

**10**

**STANDING COMMITTEE ON DEFENCE  
(2024-25)**

**(EIGHTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

**DEMANDS FOR GRANTS (2025-26)**

**DEFENCE PUBLIC SECTOR UNDERTAKINGS, DIRECTORATE OF ORDNANCE  
(COORDINATION AND SERVICES–NEW DPSUS), DIRECTORATE GENERAL OF  
QUALITY ASSURANCE, DIRECTORATE GENERAL OF AERONAUTICAL QUALITY  
ASSURANCE AND NATIONAL CADET CORPS**

**(DEMAND NOS. 20 AND 21)**

**TENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2025 / Phalguna 1946 (Saka)**

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ASSURANCE AND NATIONAL CADET CORPS**

**(DEMAND NOS. 20 AND 21)**

*Presented to Lok Sabha on 17.03.2025.*

*Laid in Rajya Sabha on 17.03.2025.*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2025 / Phalguna 1946 (Saka)**

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## COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2024-25)

**SHRI RADHA MOHAN SINGH**

–

**CHAIRPERSON**

### **Lok Sabha**

2	Dr. Rajeev Bharadwaj
3	Shri Karti P Chidambaram
4	Shri Adhikari Deepak Dev
5	Shri Ranjit Dutta
6	Captain Viriato Fernandes
7	Shri Rahul Gandhi
8	Shri Mohmad Haneefa
9	Shri S. Jagathratchakan
10	Ms. S. Jothimani
11	Shri Ravindra Shukla Alias Ravi Kishan
12	Shri Shashank Mani
13	Shri Lumba Ram
14	Shri Bishnu Pada Ray
15	Shri Jagannath Sarkar
16	Shri Jagadish Shettar
17	Shri Virendra Singh
18	Shri Kesineni Sivanath
19	Dr. Thirumaavalavan Tholkappian
20	Com. Selvaraj V.
21	Shri Richard Vanlalhmangaiha

### **Rajya Sabha**

22	Shri Naresh Bansal
23	Shri N. Chandrasegharan
24	Shri Shaktisinh Gohil
25	Shri Prem Chand Gupta
26	Shri Naveen Jain
27	Shri Muzibulla Khan
28	Shri Praful Patel
29	Shri Dhairyashil Mohan Patil
30	Shri Sanjay Singh
31	Dr. Sudhanshu Trivedi

## **SECRETARIAT**

- |    |                      |   |                  |
|----|----------------------|---|------------------|
| 1. | Dr. Sanjeev Sharma   | - | Joint Secretary  |
| 2. | Shri Tirthankar Das  | - | Director         |
| 3. | Shri Tenzin Gyaltzen | - | Deputy Secretary |

## INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2024-25), having been authorised by the Committee, present this Tenth Report (18<sup>th</sup> Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Defence Public Sector Undertakings, Directorate of Ordnance (Coordination And Services) – New DPSUs, Directorate General of Quality Assurance, Directorate General of Aeronautical Quality Assurance and National Cadet Corps (Demand Nos. 20 and 21).'

2. The Demands for Grants of the Ministry of Defence were laid on 7<sup>th</sup> February, 2025 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 17<sup>th</sup> February, 2025 and 18<sup>th</sup> February, 2025. The draft Report was considered and adopted by the Committee at their Sitting held on 12<sup>th</sup> March, 2025.

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

4. 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.

5. The Committee also place on record their appreciation of the assistance rendered to them by the Committee Secretariat.

**New Delhi;  
12 March, 2025  
21 Phalguna, 1946 (Saka)**

**RADHA MOHAN SINGH  
Chairperson  
Standing Committee on Defence**



# **REPORT**

## **CHAPTER – I**

### **Defence Public Sector Undertakings (DPSUs)**

#### **Introduction**

The Committee have learnt that the Department of Defence Production (DDP) was set up in November 1962 with the objective of developing a comprehensive production infrastructure to produce the weapons, systems, platforms, equipment required for defence. Over the years, the Department has established wide ranging production facilities for various defence equipment through Defence Public Sector Undertakings (DPSUs). The products manufactured include arms and ammunition, tanks, armoured vehicles, heavy vehicles, fighter aircrafts and helicopters, warships, submarines, missiles, ammunition, electronic equipment, earth moving equipment, special alloys and special purpose steels. The mandate of this Department include achievement of self-reliance in design, development and production of defence equipment, promotion of Indigenisation, promotion of exports, improvement in R&D, promotion of innovations, increasing public & private sector participation including MSMEs & Startups, improving investments including Foreign Direct Investment (FDI) and ensuring quality and timely delivery to Indian Armed Forces. There are 16 Central Public Sector Undertakings under the administrative control of the Department of Defence Production, Ministry of Defence. This chapter contains examination of the following 9 DPSUs under the administrative control of the Department of Defence Production, Ministry of Defence:

- (i) Hindustan Aeronautics Limited (HAL)
- (ii) Bharat Electronics Limited (BEL)
- (iii) Bharat Dynamics Limited (BDL)
- (iv) BEML Limited
- (v) Mishra Dhatu Nigam Limited (MIDHANI)
- (vi) Mazagon Dock Shipbuilders Limited (MDL)
- (vii) Garden Reach Shipbuilders and Engineers Limited (GRSE)
- (viii) Goa Shipyard Limited (GSL)



(ix) Hindustan Shipyard Limited (HSL)

The new 7 DPSUs (erstwhile Ordnance Factories) are examined separately in detail in a subsequent chapter of the Report.

## 1.2 Defence Industry in the country: Major Achievements

The representative of the Ministry in a presentation to the Committee provided the following information with regard to the major achievements of the defence industry in the country:

	FY 2022-23	FY 2023-24	FY 2024-25
<b>Defence Production</b>	Rs 1,08,684 Cr	Rs 1,27,434 Cr <b>Rs 47,263 Cr (upto Q2)</b>	Rs 55,945 Cr (upto Q2)
<b>Defence Exports</b>	Rs 15,918.16 Cr	Rs 21,083 Cr <b>Rs 10469 Cr (upto 31.12.2023)</b>	Rs 17,125 Cr (upto 31.12.2024)
<b>Items indigenized (cumulative)</b>	7,000+ items	11,700+ items	13,900+ items
<b>Startups engaged (cumulative)</b>	355	475	603 (as on 31.12.2024)
<b>Challenges opened to Startups (cumulative)</b>	256	465	544 ( as on 31.12.2024)

## 1.3 Year wise Profits for the last 5 years

The Ministry provided the following data when enquired about the year-wise profit for the last 5 years:

(Rs in Crores)						
SI	DPSUs	2019-20	2020-21	2021-22	2022-23	2023-24
1	HAL	2,842	3,239	5,087	5,811	7,595
2	BEL	1,794	2,065	2,349	3,007	4,020

3	BEML	68	75	135	159	283
4	BDL	535	258	500	352	613
5	MIDHANI	159.73	166.29	176.31	155.88	91.26
6	MDL	408.48	479.57	586.47	1072.72	1845.43
7	GRSE	163.48	153.47	189.53	228.12	357.27
8	GSL	197.77	127.91	01.09	54.54	71.32
9	HSL	13	-14*	51	65	119
*Reason for loss: Due to COVID-19 pandemic and nationwide lockdown						

#### 1.4 Major Projects being executed by old DPSUs for Armed Forces

The Ministry in a detailed presentation provided the following information regarding major projects being serviced by the old DPSUs for the requirements of Armed forces:

**(i) Hindustan Aeronautics Limited (HAL):** HAL is presently executing major products the worth total Rs. 92,775 Cr with Timeline for delivery -March 2033 which include Light Combat Aircraft (LCA) MK1A; Hindustan Turbo Trainer (HTT-40); and Dornier (Do-228).

**(ii) Bharat Electronics Limited (BEL):** BEL is presently executing major products worth total Rs. 42,366 Cr with Timeline for delivery -Dec 2033 which include Long Range Surface to Air Missile (LRSAM) System; Weapon Locating Radar-Plains; Air Defense Control & Reporting System; and Akash Weapon System.

**(iii) BEML Limited:** BEML is presently executing major products worth total Rs. 2,271 Cr with Timeline for delivery Dec 2027 which include Pinaka 5th to 10th Regt; Command Post Vehicle; BEML HMV 8X8 for Sanjay BSS; and 50 Ton trailer.

**(iv) Bharat Dynamics Limited (BDL):** BDL is presently executing major products worth total Rs. 14,853 Cr with Timeline for delivery -May 2029 which include Konkurs-M; Akash; Astra Mk-I; and Milan 2T.

**(v) MIDHANI:** MIDHANI is presently executing major product BR Jacket worth Rs 35.86 Cr with Timeline for delivery -June 2025.

**(vi) Mazagon Dock Shipbuilders Limited(MDL):** MDL is presently executing major products worth total Rs. 60,969 Cr with Timeline for delivery- Feb 2026 which include P15B (Visakhapatnam Class Missile Destroyers); and P17A (Nilgiri Class Stealth Frigates).

**(vii) Garden Reach Shipbuilders & Engineers Ltd(GRSE):** GRSE is presently executing major products worth total Rs 27,731 Cr with Timeline for delivery -May 2028 which include P-17A Frigate; Survey Vessel Large (SVL); Anti-Submarine Warfare Shallow Water Craft (ASW-SWC); and Next Generation Offshore Patrol Vessel (NGOPV).

**(viii) Goa Shipyard Ltd(GSL):** GSL is presently executing major products worth total Rs 21,140 Cr with Timeline for delivery- Sep 2029 which include P11356 Frigate; Next Generation Offshore Patrol Vessels; and Pollution Control Vessels.

**(ix) Hindustan Shipyard Ltd(HSL):** HSL is presently executing major products worth total Rs 21,936 Cr with Timeline for delivery -March 2030 which are Diving Support Vessel; Semi-submersible pontoon; Fleet Support Ships.

### 1.5 Target for production and proposed allocation old DPSUs wise

The Ministry stated the following with regard to the targets for production and proposed allocation for the old DPSUs:

SI	DPSU	Production Target for FY2024-25 (Rs in Cr)	Proposed CAPEX allocation for 2024-25 (Rs in Cr)
1	HAL	37,121	1,600
2	BEL	25,380	800
3	BEML	4,958	484
4	BDL	4,310	100
5	MIDHANI	1,500	60
6	MDL	11,250	450
7	GRSE	4,386	101
8	GSL	2,829	30
9	HSL	1,800	100

### 1.6 Order book position of each of the old DPSUs

During the examination of DFG, the Ministry provided that following data with regard to the order book position of each of the old DPSUs:

(Rs in Crores)			
Sl. No	DPSUs	Order Book for current FY 2024-25	Order book expected in the next five years (FY 2025-26 to FY 2029-30)
1	HAL	1,25,388	13,04,975
2	BEL	74,500	3,00,000
3	BEML	15,296	1,20,000
4	BDL	18,754	95,000
5	MIDHANI	2,015	11,000
6	MDL	39,871	7,90,000
7	GRSE	24,221	2,40,000
8	GSL	18,562	1,40,000
9	HSL	19,000	79,000

### 1.7 Targets fixed and achieved during the last five years of old DPSUs

The Ministry while informing about the targets fixed and achieved during previous 5 years of old DPSUs stated as under :

(Rs in Crores)							
Sl.No.	DPSUs		2019-20	2020-21	2021-22	2022-23	2023-24
1	HAL	Target	20,000	21,500	24,085	26,400	31,680
		Achieved	21,445	22,882	24,620	27,055	30,118

2	BEL	Target	12,921	14,300	15,843	20,084	21,360
		Achieved	12,348	13,947	15,321	17,731	20,381
3	BEML	Target	3,750	3,850	3,900	4,350	4,560
		Achieved	3,028	3,597	4,337	3,802	4,056
		Reason of unachieved targets: BEML could not achieve the target due to the spread of COVID-19 Pandemic, delay in indigenisation of imported components, non-receipt of critical components and in receipt of orders disruptions.					
4	BDL	MoU	4,200	4,500	3,742	3,452	3,452
		Target (Rs in Cr)					
		Achieved in (Rs in Cr)	3,105	1,914	2,817	2,489	2,369
		Reason of unachieved targets: BDL could not achieve the target due to the spread of COVID-19 Pandemic, disruptions in supply chain and prevailing geo-political situation in Russia & Ukraine and in west Asia.					
5	MIDHANI	Target	970.11	775	908	1205	1500
		Achieved	712.88	813.23	988.73	1100.27	1147.64
6	MDL	Target	4,700	4,977	5,000	7,654	9,101
		Achieved	4,905	4,048	5,733	7,584	9,068
7	GRSE	Target	1,425	1,100	1,680	2,402	2,882

		Achieved	1424.70	1132.76	1745.28	2547.84	3588.46
8	GSL	Target	980	1,373	1,400	1,540	1,848
		Achieved	902.94	827.329	703.7	824.97	1635.57
		Reasons for unachieved targets for FY 2021-22: GSL could not achieve the target due to the spread of COVID-19 Pandemic, disruptions in global supply chain. and delayed the supply of Build Material Package (BMP) by Russian Side.					
9	HSL	Target	700	618	630	876	1051
		Achieved	494.98	367.99	755.24	1103.37	1413

### 1.8 Total value of Defence exports and imports by old DPSUs

The Ministry provided the Committee with the following information while presenting data on the total value of defence exports and imports by the old DPSUs:

(Rs in Crores)							
SI	DPSUs		2019-20	2020-21	2021-22	2022-23	2023-24
1	HAL	Export	212	240	168	294	311
		Import	7,265	7,278	6,570	6,191	10,101
2	BEL	Export (MUSD)	48.59	51.93	33.30	48.33	92.98
		Import	3355	3307	3133	3865	5080
3	BEML	Export	62	463	565	830	1066
		Import	621	551	773	604	676

4	BDL	Export	171	146	3	97	161
		Import	257	277	271	345	148
5	MIDHANI	Export	10.42	19.42	87.02	37.45	66.24
		Import	403.67	231.59	308.33	331.00	401.75
6	MDL	Export	0.11	0	3.26	5.73	15.43
		Import	1503.44	1364.90	1684.21	2817.72	2414.71
7	GRSE	Export	1.01	87.49	60.94	59.78	46.90
		Import	80.04	78.89	194.88	461.24	332.88
8	GSL	Export	0.87	0.33	1.10	37.85	37.49
		Import	182.49	82.06	42.04	95.30	663.17
9	HSL	Export	Nil				
		Imports	50.95	2222.82	22.43	343.13	75.30

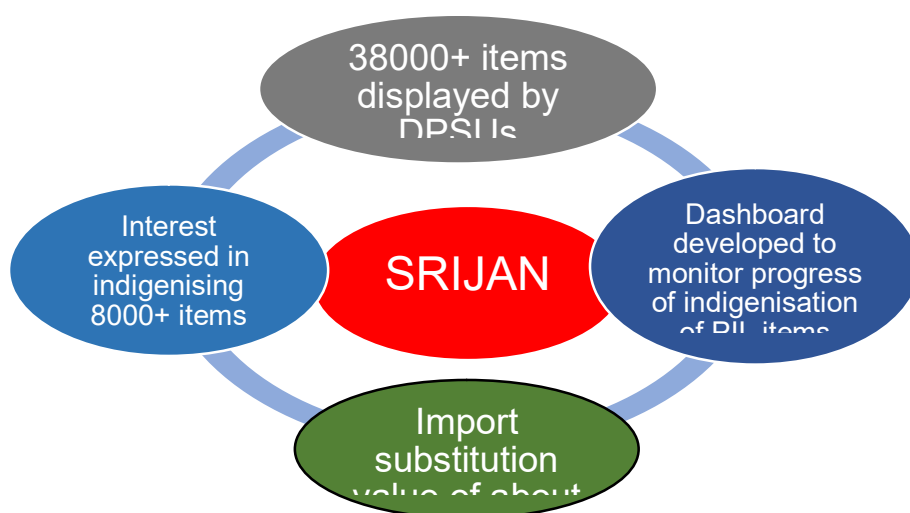
1.9 The Ministry while deposing before the Committee, stated the following facts regarding steps taken to increase the defence production

“सर, डिफेंस एक्सपोर्ट को बढ़ावा देने के लिए हम लोगों ने एसओपीज को स्ट्रीमलाइन किया है। ओपन जेनरल एक्सपोर्ट लाईसेंस का प्रोविजन रखा गया है, जिसको हम लोग दो साल के लिए इश्यू करते हैं। इसमें डेजिग्रेटेड कंपोनेंट्स को डेजिग्रेटेड कंट्रीज को एक्सपोर्ट किया जा सकता है। केस टू केस अनुमोदन लेने की आवश्यकता नहीं है। टीडीपी में एक एक्सपोर्ट प्रमोशन सेल स्थापित की गई है। एक्सपोर्ट प्रमोशन को स्ट्रीमलाइन करने के लिए वन प्वाइंट कॉन्टैक्ट रखा गया है। इसके अलावा, अप्रैल 2024 में ब्रांड इंडियाइन डिफेंस स्कीम को प्रमोट करने के लिए स्कीम लॉन्च की गई है, जिसमें हम फाइनेंशियल असिस्टेंस देते हैं। इससे वे लोग हमारे डिफेंस के प्रोडक्शन कैपेबिलिटीज एंड एक्जीपमेंट्स को विदेशों में प्रमोट करते हैं।”

### 1.10 Indigenisation of Defence Equipments

On indigenization of defence equipments the Ministry stated that the following steps have been taken:

- (i) Indigenisation portal (SRIJAN Defence) launched in Aug 2020 to facilitate private industry to become part of the Indigenisation drive of DPSUs & SHQs
- (ii) 5 Positive Indigenisation Lists(PILs):
  - Total Items: 5012 Items
  - 3025 items already indigenised
- (iii) Rs. 3500+ Cr foreign exchequer saved



### 1.11 Make procedures

The Ministry on Make Procedures, stated the following to the Committee:

- (i) Make-I (Govt Funded) :Projects involving design and development of equipment, systems, major platforms or upgrades thereof by the industry with funding upto 70% of prototype development cost or maximum Rs 250 Cr per Development Agency (DA).



