bajpai
12. Shri Sanjay Raut
13. Dr. Sudhanshu Trivedi
14. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

1. Smt. Kalpana Sharma - Additional Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the Sitting. The Committee then took up for consideration the following draft Reports:-

- (i) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Defence Public Sector Undertakings, Canteen Stores Department, Welfare of Ex-Servicemen and Defence Pensions(Demand Nos. 18 and 21)';
- (ii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 19 and 20)';
- (iii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)';
- (iv) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Ordnance Factories, Defence Research and Development Organisation, Directorate General of Quality Assurance, and National Cadet Corps (Demand Nos. 19 and 20)';
- (v) Action Taken by the Government on the Observations/Recommendations contained in the Third Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2019-20 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'; and
- (vi) Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2020-21 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'.

3. After some deliberations, the Committee adopted the above reports without any modifications. During the deliberations, certain issues on the working of BRO, Ex-Servicemen Contributory Health Scheme and Defence Estates Organisation/Cantonments figured. The Committee decided to include these issues during in-depth examination of the subject reports.

4. The Committee authorized the Chairperson to finalise the above draft Reports and present the same to the House on a date convenient to him.

The Committee then adjourned.