- (ii) Make-II (Industry Funded): Projects involving design and development of equipment/ system/ platform and their subsystems, primarily for import substitution, with assurance of orders to successful L1 vendor.
- (iii) Make-III (Indigenously Manufactured): Although, not designed/developed indigenously, but to be manufactured in India as import substitution for product support of weapon systems/equipment held in the inventory of the Services
- (iv) Make Projects upto Rs 100Cr/yr (*based on delivery schedule*) reserved for MSMEs.

1.12 On a specific query regarding the progress of indigenization on the lines of 'Atmanirbhar Bharat' in defence and aerospace sector, the Ministry in a written reply submitted that:

“Several policy initiatives have been taken in reform to encourage indigenous design, development, and manufacture of Defence platforms, thereby promoting self-reliance in Defence manufacturing & technology. DPSUs are closely working with partners, especially MSMEs, to help them become reliable and strong partners in the supply chain in Defence Sector. Also efforts are on to reduce import content through product indigenization under License Agreements, Joint Ventures & Transfer of Technology (ToT) with foreign OEMs, Re-Engineering, R&D Efforts etc.

DDP developed 'SRIJAN' portal in 2020 that provides access of items which have been imported in the past or likely to be imported in future to manufacturing industry for Indigenisation. More than 38,500 imported items have been uploaded in SRIJAN portal by DPSUs for indigenization out of which more than 13,000 items have been indigenized so far.

DPSUs are participating in Innovation in Defence excellence (iDEX) initiative which was launched in 2018 to foster innovation & technology development in Defence& Aerospace by engaging industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia.

Further DPSUs participate in the 'Make India Initiative' launched in 2016 aimed to achieve Self – reliance by involving greater participation of industries, both private& public.”

### **1.13 Promotion of start-ups through iDEX**

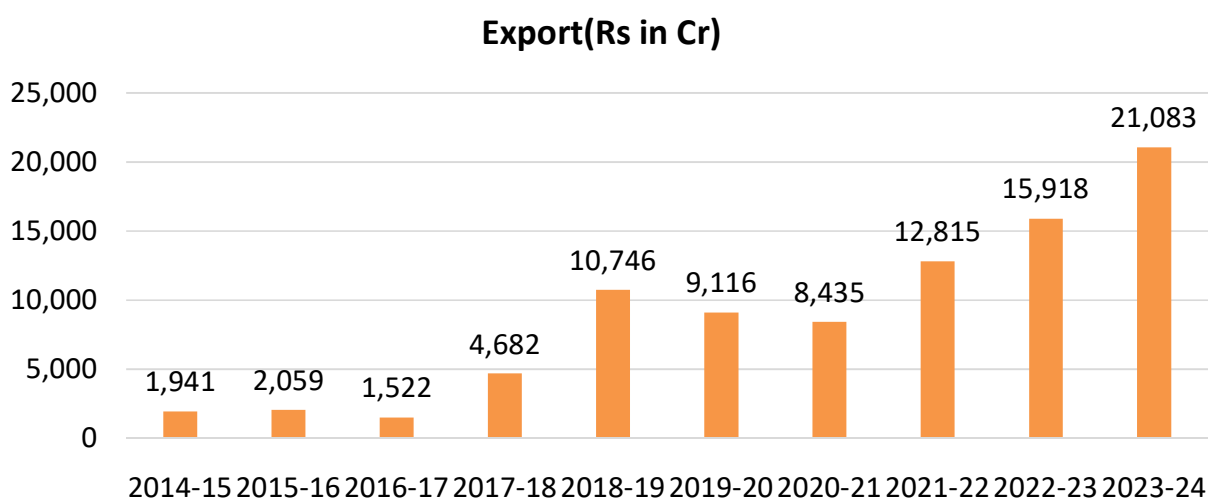
The Ministry on the question of steps taken by the government for the promotion of start-ups, especially through iDEX, stated as under:

- (i) Innovations for Defence Excellence (iDEX) launched in April 2018 to foster innovation and technology development in Defence and Aerospace by engaging industries including MSMEs, Start-ups, Individual Innovators, R&D Institutes and Academia and providing grants/funding and other support to carry out R&D.
- (ii) iDEX Outlay is Rs 498.78 Cr (2021-22 to 2025-26) for 5 years. Projects approved till date is 417. Total Rs. 357 Cr is allocated upto 2024-25 for expenditure against the commitment of Rs. 498.78 Cr. upto 2025-26.
- (iii) Acing Development of Innovative Technologies with iDEX (ADITI) scheme launched on 4th March 2024 with outlay of Rs 750 Cr for 2023-24 to 2025-26 to support development of futuristic and critical technologies for the Armed Forces.
- (iv) Total commitment in FY 2024-25 is Rs 228 Cr. and expected commitment till FY 2025-26 is additional Rs 522 Cr.
- (v) 3 Editions of ADITI launched comprising 37 Problem Statements.
- (vi) Total 546 nos. of Problems Opened, 606 nos. of Start-up/MSME/ Individual innovator engaged and 427 contracts have been signed. 32 procurement contracts worth Rs. 1568 Cr. have been placed on iDEX winners.

### 1.14 Defence Export (Initiatives for Exports)

On the initiatives for defence exports the Ministry stated that:

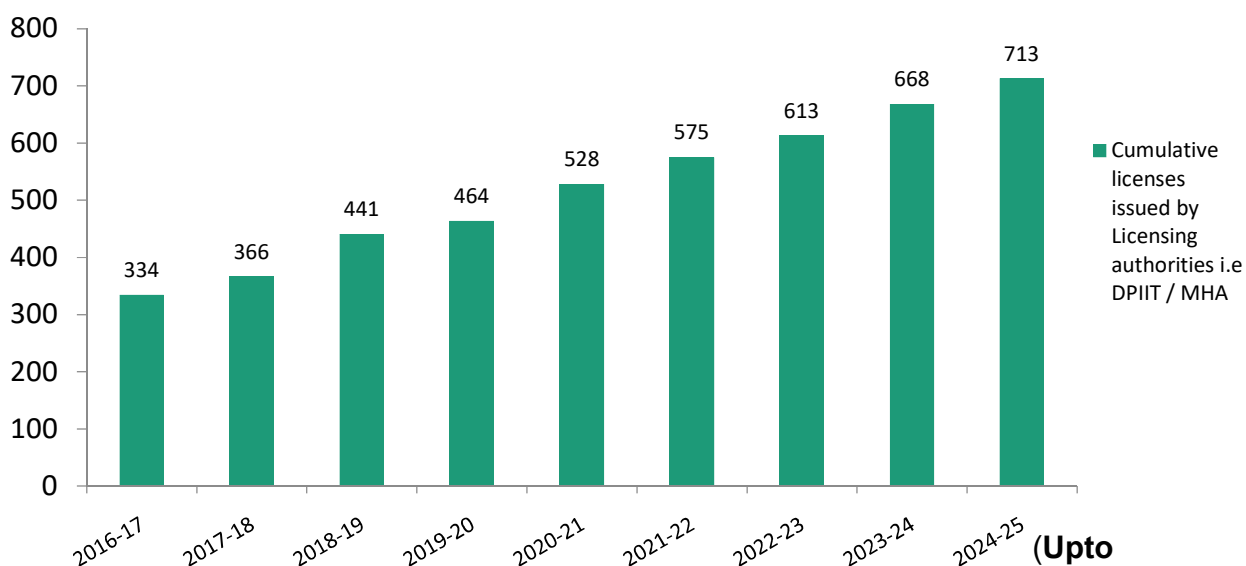
- (i) SOPs streamlined
- (ii) Open General Export License(OGEL) to boost Defence Exports
- (iii) Export Promotion Cell(EPC) set up
- (iv) India exporting to about 100 Nations
- (v) Promotion of 'Brand India' in Defence Scheme introduced in April 2024 for financial assistance to Defence Attaches. Expenditure in FY 24-25 is 3.76Cr. Rs 4.14Cr. allocated for FY2025-26.
- (vi) Exports till 31.01.2025 is Rs. 18,487 Cr. & expected to cross Rs. 23000Cr. in FY 2024-25.



## 1.15 Licensing Reforms

The Ministry informed the following with regard to the steps taken towards initiating reforms in Licensing:

- (i) Defence Products list requiring Industrial License rationalized and trimmed down in 2019 to minimize items requiring License for manufacturing
- (ii) Initial validity of the Industrial License increased from 3 yrs to 15 yrs further extendable to 18 yrs under Industries(Development &Regulation) Act 1951



## CHAPTER – II

### Directorate of Ordnance (Coordination and Services) – New DPSUs

#### Introduction

Directorate of Ordnance (Coordination and Services) – New DPSUs, with headquarters at Kolkata was a subordinate office of the Department of Defence Production till 30.9.2021. It controlled and directed 41 Ordnance Factories. The Cabinet, in its meeting held on 16.06.2021 has approved to convert production units of OFB into 7 DPSUs with 41 units, namely Ammunition & Explosive, Vehicles, Weapons & Equipment, Troop Comfort items, Ancillary, Opto Electronics and Parachute. The Head Quarters of the new corporate entities have been selected based on the location and concentration of OFs, revenue and criticality of Products. The details of information with location of various headquarters functioning under the newly created Defence Companies and the production units coming under their jurisdiction are under:

#### 2.2 Production Units under the 7 New DPSUs

Sl No	Production unit	New DPSUs and main business
1.	Ammunition Factory Khadki	<b>Munitions India Limited</b> This DPSU is engaged in the business of manufacturing ammunition and explosives.  Registered office: Ammunition Factory Khadki, Pune, Maharashtra – 411003
	Cordite Factory Aruvankadu	
	High Energy Projectile Factory Tiruchirappalli	
	High Explosive Factory Khadki	
	Ordnance Factory Bhandara	
	Ordnance Factory Bolangir	
	Ordnance Factory ChandaChandrapur	
	Ordnance Factory Dehu Road	
	Ordnance Factory Itarsi	
	Ordnance Factory Khamaria	

	Ordnance Factory Nalanda Ordnance Factory Varangaon	Corporate office: 2nd Floor, NyatiUnitree, Nagar Road, Yerwada, Pune - 411 006
2.	Engine Factory Avadi Heavy Vehicle Factory Avadi Machine Tool Prototype Factory Ambernath Ordnance Factory Medak Vehicle Factory Jabalpur	<b>Armoured Vehicles Nigam Limited</b>  This DPSU is engaged in the business of manufacturing vehicles.  Registered and corporate office: HVF Road, Bhaktavatsalapuram, Avadi, Chennai, Tamil Nadu - 600054
3.	Field Gun Factory Kanpur Gun Carriage Factory Jabalpur Gun and Shell Factory Cossipore Ordnance Factory Kanpur Ordnance Factory Project Korwa Ordnance Factory Tiruchirappalli Rifle Factory Ishapore Small Arms Factory Kanpur	<b>Advanced Weapons and Equipment India Limited</b>  This DPSU is engaged in the business of manufacturing weapons and equipment.  Registered and corporate office: Ordnance Factory Kanpur, Kalpi Road, Kanpur, Uttar Pradesh – 208009
4.	Ordnance Clothing Factory Avadi Ordnance Clothing Factory Shahjahanpur Ordnance Equipment Factory	<b>Troop Comforts Limited</b> This DPSU is engaged in the business of manufacturing

	Kanpur Ordnance Equipment Factory Hazratpur	troop comfort items.  Registered and corporate office:  C/o Ordnance Factory Equipment, Headquarter G T Road, Kanpur, Uttar Pradesh – 208013
5.	Grey Iron Foundry Jabalpur Metal and Steel Factory Ishapore Ordnance Factory Ambernath Ordnance Factory Ambajhari Ordnance Factory Bhusawal Ordnance Factory Dumdum Ordnance Factory Katni Ordnance Factory Muradnagar	<b>Yantra India Limited</b> This DPSU is engaged in the business of manufacturing Military Grade components and Ancillary products.  Registered and corporate office: C/o The General Manager Ordnance Factory, Ambajhari Amravati Road Ambajhari, Nagpur, Maharashtra - 440021
6.	Ordnance Cable Factory Chandigarh  Ordnance Factory Dehradun Opto-Electronics Factory Dehradun	<b>India Optel Limited</b> This DPSU is engaged in the business of manufacturing opto-electronic items.  Registered and corporate office: C/o Opto Electronic Factory, Raipur, Dehradun, Uttarakhand – 248008
7.	Ordnance Parachute Factory	<b>Gliders India Limited</b>

	Kanpur	<p>This DPSU is engaged in the business of manufacturing parachutes.</p> <p>Registered and corporate office: C/o Ordnance Factory Equipment Headquarter, G T Road, Kanpur Uttar Pradesh – 208005</p>
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## 2.3 Budgetary provisions

The Ministry of Defence was asked to furnish the information in respect to budgetary provisions to various newly constituted DPSUs/erstwhile ordnance factories and also about allocation of additional funds to run the factories under them along with the methodology adopted to distribute existing funds. The Ministry in its written replies stated as under:

“Government of India has allocated CAPEX Fund of Rs. 8745 Crore to the newly created DPSUs for FY 2021- 22 to FY 2026-27. Out of which, the fund distributed upto FY 2024-25 is Rs. 5757 Crore for Modernization and R&D, under the Omnibus Minor Head 190 – Investment in Public Sector & Other Undertaking, under Major Head 4076 (04) – Capital Outlay on Defence Services Estimates. The existing funds are being distributed based primarily on accrued liabilities and modernization plan of newly created DPSUs.”

## 2.4 Budget Estimates, Revised Estimates and Actual Allocations in respect of all new DPSUs for the last five years:

### **FY 2020-21**

Projection		Budgetary Estimates		Revised Estimates		Actual allocation	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged



Rev – 15681.82	8.18	Rev – 15472.35		Rev – 12163.81		Rev – 11741.70	
Cap – 753.50		Cap – 753.50		Cap – 627.00		Cap – 426.00	
16435.32		16225.85	8.18	12790.81	5.70	12167.70	8.80

**FY 2021-22**

Projection		Budgetary Estimates		Revised Estimates		Actual allocation	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
Rev – 14400.50	8.50	Rev – 13651.61		Rev – 6660.00		Rev – 6660.00	
Cap – 662.00		Cap – 662.00		Cap – 4341.00		Cap – 4341.00	
15062.50		14313.61	8.50	11001.00	19.00	11001.00	19.00

**FY 2022-23**

Projection		Budgetary Estimates		Revised Estimates		Actual allocation	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
Rev – 474.00	1.00	Rev – 474.00		Rev – 400.50		Rev – 383.00	
Cap – 3810.00		Cap – 3810.00		Cap – 3811.50		Cap – 3810.10	
4284.00		4284.00	1.00	4212.00	1.00	4193.10	1.00

**FY 2023-24**

Projection		Budgetary Estimates		Revised Estimates		Actual allocation	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
Rev – 432.50	1.00	Rev – 432.50		Rev – 424.50		Rev – 400.22	
Cap –		Cap –		Cap –		Cap –	

1315.00		1315.00		1310.50		1394.50	
1747.50		1747.50	1.00	1735.00	1.00	1794.72	0.01

#### **FY 2024-25**

Projection		Budgetary Estimates		Revised Estimates		Actual allocation	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
Rev – 461.75	1.00	Rev – 450.25		Rev – 469.35		Not yet finalized	
Cap – 1499.00		Cap – 1499.00		Cap – 1637.00			
1960.75		1949.25	0.21	2106.35	1.00		

*Note: OFB corporatized in the year 2021 and hence figures after 2021-22 are not comparable to pre-corporatization figures.*

Investment in the form of Budget Support through CAPEX is Rs 1494 Cr for the FY 2024-25; and Rs 1494Cr planned for FY 2025-26 in 7 new DPSUs MIL, AVNL, AWEIL, YIL, IOL, TCL, GIL. There is no Budget support made for Old DPSUs (HAL, BEL, BDL, BEML, MIDHANI, MDL, GRSE, GSL, HSL). Internal and Extra Budgetary Resource(IEBR) support by the Ministry is NIL.

## **2.5 Order Book Position**

Order Book position available for the newly created DPSUs for the next five years, DPSU wise, is as under:

(Rs in Crore)

Sl. No.	DPSUs	Order Book Position as on 31.12.2024
1	MIL	23482
2	AVNL	33956
3	AWEIL	9078
4	TCL	950

5	YIL	3713
6	IOL	7512
7	GIL	293
<b>Total</b>		<b>78984</b>

With more functional and financial autonomy, these new DPSUs are exploring newer markets both in the country as well as abroad. Further, Ministry is providing financial and non-financial support to the new DPSUs to make them productive and profitable.

## 2.6 Budget for Modernization

In order to keep pace with contemporary manufacturing technologies and to modernise manufacturing units, the new DPSUs are adopting the following steps/methodologies:

- (i) **Renewal & Replacement (RR):** For renewal/reconditioning of high value/heavy duty P&M to restore the original manufacturing accuracies/functions and replacement of old P&M which are Beyond Economical Repair (BER) and those which have become obsolete, with the objective of retaining manufacturing capacities.
- (ii) **New Capital (NC):** Acquisition of P&M to incorporate latest available technology for the manufacturing of the future products or for capacity augmentation of existing products and to balance specific manufacturing processes for the current products in the form of NC Demand or through various capacity creation/augmentation projects.
- (iii) **Civil Infrastructure:** DPSUs are continuously modernizing Civil Infrastructure and services viz. Production & Services buildings, Power supply, Water supply, Compressed Air supply etc.

The details of the outlay provided to the new DPSUs for CAPEX, till date, are as under:

	DPSU	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
1	MIL	696.55	577	580	745.45
2	AVNL	310.14	282	290	173.86
3	AWEIL	347.74	226	225	329.26
4	YIL	252.85	203	200	228.15
5	IOL	24.82	8	6	5.18
6	TCL	7.04	7	7	9.96
7	GIL	3.86	7	2	2.14
Total		1643	1310	1310	1494

Out of the total Rs. 5757 crore allocated till date, the new DPSUs have incurred cumulative expenditure of Rs. 3261.78 crore, till 31.12.2024. Further, the details of major project/ programme proposed, planned and implemented since the constitution of new DPSUs are as under:

DPSUs	Details of Project/ Programme by the new DPSUs	Remarks
MIL	Production of BMCS manufacturing plant	Under commissioning
	Single base propellant plant	Under commissioning
	TNT Plant	Planned (Supply Order concluded)
	RDX plant	Proposed
	NG plant	

	RDX Compound Plant	
	NC Plant	
	NIGU (PICRITE) Plant	
<b>AVNL</b>	CNC 3D Coordinate Measuring Machine	Commissioned
	Computerized X-Ray Radiography System	
	Flexible Machining System with four Machining Centre	
	QA & QC infrastructure for MBT Arjun	Proposed
	OH infrastructure for MBT Arjun	
	Capacity enhancement for OH of T-Series Tanks	
<b>AWEIL</b>	Indigenous production of AK-203 Rifle	Planned
	Plant & Machinery for Indigenous production of Stabilised Remote-Control Gun (SRCG)	
<b>TCL</b>	Capacity augmentation for Bullet Resistant Jacket, Helmets with testing facility for Ballistic Protective Gears	Proposed/Planned
	Flexible Assembly line production shop for manufacturing of High-Altitude items	
	Production facility for manufacturing of Boot Multipurpose & Snow Boots	
<b>YIL</b>	10 Ton & 12 Ton Electro Slug Re-melting Plant	Commissioned
	Pit type furnaces	
	Automatic welding and fabrication line for ammunition boxes	Proposed
	Hydraulic Forging Press	
<b>IOL</b>	Digital Ballistic Computer and Automatic Target Tracker	Proposed
<b>GIL</b>	Various machines for integration of parachute manufacturing facilities	Planned

2.7 The new products developed by the DPSUs to keep pace with changing technology in order to manufacture and supply quality products to Armed Forces are as under:

- (i) Area Denial Munitions (DPICM Pinaka)
- (ii) Pinaka Mk-I enhanced Rocket
- (iii) Guided Pinaka Rocket
- (iv) Commander Thermal Imager for T-Series Tanks
- (v) Fusion Technology based Driver's Night Sight for BMP-II

- (vi) Day telescopic sight for assault rifle
- (vii) Anti Material Rifle
- (viii) 7.62mm Ishapore Assault Rifle
- (ix) Mine Protected Vehicle 6x6
- (x) Bullet resistant jacket NIJ level IV
- (xi) Ballistic helmet NIJ level IIIA

2.8 Further, the new DPSUs, through in-house R&D and in association with DRDO/Industry/Academia have undertaken development of state-of-the-art equipment, weapon/ armament platforms. Major products among them are as under:

- (i) Automatic Target Tracker & Digital Ballistic Computer for T-90
- (ii) Gunner's Main Sight for MBT Arjun MK-1A
- (iii) Guided Bomb
- (iv) 155 mm Smart ammunition
- (v) Parachute Tactical Assault Gajraj (PTA G-2)
- (vi) Military Combat Parachute System (MCPS)
- (vii) 155 x 52 Calibre Towed Gun
- (viii) 155 x 52 Calibre Mounted Gun System
- (ix) 60mm Mortar
- (x) 155 mm Bourrelet shells for extended range
- (xi) Anti G Suit
- (xii) Bomb Disposal Suit

Newly created DPSUs do take up collaborative R&D projects, seeking assistance in design and prototype development, from the government academic institutions, government owned laboratories and Indian private manufacturers. They outsource R&D tasks to reputed government institutions and government laboratories. Newly created DPSUs have taken up collaborative development projects for new technologies under the umbrella of Make-II as well as iDEX.

## 2.9 List of items developed through indigenous industrial capability

The Ministry provided the Committee with the following data when enquired about the items developed through indigenous industrial capability:

SL	Nomenclature	DPSU
1	Cartg. SA 7.62 mm Ball A-7 Ammunition	MIL
2	20 mm AMR Ammunition	MIL
3	Multi-Mode Hand Grenade	MIL
4	Pinaka Rockets	MIL
5	Various types of small arms ammunition	MIL
6	KAVACH MOD-II	AVNL
7	Mine Protected Vehicle	AVNL
8	5KL Water Bowser	AVNL
9	Logistic Vehicles	AVNL
10	Trichy Assault Rifle	AWEIL
11	7.62x51 mm Sniper Rifle	AWEIL
12	7.62x51 mm Assault Rifle	AWEIL
13	Up-gunning of 130mm Gun to 155 mm	AWEIL
14	155mm x 45 Calibre Artillery Gun System 'Dhanush'	AWEIL
15	Joint Venture Protective Carbine	AWEIL
16	Coat ECC	TCL
17	ECAD SD Parachute	TCL
18	Tent Arctic Large	TCL
19	TEFS 2M/ 4M	TCL
20	PCAD AN-32	TCL
21	Combat Uniform	TCL
22	Day Telescopic Sight for Assault Rifles	IOL
23	Commander Sight passive for T-72 & BMP II	IOL
24	Driver Night sight for BMP-II	IOL
25	Driver sight for T-90	IOL
26	Various types of Brake Parachutes	GIL
27	Various types of Pilot Parachutes	GIL
28	Man carrying parachutes	GIL

## 2.10 Manufacturing and Export & Import by new DPSUs

The value of products supplied by the new DPSUs to the three Services, since inception is tabulated below:

(Rs. in Crores)

S. No.	DPSU	Year			
		2021-22 (01.10.21 to 31.03.22)	2022-23	2023-24	2024-25 (till 31.12.2024)
1	MIL	1897.54	3420.47	3684.58	2594
2	AVNL	2466.07	4410.63	4131.95	2527.82
3	AWEIL	343.41	444.59	527.07	298
4	TCL	594	937	264	285
5	YIL	67.11	44.66	37.15	47.59
6	IOL	158.73	427.64	520.54	418.82
7	GIL	68	181	136	97
8	<b>Total</b>	<b>5594.86</b>	<b>9865.99</b>	<b>9301.29</b>	<b>6268.23</b>

2.11 Newly created DPSUs have identified export focus area to expand their business. They are proactively pursuing various leads received from government and other channels. The newly created DPSUs export products to the friendly countries based on the export clearance given by the Government. The year-wise cumulative values of Exports, by the new DPSUs, in last three years, to various countries are tabulated below:

(Rs. in Crore)

S. No.	Year	Value
1	2021-22 (from 01.10.2021-31.03.2022)	22.55
2	2022-23	82.18
3	2023-24	1976.51



2.12 The details of expenditure incurred on import against revenue from operations by new DPSUs are as under:

(Rs. in Crore)

DPSUs	2021-22	2022-23	2023-24
MIL	245.31	642.96	673.03
AVNL	221.84	423.56	27.05
AWEIL	0.49	66.78	61.18
TCL	NIL	NIL	NIL
YIL	NIL	NIL	NIL
IOL	132.91	400.28	534.87
GIL	NIL	NIL	NIL

2.13 The Ministry of Defence in a written reply submitted the details with regard to Profit and Loss figures of each of the New DPSUs (DPSU wise) during each of the last 5 years alongwith reason for losses and the figures.

“Year wise Profits for the last 5 years are as follows:

(Rs in Crores)

SI	New DPSUs	2019-20	2020-21	2021-22	2022-23	2023-24
10	AVNL	-	-	54.19	271.17	605.06
11	AWEIL	-	-	4.53	-12.79	20.24
12	GIL	-	-	-20.70@	6.86	10.76
	<b>@Reason for loss: Due to Pandemic</b>					
13	IOL	-	-	60.10	206.91	233.03
14	MIL	-	-	21.69	73.35	558.78

15	TCL	-	-	(+) 16.38	(+) 18.95	(-) 303**
	** <b>Reason for loss:</b> Loss incurred in the FY. 2023-24 due to poor workload. Workload of only Rs.340 Cr was available during the FY 2023-24; later orders of above Rs.1200 Cr was placed by Army HQ in the last quarter of FY 2023-24. “					
16	YIL	-	-	-123.12***	51.34	425.58
	*** <b>Reason for Loss:</b> Due to less Order book, meagre Grandfathering contract from services , lower Revenue, higher Manpower Cost, and higher Overheads.					

2.14 Major Projects being executed by New DPSUs for Armed Forces are given below:

(i) **“Armoured Vehicles Nigam Ltd (AVNL):**AVNL is presently executing major products worth total Rs 3,69,151 Cr with Timeline for delivery - March 2029 which include T-90 Mk-III; T-72 Trawl; and T-72 BLT.

(ii) **Advanced Weapons and Equipment India Ltd(AWEIL):** AWEIL is presently executing major products worth total Rs 4734 Cr with Timeline for delivery -March 2029 which include Dhanush Gun System; Sharang Gun; and 7.62x51mm Medium Machine Gun.

(iii) **Gliders India Ltd(GIL):** GIL is presently executing major products worth total Rs 340 Cr with Timeline for delivery -March 2027 which are 30433-P7 Parachute System; and GIL/21-22/001.

(iv) **India Optel Ltd(IOL):** IOL is presently executing major products worth total Rs 1,610 Cr with Timeline for delivery - March 2026 which are TIFCS 418 for Tk T72; CTI T90 Upgradation; and DNS for BMP-II.

(v) **Munitions India Ltd (MIL):**MIL is presently executing major products worth total Rs 10,202 Cr with Timeline for delivery- March 2027 which include Rocket Pinaka PFF; 84 mm HEAT 751; and 84 mm HEDP 502.

**(vi) Troop Comforts Ltd(TCL):**TCL is presently executing major products worth total Rs 651 Cr with Timeline for delivery -March 2025 which include Bag Sleeping Light Weight; Rain Cape Multipurpose (PONCHO); and Overall Combination.

**(vii) Yantra India Ltd (YIL):** YIL is presently executing major products worth total Rs 226 Cr with Timeline for delivery -March 2026 which are Up Gunning 130mm (M-46) to 155mm /45 Cal Gun System; and CI-70 Bridge.”

2.15 On a specific query regarding any cost and time overruns by New DPSUs during the last five years while supplying equipment/platforms to the forces, the Ministry in its written reply submitted as follows.

“Details are as under:

**(i) AVNL:** Supply of few items delayed due to non-availability of imported items/parts. There are no cost overruns.

**(ii) AWEIL:** There is no cost overrun for any projects. Supply of few items delayed due to non-availability of imported items/parts.

**(iii) GIL:** There are no major cost and time overrun by GIL during the last five years while supplying equipment/platform to the armed forces so far.

**(iv) IOL:** There is time overruns in cases like supply of TIFCS-418 and CTI T90 up gradation. The main reason for slippage in TIFCS-418 projects is the delay in supply of Co-production items from M/s TML Engg, Belarus. The reason for slippages in CTI T90 up gradation is due to quality issues in some of the components.

**(v) MIL:** MIL has come into existence with effect from 30/09/2021. All the indents placed in various units of Munitions India Limited were converted into Deemed Contracts on the terms and conditions in line with the

indents. No cost overrun is observed since then.

**(vi) TCL:** There is no cost overrun during the last 03 years as DPSU in all the contracts executed by TCL under Revenue Heads. Time overrun has occurred only in few products such as Water Storage items used by Indian Army in field operations. Reason for time overrun for Water Storage items such as Tank Canvas various sizes and Chagul may be attributed to material constraints. In the instant case of Water Storage items, there is only one indigenous source of basic material i.e. Canvas Flax fabric (manufactured and supplied by Aditya Birla Group Textile unit). However, supplies are being made to Indian Army after resolving the material constraints.

**(vii) YIL:** There is no cost overruns by YIL since inception for supplying equipment/platforms to the Services.”

## 2.16 Target for production and proposed allocations for New DPSUs

Sl	New DPSU	Production Target for FY2024-25 (Rs in Cr)	Proposed CAPEX allocation for 2024-25(Rs in Cr)
1	AVNL	5,960	173.86
2	AWEIL	2,552	329.26
3	MIL	8,925	745.45
4	YIL	3,463	228.15
5	IOL	1,600	5.18
6	GIL	239	2.14
7	TCL	1028	9.96

2.17 The Ministry while replying to a specific query on order book position of each of the DPSU for the current and next five years in a written reply submitted under that as per Government of India's policy, New DPSUs are mostly getting orders on competition basis. Total value of orders for which New DPSUs will be competing during the Current year and next five years is as under:

(Rs in Crores)

Sl No.	New DPSUs	Order Book for current FY 2024-25	Order book expected in the next five years (FY 2025-26 to FY 2029-30)
1	AVNL	5,544	41,735
2	AWEIL	2,552	11,107
3	GIL	308	1,240
4	IOL	7,682	49,575
5	MIL	23,120	67,250
6	TCL	1,155	6,575
7	YIL	3,169	21,214

2.18 The Ministry while furnishing data with regard to the targets fixed and achieved during last five years of each New DPSUs along with the reasons regarding the remaining targets, submitted that:

(Rs in Crores)

Sl.No	New DPSUs		2019-20	2020-21	2021-22	2022-23	2023-24
1	AVNL	Target	-	-	-	-	5960.00
		Achieved	-	-	2569.47	4876.51	4663.16

2	AWEIL	Target	-	-	1050	2100	2552
		Achieved	-	-	1089	1939	2040
		Reason of unachieved targets: Delay in supply of AGSS ex-BEL impacted Dhanush supplies and result into unachieved target.					
3	GIL	Target	-	-	-	-	239
		Achieved	116.2	122.7	121.51	206.01	176.83
		Reason of unachieved targets: SD parachute load from Army was not available for the dedicated production lines.					
4	IOL	Target	-	-	-	1079	1349
		Achieved	-	-	562.12	1078.65	1379.62
5	MIL	Target	-	-	2498.00	6139.00	5580.00
		Achieved	-	-	2616.13	4951.62	7221.58
		Reason of unachieved targets: Slippage during 2022-23 were primarily due delays in receipt of input materials. However, the slippages were made up during 2023-24.					
6	TCL	Target	-	-	737	1209	112.38
		Achieved	-	-	643	1082	108.56
		Reason of unachieved targets: Non-achievement of previous years have been completed in the subsequent years except some Water Storage items. Shortfall occurred primarily due to material constraints which was resolved later on. As on date more than 98% of Deemed Contract value has already been completed by TCL.					
7	YIL	Target	-	-	1000	2500	3027

		Achieved	-	-	956.32	2391.01	2820.56
		Reason of unachieved targets: There is a minor shortage in supplied in comparison to target due to withholding of supplied by the buyer in certain cases or short closure/less demand of certain products by sister DPSUs/ factories. ”					

2.19 On a pointed query regarding the total value of defence exports and imports over the last five years with regard to each New DPSU alongwith efforts being made /contemplated for indigenization of defence production thereof, the Ministry in a written reply submitted that:

“Total value of Defence exports and imports by New DPSUs are as under:

(Rs in Crores)							
SI	New DPSUs		2019-20	2020-21	2021-22	2022-23	2023-24
1	AVNL	Export	Nil		0.32	Nil	
		Import	177.65	230.36	221.84	423.56	27.05
2	AWEIL	Export	-	-	-	3	38
		Import	-	-	0.49	66.78	61.18
3	GIL	Export	-	-	-	1.18	1.92
		Import	Nil				
4	IOL	Export	-	-	-	Nil	2.02
		Imports	-	-	132.91	400.28	534.87
5	MIL	Export			22.55	45.54	1696.87
		Imports			245.31	642.96	673.03
6	TCL	Export	-	-	Nil	Nil	1.97

		Imports	-	-	Nil		
7	YIL	Export	-	-	0.0	33.0	218.7
		Imports	-	-	Nil”		



## CHAPTER – III

### **DIRECTORATE GENERAL OF QUALITY ASSURANCE (DGQA)**

#### **Introduction**

Directorate General of Quality Assurance (DGQA) is an Inter-Service Organisation functioning under the Department of Defence Production in the Ministry of Defence. DGQA is responsible for second party Quality Assurance of all defence stores and equipment, both imported as well as indigenous, for the Army, Navy (excluding Naval Armaments) and common user items for the Air Force procured from Private Sector, Public Sector Undertakings and Ordnance Factories.

#### **3.2 Organisational Structure and Functions:**

DGQA Organisation is structured into eleven Technical Directorates, each responsible for a distinct range of equipment. The Technical Directorates are structured in two tiers for functional purposes, comprising of Controllerates and Field Quality Assurance Establishments. In addition, there are Proof Establishments in Armament Discipline for carrying out proof of weapons and ammunition.

3.3 The Committee, during examination desired to be apprised of the works done and services being provided by the DGQA. In response the representative of the Ministry submitted as under:

“सर, डीजीक्यूए एक क्वालिटी एश्योरेंस ऑर्गेनाइजेशन है। आर्म्ड फोर्सेज जितने प्रोडक्ट्स सप्लाई होते हैं, हम उनको क्वालिटी एश्योरेंस कवर देते हैं। यह ऑर्गेनाइजेशन 1869 से है। दूसरे रूप में, हम वर्ष 1976 में इंस्पेक्शन से बाहर आये और वर्ष 1987 में हमने क्वालिटी एश्योरेंस का काम अपने हाथों में लिया। आर्म्ड फोर्सेज के जितने भी प्रोडक्ट्स की सप्लाई होती है, हम सबको क्वालिटी एश्योरेंस कवर देते हैं। इसके अलावा, बहुत से कैपिटल और रेवेन्यू प्रोक्योरमेंट प्रॉसेस हैं। प्रोक्योरमेंट केसेज में हम टेक्निकल मदद लेते हैं। जो प्रॉडक्ट्स इम्पोर्ट होते हैं और प्राइवेट इंडस्ट्रीज में दिये जाते हैं, हम उनमें पीडीआई और जेआरआई के

रूप में इंस्पेक्शन भी करते आये हैं। इसके अलावा, आर्म्ड फोर्सेज के जितने भी सर्विसेज हैं, उनमें हम बहुत-सी चीजों में मदद करते हैं, जैसे डीजीक्यूए अप्रूवल्स, असाइमेंट्स लिस्ट पब्लिकेशन, उनका डेटा अपडेशन और डिफेक्ट इंवेस्टिगेशन आदि कामों में हम शामिल हैं। हाल ही में, हमने डीजीक्यूए ऑर्गेनाइजेशन की रिस्ट्रक्चरिंग की है। इसमें 93 एस्टैब्लिशमेंट्स को घटाकर 53 एस्टैब्लिशमेंट के रूप में लेकर आए हैं। आजकल जितने भी प्रॉडक्ट्स आते हैं, उनमें बहुत सारी टेक्नोलॉजीज होती हैं, जैसे इलैक्ट्रॉनिक्स, क्लीकल्स, इंजन्स और आर्मामेंट्स आदि को मिलाकर होते हैं। बहुत से टेक्नोलॉजिकल सेन्टर्स में को एक साथ करके 25 प्रोडक्ट सेन्टर्स से घटाकर 16 प्रोडक्ट सेन्टर्स किये गये हैं। इससे जितने मैन्यूफैक्चरर हैं, उनके कांटैक्ट पॉइंट्स कम हो गये और उनको सिंगल पॉइंट कांटैक्ट में फायदा मिल रहा है।”

### 3.4 Achievements

**(i) Quality Assurance of Stores.** DGQA carried out inspection of defence stores of the total value of 24659.00 Crore during 2015-16.

**(ii) DGQA Technical Evaluation.** During the year 2015-16, DGQA has carried out a total of 95 Technical evaluations and attended 62 User Trials of various stores, ammunition and equipment, comprising of a number of complex sub systems. 39 PDIs and 66 JRIs of various equipment/stores were conducted during the year 2015-16

**(iii) Future Challenges:** The responsibility of Vendor Registration has been reassigned to DGQA. With the “Make in India” programme there will be a boost to Indigenisation in the Defence Industry and a resultant growth in the number of new vendors. In order to maintain a uniform standard of Quality and adhere to the strict evaluation norms being followed by DGQA, the concept of Configuration Management (CM) is being adopted to ensure technical integrity control of material throughout its life.

### 3.5 Modernisation

DGQA has upgraded its existing test facilities in line with NABL stipulations. It has also been providing the Lab Test facilities & Proof facilities to Private Vendors for Indigenization purposes. DGQA also plays a pivotal role

in formulation of BIS standards and Joint Service Specifications besides Departmental specifications. 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.

Year	Establishments
1946	Dte. of Tech DEVP (DTD) formed to control all inspection and R&D functions.
1957	Controller General of Defence Production (CGDP) created under Maj. Gen Pratap Narain
1960	Def Cataloguing Authority (DCA) formed under CGDP.
1963	CGDP re-designated as DGI
1965	DCA reconstituted as Dte. of Standardisation
1976	DGI trifurcated as :- DRDO : Defence R & D Organisation. DGI : Director General of Inspection. DTD & P (Air): Dept of Technical Development & Production (Air).
1987	DGI re-designated as DGQA.

- (i) Quality Assurance of Defence Stores and Final Acceptance Inspection (FAI) of finished stores as per Quality Assurance Plan (QAP) and Acceptance Test Procedure (ATP)
- (ii) Act as Second Party Quality Assurance (QA) Agency on behalf of Users
- (iii) Participation at all stages of Capital & Revenue Procurement Process
- (iv) Association in Field Evaluation Trials

- (v) Responsible for Pre-Dispatch Inspection (PDI) of Imported Stores & Joint Receipt Inspection (JRI)
- (vi) Responsible for collecting, collating, developing, amending, updating, holding and supplying sealed particulars and Tech Specs & Publications
- (vii) Issue DGQA Approvals/ Assignment Lists of Defence Stores
- (viii) Investigation of Defects/ Accidents and advise remedial measures

### 3.6 Budgetary Allocations

The Ministry with regard to the Fiscal year 2021-22, 2022-23 and 2023-24, provided the following information while touching upon the issue of budgetary allocation:

YEAR	HEAD	PROJECTED	BE	MA	EXPENDED
2021-22	Revenue	1340.08	1274.40	1041.96	967.44
	Capital	20.00	20.00	10.67	7.09
	Total	1360.08	1294.40	1052.63	974.53
2022-23	Revenue	1323.10	1284.08	1226.48	1155.62
	Capital	20.00	20.00	7.28	6.83
	Total	1353.10	1304.08	1233.76	1162.45
2023-24	Revenue	1378.00	1378.00	1066.20	961.56
	Capital	20.00	20.00	6.10	4.68
	Total	1398.00	1398.00	1072.30	966.24

*BE – Budget Estimates*

*MA – Modified Appropriations*

### 3.7 Fiscal year 2024-25

YEAR	HEAD	BE	RE	MA	EXPENDED *
2024-25	Revenue	1460.78	1339.59	-	894.17
	Capital	20.00	10.00	-	5.14
	Total	1480.78	1349.59	-	899.31

*\* Expenditure for FY 2024-25 is upto Jan 2025 only*

*BE – Budget Estimates*

*RE- Revised Estimates*

*MA – Modified Appropriations*

### 3.8 Fiscal year 2025-26

YEAR	HEAD	PROJECTED	BE
2025-26	Revenue	1581.09	1420.00
	Capital	15.00	15.00
	Total	1596.09	1435.00

*BE – Budget Estimates*

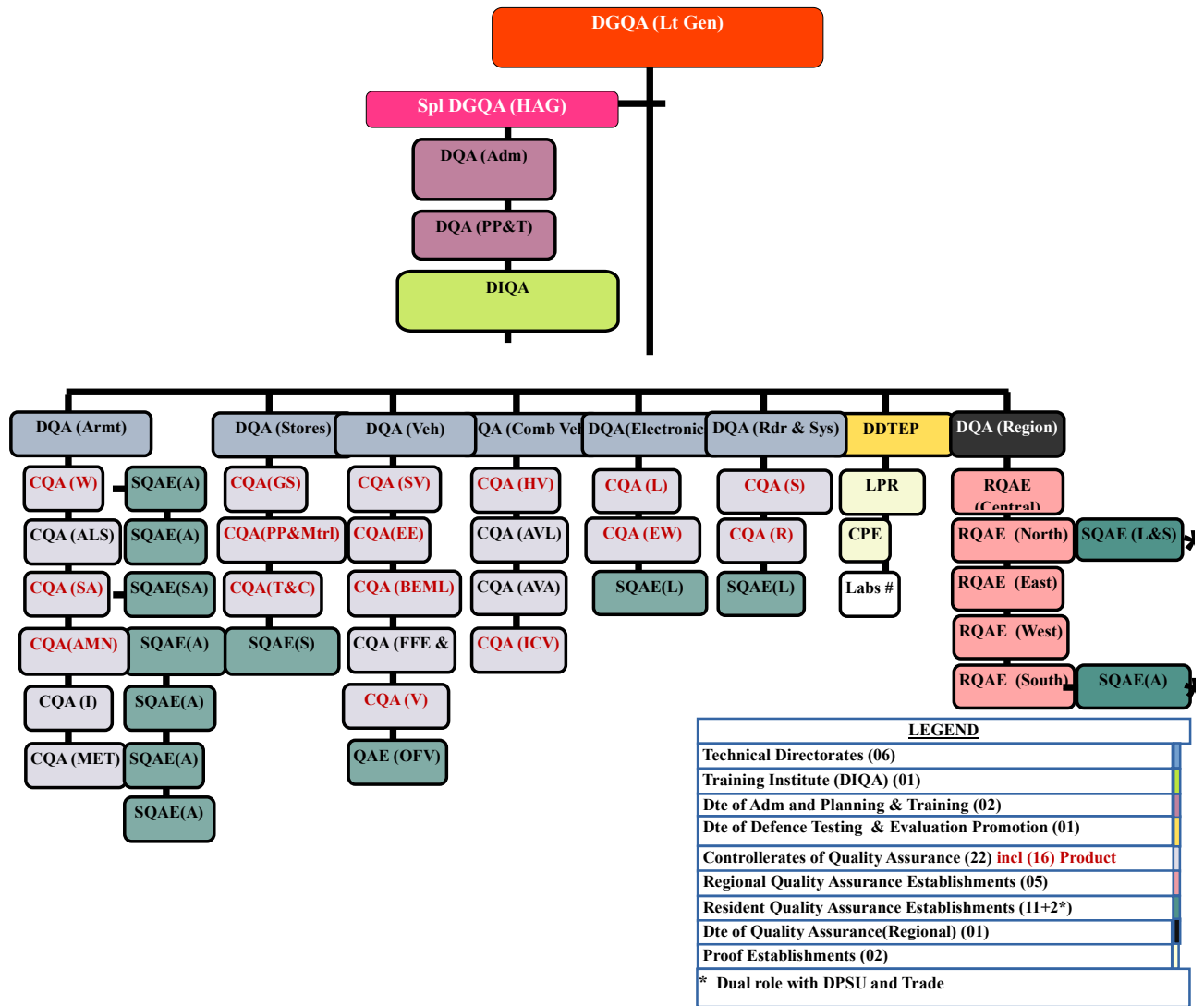
### 3.9 Restructuring of DGQA

The steps taken by the Ministry towards the restructuring of DGQA are as under:

- (i) Re-organisation of DGQA promulgated vide MoD letter No A/82297/SORC/DGQA(Coord.)/127/D(QA)/2024 dt. 15 Mar 2024
- (ii) Restructuring of Technical Dtes & As HSP for single window support
- (iii) Reorganisation of Controllerates of Quality Assurance (CQAs) into 16 Product Centers (Single Point AHSP) from 25 CQAs
- (iv) Consolidation of QA Estts. in five regions into RQAEs for faster QA and CV support to Industry
- (v) Creation of two new Dtes i.e. DQA(Region) and Dte. of Defence Testing

& Evaluation Promotion (DDTEP) to provide single point regional support to Industry and efficient allocation of proof & testing facility, respectively

### 3.10 Reorganised DGQA Organogram

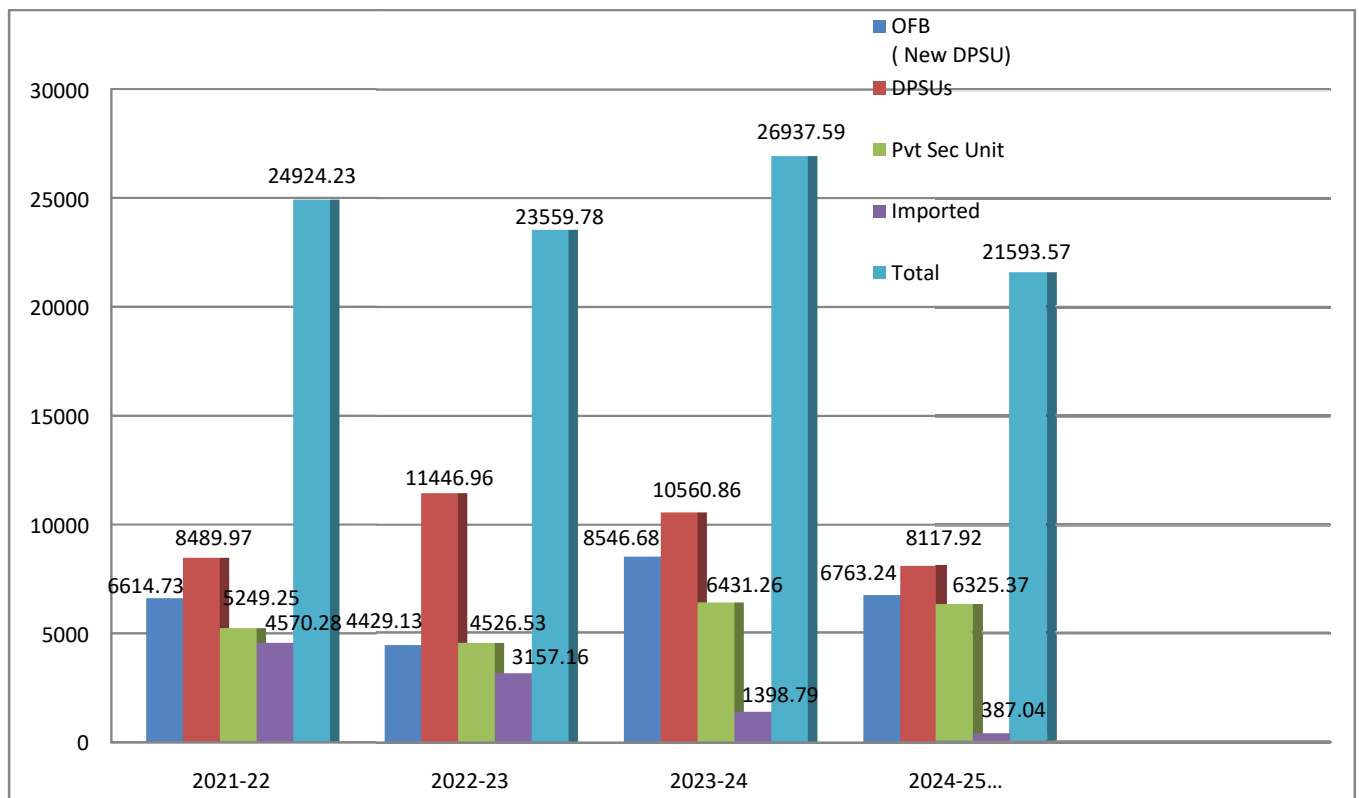


### 3.11 DGQA Role in Induction of New System

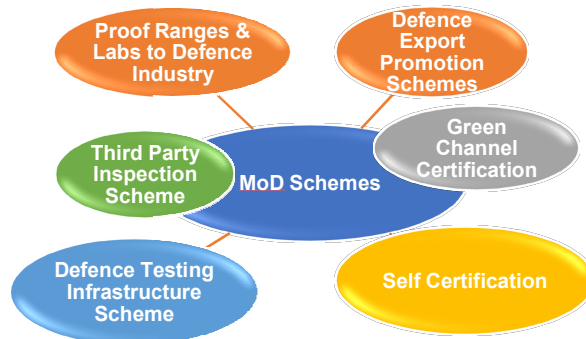
- (i) Technical inputs for General Staff Qualitative Requirement (GSQR) and Request for Proposal (RFP)
- (ii) Checking compliance of Technical Bids in accordance with GSQR and RFP during Technical Evaluation Committee (TEC) meetings Association during User Trials
- (iii) Technical & Environmental Trials by DGQA
- (iv) Formulation of Acceptance Test Procedures (ATP)
- (v) QA as per ATP/ Specs
- (vi) Pre Dispatch Inspection (PDI) and Joint Receipt Inspection (JRI)

### 3.12 Quality Assurance (QA) Workload

The Ministry provided the following data with regard to the Value of Stores Accepted and Quality Assurance (QA) workload:



### 3.13 Ministry's Schemes For Defence Industries To Promote Atmanirbharat



### 3.14 Reforms And Initiatives by DGQA For Ease Of Doing Business

The Ministry has initiated the following set of reforms for ease doing business:

- (i) Launch of Defence Testing Portal by Hon'ble RM on 10 Feb 2025 for centralised online transparent allocation of Proof & Testing facilities
- (ii) Objectivity in RFP and Non-repetition of Tests /Evaluation
- (iii) Acceptance of Stores on Suppliers Declaration of Conformity (SDoC) with test reports from NABL/ Govt Labs
- (iv) Eight Booklets on Testing Requirements for Defence Equipment and Platforms as per technology
- (v) Standardisation of Documentations by publication of Joint Service Guides/ Joint Service Specifications
- (vi) Adoption of Industry 4.0/QA 4.0 by DPSUs and DGQA
- (vii) Use of Supply Order Monitoring Portal (SOMP) for online monitoring of Supply Orders
- (viii) Upgradation of Proof & Testing facilities through Gap Analysis
- (ix) Industry outreach through Conclaves/ DIQAMC/ Q-Seva/ DIQA Courses for Industry
- (x) DIQA, Trg Est of DGQA is being developed as Centre of Excellence



3.15 In line with the discussion, the Committee desired to know the new initiatives taken by DGQA. In this regard, the representatives of the Ministry deposed as under:

“हमने बहुत सारे इनिशिएटिव्स लिये हैं। हाल ही में, ईज़ ऑफ़ डूइंग बिज़नेस के अंतर्गत एयरो इंडिया के डिफेंस टेस्टिंग पोर्टल का उद्घाटन माननीय रक्षा मंत्री जी ने किया है। इस डिफेंस पोर्टल के माध्यम से, देश में जितने भी टेस्टिंग की सुविधाएं हैं, डिफेंस एस्टैब्लिशमेंट्स, प्राइवेट इंडस्ट्रीज, एकेडेमिया के टेस्टिंग रिक्वायरमेंट्स को मीट करने के लिए हम इन टेस्टिंग फैसिलिटीज को एक पोर्टल में लेकर आये हैं। जितने भी स्मॉल, मीडियम और लार्ज स्केल के मैन्युफैक्चरर्स हैं, they can take advantage of this and get their items tested through this portal.”

3.16 Further, during the discussion the Committee also desired to know the steps taken to bring down the timelines and introduce better synergy in the system. The representatives of the Ministry stated that :

"We have brought a lot of other measures to reduce the quality assurance methodology and the timelines by bringing the supplier's declaration of conformity system so that the supplier takes the responsibility for the quality and standardisation of document, adoption of automated and technologically advanced methods like QA4 and Industry 4, and bringing the digitization like supply order monitoring and the upgradation of the proof and test facilities and industry outreach through the QSEVA."

## CHAPTER - IV

### **DIRECTORATE GENERAL OF AERONAUTICAL QUALITY ASSURANCE** **(DGAQA)**

#### **Introduction**

DGAQA is the Regulatory Authority under Department of Defence Production, Ministry of Defence for Quality Assurance and Final Acceptance of Military Aircrafts, Associated Accessories/Stores including Air Armaments & Unmanned Aerial Vehicle (UAV) during Design, Development/Production/Repair and Overhaul/ Upgradation. DGAQA plays an important role in providing Technical Consultation to Ministry of Defence, Service HQrs & Main Contractor during various stages of procurement and in-house manufacture of Defence Aero Stores. It ensures Conformance of products/services to the laid down specifications/standards thereof and effective Quality Management Systems at the premises of suppliers of such products, enhancing the safety of military aircraft/airborne systems. DGAQA functions from its HQ at New Delhi through a network of 47 Field Establishments/Detachments spread across the country. DGAQA is also the Nodal Agency for Missile Systems Quality Assurance (MSQAA) and Strategic Systems Quality Assurance Group (SSQAG).

4.2 The Committee, during deliberations on the subject, desired to understand the job profile of DGAQA. In response, the representatives of the Ministry stated that:

“हम लोग वर्ष 1954 से हेलिकॉप्टर, एयरक्राफ्ट, मिसाइल्स आदि के निरीक्षण और क्वालिटी एश्योरेंस करने का काम कर रहे हैं। ज्यादातर एयरक्राफ्ट आदि का काम एचएएल में रहता है। हमारे सारे काम बेल में बनते हैं, जैसे रडार आदि चाहे वे एयरफोर्स, नेवी, आर्मी, कोस्ट गार्ड के हों। जो भी आकाश में उड़ने वाली चीजें हैं, उनको अप्रूव करने का हमारा काम है। मिसाइल्स को अप्रूव करने के लिए हमारे दो ऑफिसेज हैं। एक है एमएसक्यूए और दूसरा है स्ट्रैटजिक सिस्टम क्वालिटी एश्योरेंस एजेंसी है, जो ब्रह्मोस, नाग, आकाश, नाग आदि को हमारा ऑफिस ही क्लियर करता है। उसमें तीनों सर्विसेज के ऑफिसेज भी होते हैं। हमारा एक डॉक्यूमेंट

आई-मैप, 23 है। इसमें सबके रोल्स एंड रेस्पॉसिबिलिटीज को पूरी तरह से डिफाइन किया गया है।”

#### 4.3 DGAQA (Directorate General of Aeronautical Quality Assurance)

- DGAQA {erstwhile DTD & P (Air)} was established on 31 August 1954. Presently, its HQrs is at Defence Office Complex KG Marg, New Delhi with 52 Field Offices.
- DGAQA is Regulatory authority for Quality Assurance & Final Inspection of Military Aviation stores for use by IAF, Army Aviation, Naval Aviation, ICG Aviation, BSF etc.
- DGAQA is also a nodal agency for MSQAA & SSQAG.
- As Govt Quality Assurance Agency primarily follows risk based QA methodology through DGAQA-AFQMS system.
- IMA-23 (formerly known as DDPMAS) is a policy document covering roles and responsibilities of all stake holders in Military aviation Viz. D&D, Manufacturing, ROH, Upgradation, Life Extension etc.
- DGAQA is organised Group A service (DAQAS) headed by Level-15 officer Shri Sanjay Chawla, DG AQA assisted by Five Zonal ADGs and 32 Directors with a total PE of 1187.
- The Regional Field Offices are mostly co-located at DPSUs (HAL, BEL, Midhani, BDL) and OF-DPSUs, DRDO Labs etc.
- Recently, DGAQA AFQMS approval granted to 115 Firms.
- Capacity Assessment and Registration of Firms - 110 Nos. and Test

(Rs. in Crores)

Year	2019-20	2020-21	2021-22	2022-23	2023-24
Value of stores inspected & accepted (in Crores)	25767	24271	32382	35734	37046
Actual Exp DGAQA (in Crores)	107	107	120	123	130
Cost of Providing Inspection/ QA Coverage	0.41%	0.44%	0.37%	0.34%	0.35%

#### 4.4 Budget Allocation

DGAQA Budget is allotted by DRDO (R&D), New Delhi including MSQAA and SSQAG under Major Head-2080 (Revenue) and Major Head-4076 (Capital). The Minor Heads operated, are 102, 800, 105, 110, 111, 003, and 052 with 22 detailed Code Heads.

#### 4.5 Budget Allotment and Expenditure for the last three years

(Rs in Crores)

Sl N.	Budget Head	Minor Head	Year 2021-22(actual allotted)	Year 2022-23 (actual allotted)	Year 2023-24 (actual allotted)
1	Pay & Allowances (Civilians)	102	108.26(132.00)	110.15 (130.54)	117.09(148.20)
2	Transportation	105	2.22(4.50)	3.66(4.30)	4.29(6.00)
3	Miscellaneous	800	3.45(3.80)	4.27(4.75)	3.65(5.00)
4	Stores and IT	110	1.25(2.62)	1.83(2.42)	1.61(3.63)
5	Training	003	0.46 (0.50)	0.50(0.53)	0.29(1.30)

6	Works	111	3.72 (4.00)	2.77(3.50)	2.52(5.00)
7	Capital	052 & 111	0.19 (0.85)	0(0)	0(1.75)

#### 4.6 Budget Allotment and Expenditure for the Financial Year 2024-25

(Rs in Crores)

Sl. No.	Budget Head	Minor Head	Allotment 2024-25	Exp 2024-25 (upto 3rd Qtr)
1	Pay & Allowances (Civilians)	102	153.20	100.54
2	Transportation	105	6.50	3.14
3	Miscellaneous	800	6.50	2.57
4	Stores and IT	110	4.00	0.83
5	Training	003	1.40	0.66
6	Works	111	5.00	0.21
7	Capital	052 & 111	1.30	0
<b>Total Budget (Revenue and Capital)</b>			177.90	107.95

#### 4.7 Budget Projection for the Financial Year 2025-26

(Rs in Crores)

Sl N.	Budget Head	Code Head	Projection for F.Y. 2025-26	Justification
1	Pay & Allowances (Civilians)	102	167.20	Increase of Pay, DA and other allowances, market price escalation , IES officers training programs, certain capital projects
2	Transportation	105	6.50	

3	Miscellaneous	800	6.00	under finalization, development of website under finalization , boundary wall of ALISDA Bengaluru
4	Stores and IT	110	4.25	
5	Training	003	1.70	
6	Works	111	6.00	
7	Capital	052 &111	2.50	
Total Budget (Revenue and Capital)			194.15	

4.8 Further, with regard to certain budgetary aspects the Ministry submitted that :

“हमारा टोटल बजट 130 करोड़ रुपए के आसपास आता है। उसमें से मेजर हैड पे-एंड-अलाउंसेज़ का है। वर्ष 2024-25 के बजट में से हम दिसंबर, 2024 तक 107 करोड़ रुपए खर्च कर चुके हैं। हमने नेक्स्ट प्रोजेक्शन 167 करोड़ रुपए का किया है, उसमें भी मेजर हैड पे-एंड-अलाउंसेज़ का ही है।

#### 4.9 Value of Stores Cleared

Value of stores provided with QA coverage by DGAQA:

Financial Year	2016-17	2017-18	2018-19	2019-20	2020-21
Value in Rs (Crore )	21335	21671	22877	25166	24271

#### **4.10 Major Projects Under QA Coverage of DGAQA:**

(i) Development /Manufacturing Projects:

(ii) Repair & Overhaul (ROH) Projects:

(iii) Modification/ Upgradation/ Life Extension Projects:

- SU- 30(MKI) & AJT (Hawk MK-132): Manufacturing under License from Original Equipment Manufacturer.
- Advance Light Helicopter (ALH): Manufacturing.
- Light Combat Helicopter (LCH): Development/Manufacturing.
- Light Utility Helicopter (LUH): Development/Manufacturing.
- Light Combat Aircraft (LCA): Development/Manufacturing.
- Intermediate Jet Trainer (IJT): Development/Manufacturing.
- Hindustan Turbo Trainer (HTT-40): Development.
- Saras Transport Aircraft (Military Version): Development.
- Advanced Medium Combat Aircraft (AMCA): Development.
- Dornier (DO-228) Aircraft: Manufacturing.
- Parachutes (Brake, Pilot, Drogue, Anti Spin, Recovery etc.):Development/Manufacturing.
- Air Armament Stores: Manufacturing.
- Indigenous Missiles: Development/ Manufacturing.
- Airborne Early Warning Radar & Control System (AEW&C): Development.
- Ground Radar Systems for Airborne Applications: Development/Manufacturing.
- RUSTOM-II UAV (TAPAS-BH), SWIFT UCAV: Development.
- Active Electronically Scanned Array Radar (AESA Radar for LCA): Development.
- Simulators for Jaguar, Hawk- 132, Mirage, Su-30, LCA etc: Development/Manufacturing.
- Arrestor Barriers for Aircraft: Manufacturing.
- Flying Clothing and Personal Protective Equipment for Air Crew: Development/ Manufacturing etc.

- SU- 30 MKI/ HAWK Aircraft, Jaguar/ Kiran Jet Trainer/ Mirage-2000 Aircrafts, Dornier (DO-228)/ Avro (HS-748) Aircrafts, Helicopters e.g. Cheetah, Chetak, ALH, Accessories & Aero Engines.
- SU-30 MK-I - Upgradation.
- Mirage-2000 - Upgradation.
- Jaguar- DARIN-III - Upgradation.
- Kiran MK I / II - Life Extension.
- Jaguar Aircraft - Total Technical Life Extension (TTLE).
- ALH- MK III - Upgradation (DHRUV).
- ALH MK IV - Weapon System Integration(RUDRA)
- Modification of Transport Aircraft and Helicopters with Search and Rescue Equipments.
- Modernization of Airfield Infrastructure (MAFI).

4.11 In line with the discussion, the Committee desired to know the spread of operations alongwith details of the offices thereof. The Ministry stated that :

“हमारे ऑफिस में ज़ोनवाइज़ पाँच-छः एडीजीज हैं। ये दिल्ली, बेंगलोर, नाशिक और कोरापुट आदि शहरों में हैं। हमारे ऑफिसेज एचएएल, ऑर्डनेंस फैक्ट्रीज, बेल और मिधानी में स्टेण्ड हैं। एएफक्यू में 115 फर्म्स को अप्रूव किया गया है। हम लोग पूरा इंस्पेक्शन नहीं करते हैं। इसे क्वालिटी कंट्रोल वाले ही करते हैं। हम उनको अप्रूव कर देते हैं। हम लोग सिर्फ 10 से 15 परसेंट ही चेक करते हैं। Then only, it is supplied to the Air Force or Army or Navy. हमारे वैल्यू स्टोर्स का बजट बढ़कर अभी 37 हजार करोड़ रुपए का है। हमारा एक्चुअल एक्सपेंडिचर लगभग 130 करोड़ रुपए रहता है। कॉस्ट ऑफ इंस्पेक्शन 0.35 परसेंट के आसपास ही है। हमारे 52 ऑफिसेज हैं। ये सारे इस मैप में बताये गये हैं। हमारा बजट डीआडीओ हेड से आता है। Our budget comes under DRDO Head, that is, Major Head 2080 and, Revenue and Capital Head 4076.”

#### 4.12 Important Policy Decisions and Achievements

The government has taken the following important policy decision with regard to DGQA alongwith its achievements during the course:



- (i) DDPMAS (IMTAR-21) Version 1.0 jointly issued by Secy DP and Secy R&D.
- (ii) QA Certification towards 'Trails/Testing' and 'Fit for Military Use' to Firms even without any formal supply orders from services as part of Export Promotion Scheme.
- (iii) Development of a futuristic model of 'Quality Rating of Firms' in association with IAF & HAL incorporating methodology for enhanced delegation of QA/QC Activities.
- (iv) AQA Directives on "Guidelines for Qualification Test Procedure & Acceptance Test Procedure of Ground Equipment/Test Equipment (Jigs) for Airborne items (Electrical & Electronic)" and Environmental Stress Screening (ESS) issued."
- (v) Prototype of Air Inflatable Bag (AIB) 12 Tons has been developed and bulk production is under progress.
- (vi) DGAQA Approval of a Firm & its Quality Management System (AFQMS): Total 75 Nos. DPSUs, Oil PSUs & Private Firms Approved.
- (vii) Capacity Assessment & Registration of Firms and Test Labs: Total 85 Firms Registered and 13 Test Labs Approved.
- (viii) Association in Court of Inquiry as Technical member and participation in all defect investigations.
- (ix) Assessment of Third Party Inspection bodies for Outsourcing by HAL.
- (x) Two DGAQA Officers were awarded DRDO Agni for their contribution in providing effective QA Coverage during Indigenous Development of Special Aluminum Alloys for LCA through DMRL Lab Hyderabad.
- (xi) First batch of 15 Nos. of DGAQA Group 'A' Probationary Officers recruited through Engineering Services Examination joined DGAQA and underwent specially designed 24 Weeks Ab- Initio Training Program.
- (xii) 140 Nos of DGAQA Officers have undergone different QA and Management related Courses & Trainings.

## **CHAPTER – V**

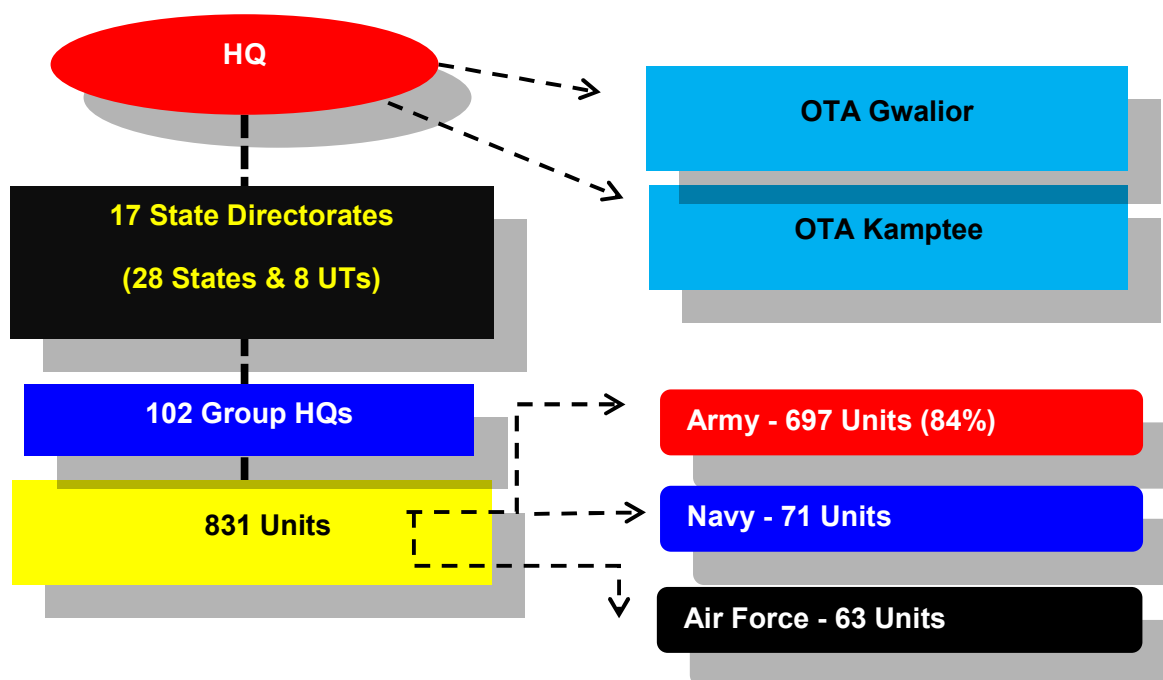
### **National Cadet Corps (NCC)**

#### **Aims and Objectives of NCC**

The 'Aims' of the NCC laid out in 1988 have stood the test of time and continue to meet the requirements expected of it in the current socio-economic scenario of the country. The 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, who will serve the Nation regardless of which career they choose. Needless to say, the NCC also provides an environment conducive to motivating young Indians to join the armed forces.

- (i) To Create a Human Resource of Organized, Trained and Motivated Youth, To Provide Leadership in all Walks of life and be Always Available for the Service of the Nation.
- (ii) To Provide a Suitable Environment to Motivate the Youth to Take Up a Career in the Armed Forces.
- (iii) To Develop Character, Comradeship, Discipline, Leadership, Secular Outlook, Spirit of Adventure, and Ideals of Selfless Service amongst the Youth of the Country.

## 5.2 Organisation



20 Lakh Sanctioned Cadets Strength  
Total Institutions – 21,229

## 5.3 Status of funds allocated and expended during last five years under Revenue and Capital Heads with regard to NCC

(Rs in Crores)

Year	Allocation			Expenditure		
	Revenue	Capital	Total	Revenue	Capital	Total
2021-22	1083.27	12.00	<b>1095.27</b>	1112.59	6.48	1119.07
2022-23	1200.80	6.00	<b>1206.80</b>	1136.75	4.16	1140.91
2023-24	1436.23	13.00	<b>1449.23</b>	1352.82	2.08	1354.90
2024-25	2805.81	17.00	<b>2822.81</b>	1765.83	1.88	1767.71
2025-26	2900.00	46.00	<b>2946.00</b>			

**Notes:**

1. Expenditure status shown under FY 2024-25 corresponds to expenditure incurred till 30 November, 2024.
2. There are presently 21,229 educational institutions where students can opt for NCC.

Presently, waitlisted institutions in the country are 12,077. In order to reduce the number of waitlisted institutions, additional 03 lakh NCC cadet expansion plan has been approved by the Govt. of India.

**5.4 Institutional Training (Primary Focus, Training Objectives and Trainer Competence)**

The Ministry informed the Committee with the following information with regard to its primary focus, training objectives and trainer competence:

- (i) Training of cadets in Institutions/College/School
- (ii) Responsibilities of Associated NCC Officers (ANOs) & PI Staff
- (iii) Cadet Development
- (iv) Societal Contribution
- (v) Continuous Improvement in the competence levels of ANOs and PI staff
- (vi) Regular PI Staff Visits for Effective Training to Cadets

5.5 On a specific query regarding the type of avenues available for NCC cadets to join the Armed Forces, the Ministry in written submission stated that :

- “(i) **Armed Forces as an Officer.** NCC cadets may join Army, Air Force & Navy, as officers under Special Entry Scheme provided they fulfill all other eligibility criteria. Cadets holding 'C' certificate with A/B grading are exempted from written exams conducted by UPSC & appear directly for their SSB. A percentage of vacancy is also allotted for NCC cadets with 'C' certificate in both, Short Service Commission & Regular Commissions in all the three services.

(ii) **Armed Forces as Other Ranks/Sailors/Airmen.** NCC cadets with 'C' certificate desirous of joining service through recruitment are also exempted from appearing in written exams & appear directly for physical test. The exemption from written exam and Bonus Marks give a major boost in the merit of the cadets. NCC 'A' and 'B' Certificate cadets are given extra marks in different arms as incentive during selection for Soldier Rank in the armed forces."

## 5.6 Nation Building (Social Service And Community Development (SSCD Efforts )

The Ministry has taken the following steps for social service and Community Development towards ensuring nation building:

S No	Activity	Participation
1.	Statue Cleaning Live Telecast	21 Locations
2.	Nadi Utsav Abhiyan	1,02,000
3.	Ex Yogdan	2,00,000
4.	Har Ghar Tiranga	12,00,000
5.	Nasha Mukti Abhiyan	Pan India
6.	Swach Bharat Abhiyan	Pan India
7.	Unity Day	Kevadia
8.	G-20	07 Lakh Cadets
9.	Inter National Year of Millets	03 lakh cadets
10.	Miscellaneous Awareness Campaigns	Over 50 lakh Cadets
11.	Puneet Sagar Abhiyan	501 Ton Waste Cleaned

## **5.7 Adventure Camps and Mountaineering Expeditions**

The Ministry has taken the following steps towards ensuring a spirit of adventure and overall development of the cadets of NCC:

- (i) Trekking Camps, Jungle, Mountains
- (ii) Mountaineering Courses, Expeditions
- (iii) Desert Safari
- (iv) Microlite Flying Experience
- (v) Yachting Regatta, Sailing Expeditions
- (vi) MENU, Overseas deployment
- (vii) Mt Yunum (6111M) – year 2023
- (viii) Mt Thelu (6002M)
- (ix) Mt Kang Yatse II (6111M): 2024
- (x) Mt. Abi Gamin (7300M)
- (xi) Preparation for Mt Everest Expedition in May –June 2025

5.8 While elaborating upon the achievements of the desired objectives of NCC alongwith developing a robust feedback system for the cadets, the Ministry stated that:

“The NCC is achieving its desired objective. The same is achieved by conducting institutional training, Camp training and various Centrally organised camps. Further a cadet undertakes various activities as part of social service and community development activities wherein he is actively involved in social causes related to societal needs, environmental issues and government schemes related to youth there by becoming a better citizen. Regular feedback from cadets and staff attending all the centrally organised training activities including camps is obtained. In addition, feedback on any issue pertaining to NCC can be shared via digital forum on the NIS website of NCC.”

## **5.9 Women Empowerment**

The Ministry has taken the following steps towards ensuring women empowerment:

- (i) Girl Cadets Enrolment Increased to 40 %
- (ii) Mixed teams for Mountaineering Expeditions, Adventure activities
- (iii) Equal representation in Youth Exchange Programmes
- (iv) Increased girl cadet participation in Republic Day Camp from 710 to 907
- (v) Ensuring Equal Opportunities Everywhere

## **5.10 Ek Pedh Maa Ke Naam**

The Ministry has taken the following steps through NCC towards increasing the green cover and raising awareness with regard to the environment at large:

- (i) NCC cadets directly contribute to increasing Green Cover
- (ii) Raise awareness about environmental hazards
- (iii) Educate people among communities
- (iv) NCC's 'one tree one cadet' initiative' fosters sense of ownership
- (v) Initiative in progress since 'World Environment Day (05 Jun 24)'
- (vi) 9,00,000 Achieved Pan India

5.11 When asked specifically about the data regarding percentage of NCC 'C' Certificate holders who made direct entry through SSB during the last five years and whether same has been to the satisfaction of the Government, the Ministry reply that:

"NCC Cadets aspiring for officer cadre in defence forces have been applying through Tech/ Non-Tech Entry Scheme also due to much large number of vacancies *vis-à-vis* NCC Special Entry Scheme. As per data available number of NCC cadets (all entries) inducted into armed forces as officers in last three years is as under:

- (i) 2021 - 107 Cadets inducted as officer.
- (ii) 2022 - 188 Cadets inducted as officer.
- (iii) 2023 - 202 Cadets inducted as officer.

The result of NCC Special Entry Scheme (Army) has improved considerably over last few years. Details are as under:-”

NCC Spl Entry Scheme (Army)	Men		Women	
	Vac	Qualified SSB	Vac	Qualified SSB
51 <sup>st</sup> Course Apr 2022	50	28	05	43
52 <sup>nd</sup> course Oct 2022	50	45	05	49
53 <sup>rd</sup> Course Apr 2023	50	59	05	52
54 <sup>th</sup> Course Sep 2023	50	75	05	10
55 <sup>th</sup> Course Apr 2024	50	146	05	10
56 <sup>th</sup> Course Oct 2024	50	118	05	10

5.12 While informing about the new schemes initiated by the Government involving NCC cadets during the last three years so as to gainfully utilize their Services, the Ministry submitted that:

“Some of the new schemes initiated by the Government involving NCC cadets during the last three years are as under :

1. **Yuva Aapda Mitra Scheme (YAMS).** Ministry of Home Affairs has come up with Yuvaapda Mitra Scheme(YAMS) for training 03 Lakh volunteers in two years for Disaster response and management. 01 Lakh NCC cadets will be trained as ‘Aapda Mitra’ volunteers under the Yuva Aapda Mitra Scheme (YAMS) of Min of Home Affairs. The NCC Cadets who are trained from 315 flood prone districts will continue to act as volunteers in any disaster related scenarios, where in the NCC Cadets will be employed even after they leave NCC.



2. **Deployment in Election Duties.** During the recently concluded Lok Sabha General Election 2024 in seven phases from 19 April to 01 Jun 2024, volunteer NCC cadets were deployed as per the guidelines issued by the Election Commission of India (ECI). NCC cadets were engaged in traffic management, queue management, assistance to old/ elderly persons, assistance to persons with disability & in medical emergencies.
3. **Disaster Management.** NCC has coordinated with NDRF/ SDRF at state level wherein team of SDMA conducts training of NCC cadets on disaster management during Annual Training Camps through regional centres. This assists the cadets in acting as first responders to any emerging situation with respect to disaster management.
4. **Technology in Training of Cadets.** Installation of Rifle firing simulators, Microlite flying simulators and Rowing Simulators has led to increase of technological threshold for the cadets.
5. **Skill Manthan.** NCC has collaborated with Ministry of Skill Development and Entrepreneurship leveraging 37 Sector Skill Councils to provide access to information to NCC youth about emerging technological trends, skill-set in design, manufacturing, art, production, etc..
6. **Cyber Volunteers.** NCC Cadets trained with MHA on cyber crime prevention work as cyber volunteers in spreading cyber security awareness."

## **Part –II**

### **DEFENCE PUBLIC SECTOR UNDERTAKINGS (DPSUS)**

#### **Profitability of the DPSUs**

1. The Committee note that as per the information provided regarding profitability of the old 9 Defence Public Sector Undertakings (DPSUs), they observe that Hindustan Aeronautics Limited (HAL) has registered the highest profitability (Profit after Tax) in all the year since 2019-20 to 2023-24. The Committee are pleased to note that Hindustan Aeronautics Limited (HAL) is the only DPSU which has been conferred the status of Maharatna Central Public Sector Enterprise (CPSE) on October 12, 2024 which further cements its position as a top performing DPSU. On further examination of the data regarding profitability of 9 DPSUs for the period 2019-20 to 2023-24, the Committee note that profitability of Mishra Dhatu Nigam Limited (MIDHANI) for Financial Year 2023-24 has been the lowest among the old DPSUs. The representative of the Ministry submitted that since MIDHANI deals with the manufacturing of super alloys, which is dependent on imported raw materials, the same for unavoidable reasons is beyond their control. Further, the profitability of MIDHANI for the said Financial Year has declined because of the fluctuations in price of these raw materials and other related aspects. The representative of the Ministry have assured the Committee that the loss in profitability will be recovered during the coming years by MIDHANI. In this regard, the Committee would like to urge the Ministry alongwith the affected DPSUs to introduce a mechanism so as to protect the DPSUs from such

inevitable fluctuations. The Committee recommend that urgent and concerted efforts be made by the Department of Defence Production (DDP) and MIDHANI alongwith other DPSUs to ensure that profitability of MIDHANI does not lag behind in comparison with their counterpart PSUs. The Committee desire that Ministry inform them regarding the profitability of MIDHANI in 2025-26 at the stage of furnishing Action Taken Replies on this Report.

### **Indigenization and Self Reliance in Defence Sector**

2. The Committee learn that several policy initiatives are being taken for indigenization of Defence production by the DPSUs. These include the launching of SRIJAN portal in August 2020 that provides access of various items that have been imported in the past or are likely to be imported in future into manufacturing industry for indigenisation. Further, the Committee note that, more than 38,500 imported items have been uploaded on SRIJAN portal by DPSUs for indigenization, out of which more than 13,000 items have been indigenized so far. The Committee are also given to understand that DPSUs are participating in Innovation in Defence excellence (iDEX) initiative which was launched in 2018 to foster innovation and technology development in defence and aerospace by engaging industries including MSMEs, Start-ups, individual innovators, R&D institutes and academia etc.

The Committee note that the country's journey on the path of self-reliance under 'Atmanirbhar Bharat' in Defence Sector is showing positive results. This is substantiated from the fact that the total value of Defence production in the country increased to Rs 1,26,887 Cr in FY 2023-24,

which was Rs 46,429 Cr in FY 2014-15. Further, it has also elevated India as a significant Defence Exporter. To this extent, the Committee note that India's Defence export achieved a new height at Rs 21,083 Cr in FY 2023-24 which was meagre Rs 1940 Cr in FY 2014-15.

The Committee feel that such a step could significantly enhance production capacity alongwith improving exports of DPSUs and enable DSPUs to compete in the global market while providing further impetus to the ongoing import substitution efforts through the process of Atmanirbhar Bharat in Defence and Aerospace sector. Consequently, the Committee feel that modernization will help DPSUs to position themselves to cater to the needs of both existing and new customers in domestic and global markets and even help them venture into new strategic and business areas.

The Committee are of the view that, the DPSUs are the pillars of our defence production and therefore, the Committee recommend that concerted and timely measures be taken by the Ministry and the DPSUs to further develop their core competencies to ensure that our country achieves total self-reliance in defence production. Further, with regard to the issue of modernization, the Committee hope that the Government will take all appropriate steps to cater to the emerging needs and challenges of the time.

### **Timely delivery of Products, Equipment and Platforms by DPSUs**

3. The Committee observe that there have been some obstacles with regard to issues like time overruns on the part of some DPSUs while ensuring the delivery schedule of certain products for the Armed Forces.

**The Committee, considering the Ministry's written submission and oral deposition of the representatives of the Ministry in this regard, note that the primary reason for the delay in most cases is the country's dependence on imported items, alongwith multiple stake holders (including foreign OEMS). In this context, the Committee are of the view that the DPSUs initiate measures towards intensifying their efforts to ensure timely supply of various equipment/platforms/weapon systems/ accessories so that the Armed Forces are equipped with latest equipments including the required platforms to encounter any unforeseen situation at any point of time. To this extent, the Committee recommend the Ministry to incremently develop their own production capabilities with regard to availability of such OEMs, so that the dependence on foreign suppliers is eventually reduced to a strategically acceptable levels.**

**The Committee further note that the delays on many instances caused due to focus on indigenization and preserving our own strategic autonomy. The Committee are of the considered view that for achieving total self reliance for inventing, developing and producing state of the art defence technology, R&D activities alongwith the required funding, the DPSUs should be further strengthened in terms of essential requirements and emerging budgetary, infrastructural and human resource support.**

## **Directorate of Ordnance (Coordination and Services) – New DPSUs**

### **Budget**

4. The Committee note that the Ordnance Factory Board (OFB) was a subordinate office of the Department of Defence Production which controlled and directed 41 Ordnance Factories. The Government approved to convert the production units of OFB into 7 DPSUs with 41 units, namely Ammunition & Explosive, Vehicles, Weapons Equipment, Troop Comfort Items, Ancillary, Opto-Electronics and Parachute. The Head Quarters of new corporate entities have been selected based on the location and concentration of OFs, revenue and criticality of Products. Since the corporatization of OFB, the Directorate of Ordnance (Coordination & Services) has been constituted under Department of Defence Production, Ministry of Defence from 1<sup>st</sup> October, 2021.

The Committee note that with regard to Department of Ordnance (Coordination and Services), the BE projection for 2024-25 stood at Rs. 1953.75 crore, while the BE allocation was Rs. 1949.46 crore. The RE projection for 2024-25 was Rs. 2136.35 crore, while the RE allocation was lowered to Rs. 2107.35 crore, which led to an expenditure of Rs. 1819.41 crore (till Dec. 2021). Meanwhile, a BE projection of Rs. 1979.25 crore has been made for the year 2025-26 for which the BE allocation was made to the tune of Rs 1976 crore. The Committee appreciate the efforts of Government for allocating a CAPEX fund of Rs. 8745 crore to the newly created DPSUs for FY 2021-22 to 2026-27. Consequently, the fund distributed upto FY 2024-25 is Rs. 5757 crore for modernization and R&D.

**The Committee also note with satisfaction that existing funds are being distributed based on modernization plan of newly created DPSUs.**

**The Committee hope that with more functional and financial autonomy, the new DPSUs would be able to explore new markets both in national and international settings. Further, the Committee would like the Ministry to keep providing financial and non financial support to the new DPSUs to enable them to be productive, profitable and competitive wherever required. The Committee, therefore, at this stage recommend that the amount allocated be prudently utilized towards ensuring smooth modernization of the newly created DPSUs.**

#### **Budget for Modernisation**

**5. The Committee appreciate the various measures being taken towards acquisition of high value/heavy duty Plant and Machinery (P&M), alongwith creating/developing infrastructure to keep up with the modern manufacturing technologies while augmenting the manufacturing units under them. With regard to the budget given for modernisation of the new DPSUs, the Committee find that during the financial year 2021-22, 2022-23, 2023-24 and 2024-25, an amount of Rs. 1643 crore, Rs. 1310 crore, Rs. 1310 crore and Rs. 1494 crore were given to these DPSUs respectively. The Committee are of considered view that with regard to the new DPSUs, modernization and undertaking technology upgradation is of primary concern. To this extent, the Committee hope that grant for the modernization budget will be utilized prudently and productively by the new DPSUs. The Committee would also like to be informed of the initiatives taken in this regard.**

### **Order Book Position**

6. As per the information furnished by the Ministry of Defence on the Order Book position for the newly created DPSUs as on 31<sup>st</sup> December, 2024, the Committee observe that there exists substantial variation of Order Book position amongst different PSUs, wherein the order book of Armoured Vehicle Nigam Limited (AVNL) is at Rs. 33956 crore, *vis-à-vis* Gliders India Limited (GIL), which stands at Rs. 293 crore only. The Committee understand that this variation is due to the nature of products they produce/provide/supply. The Ministry has further stated that with more functional and financial autonomy, the new DPSUs are exploring newer markets both at national and international levels. Further, the Ministry is also providing financial and non-financial support to the new DPSUs to make them productive and profitable. The Committee, therefore, are of the view that the order book positions of the new DPSUs would certainly improve in future. The Committee have been informed that the new DPSUs are also exploring new areas of operations thereby fulfilling the requirements of Indian Defence Forces, especially the Army. The Committee would also like the MoD to explore the possibilities for promoting these DPSUs in new areas so that they are able to accomplish their full potential, while also providing ammunition and logistical support to the Armed Forces.

### **Indigenisation**

7. The Committee are satisfied to note that the Government has taken several policy initiatives to reform and encourage indigenous design, development and manufacturing of defence equipment to promote self-



reliance in defence manufacturing. To this extent, the Committee feel that the Ordnance Factories under newly created DPSUs have the capability to develop indigenous technological and industrial expertise for supply of armament, ammunition and equipment. A number of components, subassemblies & LRUs (Mechanical and Electro-Optical subsystems) of Tanks, Weapons and Ammunition have been indigenised by the new DPSUs with the assistance of domestic industry, both public and private. In addition to this, variety of parachutes and troop comfort items have also been developed and supplied to the Services. The Committee have been given a comprehensive list of 28 items which have been indigenized through our own industrial capabilities. The Committee feel that this achievement is a big step towards 'Atmanirbhar Bharat' and urge the Ministry to ensure this steady pace of progress in the future.

### **Export**

8. The Committee are content to note that export value of the items of new DPSUs increased to 1976.51 cr. in 2023-24 from a meagre Rs. 82.18 cr. during the previous year 2022-23. Further, during the year 2021-22 the same value was only Rs. 22.55 crore. The Committee also observe that the DPSUs are taking required steps/measures to reduce the import expenditure through domestic content by the indigenisation efforts being made over various schemes of DDP viz. Make, iDEX and SRIJAN, as well as in house efforts. The Committee are also pleased to note that the expenditure incurred on imports against revenue from operation by new DPSUs has been greatly decreased over the years.

The Committee desire that the newly created DPSUs should identify export focus areas to expand their business. Regarding this, the Ministry have informed that they are proactively pursuing various leads received from the Government and other channels. Further, the new DPSUs export products to the friendly countries based on the export clearance given by the Government. The Committee recommend that new DPSUs should explore all possibilities to achieve improved targets in their future manufacturing activities.

### **Directorate General of Quality Assurance (DGQA)**

#### **Role and Functions**

9. The Committee note that the role assigned to DGQA is to ensure that the entire range of armaments, stores alongwith the equipment used by the Army and those stores of the Navy and Air Force for which DGQA is responsible, are of the highest quality to enhance the combat readiness and efficiency of the Armed Forces. The Committee further note that the functions of DGQA is varied in nature comprising quality assurance of defence stores and Final Acceptance Inspection (FAI) of finished stores as per Quality Assurance Plan (QAP). DGQA also ensures Acceptance Test Procedure (ATP), responsibility as second party Quality Assurance (QA) Agency on behalf of its users, participation at all stages of capital and revenue procurement process and association in Field Evaluation Trials.

The DGQA is also responsible for Pre-Dispatch Inspection (PDI) and Joint Receipt Inspection (JRI) of imported stores alongwith collecting, collating, developing, amending, updating, holding and

supplying sealed particulars and tech specs and publications. They also issue their approvals/ assignment lists of defence stores while conducting investigation of defects and accidents and advise regarding remedial measures. Appreciating the mandated role given to the DGQA, the Committee recommend that DGQA should be more pro-active in assessing the quality of the products in consonance with global standards to remain competitive and contemporary.

### **Budget**

10. The Committee upon perusal of the data presented to them observe that for BE 2025-26 as against the total budgetary projection of Rs. 1596.09 crore, the allocation made to DGQA stands at Rs. 1435.00 crore for both the Revenue and Capital heads. Similarly, the projection under Revenue head was 1581.09 crore, while the allocation was Rs. 1420 crore. Further, the allocation for the Revenue head has been reduced by a substantive Rs. 161.09 crore. The Committee note that for FY 2024-25, the Revenue budget at BE stage allocation was Rs. 1460.78 crore and at RE stage was brought down to Rs. 1339.59 crores, while the expenditure (till Jan, 2025) stood at Rs. 894.17 crore only. On the Capital head side, the BE for 2024-25 was Rs. 20.00 crore, which at RE stage was revised to Rs. 10.00 crore, of which the Ministry was able to spend only Rs. 5.14 crore (till Jan, 2025).

The Committee are of the view that, the Ministry should judiciously utilise the amount left unspent to ensure optimum performance of DGQA. The Committee with regard to the year 2025-26, while pointing

out the decrease in Budget Estimates by Rs 161.09 crores, would like the Ministry to ensure that the decreased allocation does not, in any way effect the smooth functioning of DGQA. Further, the Committee would like the Ministry to consider dealing favourably with the demand at RE stage to ensure DGQA to achieve its stated objectives. The Committee with regard to future budgetary fund management of DGQA would like the Ministry to initiate steps for optimal utilization of funds, maintaining uniformity during the distribution of allocation and expenditure respectively.

### **Quality Assurance**

11. The Committee note that the Quality Assurance cover alongwith the value of stores accepted for the year 2024-25 (till Dec. 2024) stands at Rs. 21593.57 crore, which for the previous year (i.e. 2023-24) stood at a substantial Rs. 26937.59 crore. The same for the year 2021-22 and 2022-23 stood at Rs. 24924.23 crore and Rs. 23559.78 crore, respectively. The trend over the year seems to be generally stable, other than year 2023-24 which saw an increase of Rs. 3377.81 crore over the previous years (i.e. 2022-23). The Committee hope that numbers for the year 2024-25 to increase till the closing of Financial Year for better results. The Committee are content to note that under the aegis of MoD Schemes through creation of various green channels and self certification, third party inspection and defence testing infrastructure scheme, the overall ecosystem with regard to the ease of doing business is improving. The Committee while appreciating the steps initialized by DGQA towards ensuring ease of doing business, would like the Ministry to develop a

comprehensive user feedback mechanism, which would facilitate reduction in quality assurance methodology and timelines, alongwith enabling progress and improvement through critical analysis with regard to quality of the product and the process.

The Committee desire that DGQA should also ensure proper/required reforms through upgradation of proof and testing facilities, in creating industry outreach, non-repetitions of tests and evaluation processes alongwith timely adoption of Industry 4.0/QA 4.0 by DPSUs and DGQA itself. The Committee also recommend that timely completion of restructuring /reorganisation of DGQA towards ensuring required support to industries alongside efficient allocation of various proofs and testing facilities, respectively, may be accomplished at the earliest.

### **Directorate General of Aeronautical Quality Assurance(DGAQA)**

#### **Role and Functions**

12. The Committee note that the Directorate General of Aeronautical Quality Assurance (DGAQA) is an organisation under Department of Defence Production where it performs the duties of a regulatory authority for Quality Assurance (QA). The primary role of DGAQA is to provide QA coverage during various phases of the production/services viz design and development, production, up-gradation etc while assuring that the same meet the customer's expectations. Further, they are also involved in standardization activities. The other services provided are capacity assessment and registration of firms, defect investigations and

technical consultancy to the users, Ministry of Defence. The establishments under DGAQA are spread all over the country with majorly in DPSUs, Ordnance Factories, DRDO Labs and Private Firms. Appreciating the role and functions of DGAQA, the Committee desire that DGAQA should come out with a pragmatic approach while performing the duties of a regulatory authority for Quality Assurance, during various phases of production such as design and development, production and upgradation so that they not only meet customer's expectations, but also meet the air worthiness standards.

### **Budget**

13. The Committee note that the value of stores inspected and accepted during the years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 was Rs 25767 crore, Rs. 24271 crore, Rs 32382 crore, Rs. 35734 crore and 37046 crore, respectively. Further, the expenditure of DGAQA for the years 2019-20 to 2023-24 stood at Rs. 107 crore, 107 crore, Rs. 120 crore, Rs 123 crore and Rs. 130 crore. The Committee also observe that the actual cost of providing inspection and QA coverage was 0.41%, 0.44%, 0.37%, 0.34% and 0.35% from 2019-20 to 2023-24.

The representative of Ministry apprised the Committee that the Budget of DGAQA comes under the DRDO Head i.e., Major Head 2080 and Revenue and Capital Head 4076. The Ministry further stated that out of the total budget allocated to them, the Major Head pertains to pay and allowances. DGAQA have already spent Rs. 107 crores till December 2024, while their total projection for FY 2025-26 stands at Rs. 194.15

crore, out of which Rs. 167.20 crore stands for pay and allowances only. The Committee notes that the budget allocated for training component stands at a meagre Rs 0.46 crore, Rs 0.50 crore and Rs 0.29 crore for the FY 2021-22, 2022-23 and 2023-24. The Committee notes with some apprehension that this amounts to only 0.50%, 0.53% and 1.30% of the total budgetary allocation. For the FY 2024-25 and FY 2025-26 the amount allocated for training component is Rs 1.40 crore and Rs 1.70 crore, respectively. The Committee would like the Ministry to increase the allocation for the training component, so as to ensure that no compromise is made with regard to the services provided for Quality Assurance coverage and other related aspects of DGAQA's job profile.

The Committee further desires that DGAQA ensure provision of top Quality Assurance during development, production, overhaul and repair of military aircrafts and associated air-borne systems equipment, air armament systems and allied ground support systems. The Committee also recommends the DGAQA to increase its association with DRDO, PSUs and other developing agencies for evaluation, type approval, lifting and other life extension exercises of military airborne items. The Committee desires that DGAQA perform its duties as a top performing regulatory authority for providing Quality Assurance and final inspection point for all the critical aspects of the Armed Forces.

## **National Cadet Corps (NCC)**

### **Budget**

14. The Committee note that as per the information and data provided by the Ministry pertaining to NCC for the last five years, it is observed that allocation including both Revenue and Capital for the years 2021-22, 2022-23, 2023-24 and 2024-25 stood at Rs. 1095.27 crore, Rs. 1206.80 crore, Rs. 1449.23 crore and Rs. 2822.81 crore. Further, the Expenditure during the same period stood at Rs. 1119.07 crore, Rs. 1140.91 crore, Rs. 1359.90 crore and Rs. 1767.61 crore, respectively. The Committee observe that the expenditure for all the above-mentioned years have been consistently on the lower side, when compared with the allocation side. For the year 2022-23 and 2023-24 the shortfall in expenditure *vis-a-vis* the allocation stood at Rs. 65.89 crore and Rs. 94.33 crore. Further, the gap between expenditure and allocated amount for the year 2024-25 (till 30<sup>th</sup> November 2024) stood at Rs. 1055.1 crore. The Committee in this regard are constrained to note that the remaining unspent amount could have been gainfully utilised for NCC.

The Committee therefore, from a strictly budgetary point of view, would like the Ministry to keep its focus on proper financial planning and management in future especially with the amount of Rs. 2946.00 crore allocated for the year 2025-26. The Committee are of the view that an increased funding would lead to greater spending for various constructive activities and smooth functioning of NCC, while also achieving its objectives. The Committee are given to understand that the role and responsibilities of NCC are varied and the organisation



essentially acts as a base for national integration. Consequently, the Committee recommend that allocations be increased incrementally over the period for this, so that required training and camp activities of NCC are not adversely affected.

New Delhi;  
12 March, 2025  
21 Phalguna, 1946 (Saka)

**RADHA MOHAN SINGH**  
Chairperson  
Standing Committee on Defence

## **STANDING COMMITTEE ON DEFENCE (2024-25)**

### **Minutes of the Seventh Sitting of the Standing Committee on Defence (2024-25)**

The Committee sat on Monday, the 17<sup>th</sup> February, 2025 from 1100 hrs. to 1700 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

#### **PRESENT**

**Shri Radha Mohan Singh — Chairperson**

#### **MEMBERS**

##### ***Lok Sabha***

2. Dr. Rajeev Bharadwaj
3. Captain Viriato Fernandes
4. Shri Rahul Gandhi
5. Shri Mohammad Haneefa
6. Ms. S. Jothimani
7. Shri Lumba Ram
8. Shri Jagannath Sarkar
9. Shri Jagadish Shettar
10. Shri Virendra Singh
11. Shri Kesineni Sivanath
12. Shri Richard Vanlalhmangaiha

##### ***Rajya Sabha***

13. Shri Naresh Bansal
14. Shri Shaktisinh Gohil
15. Shri Prem Chand Gupta
16. Shri Muzibulla Khan
17. Shri Praful Patel
18. Shri Dhairyashil Mohan Patil
19. Shri Sanjay Singh
20. Dr. Sudhanshu Trivedi

## SECRETARIAT

1. Dr. Sanjeev Sharma — *Joint Secretary*
2. Shri Tirthankar Das — *Director*
3. Shri Tenzin Gyaltzen --- *Deputy Secretary*

## LIST OF WITNESSES

### Ministry of Defence

#### **Capital Outlay on Defence Services**

- |     |                                  |                     |
|-----|----------------------------------|---------------------|
| 1.  | General Anil Chauhan             | CDS & Secretary,DMA |
| 2.  | Rajesh Kumar Singh               | Defence Secretary   |
| 3.  | Sanjeev Kumar                    | Secretary (DP)      |
| 4.  | Dr. S V Kamat                    | Secretary (DDR&D)   |
| 5.  | Dr. Niten Chandra                | Secretary (ESW)     |
| 6.  | Sugata Ghosh Dastidar            | FA(DS)              |
| 7.  | Air Mshl SP Dharkar              | VCAS                |
| 8.  | Vice Admiral Krishna Swaminathan | VCNS                |
| 9.  | Lt Gen NS Raja Subramani         | VCOAS               |
| 10. | Lt Gen JP Mathew                 | CISC                |
| 11. | Lt Gen Pratik Sharma             | DCOAS (Strat)       |
| 12. | Samir Kumar Sinha                | AS & DG(Acq)        |
| 13. | Lt Gen Ulhas Kirpekar            | DG FP               |
| 14. | Ms. Dipti Mohil Chawla           | AS, DoD             |
| 15. | Vice Admiral Atul Anand          | AS, DMA             |
| 16. | Rajesh Sharma                    | Addl. FA(RS) & JS   |
| 17. | Maj Gen G S Choudhry             | JS(Army & TA)/ DMA  |
| 18. | Manish Tripathi                  | JS(Parliament)      |
| 19. | Subhash Kumar                    | Director (Budget)   |

### **Procurement Policy & Defence Planning**

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Rajesh Kumar Singh	Defence Secretary
3.	Sanjeev Kumar	Secretary (DP)
4.	Dr. S V Kamat	Secretary (DDR&D)
5.	Dr. Niten Chandra	Secretary (ESW)
6.	Sugata Ghosh Dastidar	FA(DS)
7.	Vice Admiral Sanjay Vatsayan	DCIDS(PP&FD)
8.	Samir Kumar Sinha,	AS & DG(Acq)
9.	Siddhartha Singh Longjam	AS & FA(Acq)
10.	Dr. Ajay Kumar	JS & AM (LS)
11.	Dharmendra Kumar Singh	JS & AM (Air)
12.	Dinesh Kumar	JS & AM(MS)
13.	AVM GK Mohan	ADG Acq Tech (Air)
14.	Maj Gen Tarun Agrawal	ADG Acq Tech (Army)
15.	Rajesh Sharma	Addl. FA(RS) & JS
16.	Sanjay Kumar	Addl. FA(SK) & JS
17.	Amit Satija	JS(DIP)/DDP
18.	Manish Tripathi	JS(Parliament)
19.	Subhash Kumar	Director (Budget)

### **Indian Army**

1.	Gen. Anil Chauhan,	CDS & Secretary (DMA)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Vice Admiral Atul Anand	Addl. Secy., DMA
4.	Lt Gen NS Raja Subramani	VCOAS

5.	Lt Gen Pratik Sharma	DCOAS (Strat)
6.	Lt Gen Rahul R Singh	DCOAS (CD&S)
7.	Lt Gen Ulhas Kirpekar	DGFP
8.	Lt Gen VPS Kaushik	AG
9.	Lt Gen VMB Krishnan	QMG
10.	Ms. Dipti Mohil Chawla	AS, DoD
11.	Maj Gen Sandeep Narang	ADG Proc(B)
12.	Maj Gen GS Choudhry	JS(Army & TA)/ DMA
13.	Rajesh Sharma	Addl. FA(RS) & JS
14.	Subhash Kumar	Director (Budget)

### **Indian Air Force**

1.	Gen. Anil Chauhan,	CDS & Secretary (DMA)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Vice Admiral Atul Anand	Addl. Secy., DMA
4.	Air Mshl SP Dharkar	VCAS
5.	Air Mshl Tejinder Singh	DCAS
6.	Ms. Dipti Mohil Chawla	Addl. Secy., DoD
7.	AVM Vikram Gaur	JS(Air), DMA
8.	Rajesh Sharma	Addl. FA(RS) & JS
9.	Subhash Kumar	Director (Budget)

### **Indian Navy**

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Vice Admiral Krishna Swaminathan	VCNS
4.	Vice Admiral Atul Anand	Addl. Secy., DMA
5.	Ms. Dipti Mohil Chawla,	Addl. Secy., DoD
6.	Rear Admiral Vikram Menon	JS (Navy)
7.	Rear Admiral Alok Ananda	ACNS (P&P)

- |    |               |                   |
|----|---------------|-------------------|
| 8. | Rajesh Sharma | Addl. FA(RS) & JS |
| 9. | Subhash Kumar | Director(Budget)  |

### **Joint Staff**

- |    |                          |                       |
|----|--------------------------|-----------------------|
| 1. | Gen. Anil Chauhan        | CDS & Secretary (DMA) |
| 2. | Sugata Ghosh Dastidar    | FA(DS)                |
| 3. | Lt Gen JP Mathew         | CISC                  |
| 4. | V Adm Sanjay Vatsayan    | DCIDS (PP&FD)         |
| 5. | Rear Admiral Puruvir Das | ACIDS (T&I)           |
| 6. | Ms. Dipti Mohil Chawla,  | Addl. Secy., DoD      |
| 7. | AVM Manish V Patel       | ACIDS(FP & Adm)       |
| 8. | Rajesh Sharma            | Addl. FA(RS) & JS     |
| 9. | Subhash Kumar            | Director (Budget)     |

### **Indian Coast Guard**

- |    |                    |                   |
|----|--------------------|-------------------|
| 1. | S Paramesh         | DG ICG            |
| 2. | Dipti Mohil Chawla | Addl. Secy., DoD  |
| 3. | Pawan Kumar Sharma | JS(Coast Guard)   |
| 4. | ADG AP Badola      | ADG CG            |
| 5. | Rajesh Sharma      | Addl. FA(RS) & JS |
| 6. | Subhash Kumar      | Director (Budget) |

### **Directorate General of Defence Estate**

- |    |                         |                  |
|----|-------------------------|------------------|
| 1. | Ms. Dipti Mohil Chawla, | Addl. Secy., DoD |
| 2. | Sugata Ghosh Dastidar,  | FA(DS)           |
| 3. | Meena Balimane Sharma   | SADG             |
| 4. | Valeti Premchand        | Addl. DG         |
| 5. | Nigar Fatima            | Addl. DG         |

6.	Sonam Yangdol	Addl. DG
7.	Vibha Sharma	Addl. DG
8.	Shreyas M Patel	DDG
9.	Rakesh Mittal	JS(Lands & Works)
10.	Rajesh Sharma	Addl. FA(RS) & JS
11.	Subhash Kumar	Director (Budget)

### **Border Roads Organization**

1.	Samir Kumar Sinha	AS & DG(Acq)
2.	Ms. Dipti Mohil Chawla	AS, DoD
3.	Sugata Ghosh Dastidar	FA(DS)
4.	Lt Gen Raghu Srinivasan	DGBR
5.	Rakesh Mittal	JS(BR)
6.	Rajesh Sharma	Addl. FA(RS) & JS
7.	Subhash Kumar	Director (Budget)

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 2025-26.

3. Thereafter, the Chairperson welcomed the Defence Secretary and Chief of Defence Staff (CDS) along with, the representatives of the Armed Forces and Ministry of Defence to the Sitting of the Committee convened to deliberate on the subjects 'General Defence Budget, Department of Military Affairs (DMA), Ministry of Defence (Civil), Capital Outlay on Defence Services, Procurement Policy and Defence Planning, Army, Air Force, Navy, Joint Staff, Coast Guard Organisation (CGO), Directorate General Defence Estate (DGDE) and Border Roads Organization (BRO)' in connection with examination of Demands for Grants of the Ministry of Defence for the year 2025-26.

4. Subsequently, drawing attention to the Direction 55(1) of the Directions by the Speaker, Lok Sabha to treat the deliberations of the sittings as 'confidential', he requested the representative of the Ministry to give an overview of the subject after introducing themselves.

5. Thereafter, 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 2025-26. The highlights of the brief given by the Defence Secretary are as under:

- (i) The total outlay for Ministry of Defence is Rs 6,90,710.27 crore which is approx 13.45 percent of Budgetary Estimates of the country;
- (ii) Out of total allocation, Rs. 4,19,731.30 crore has been allotted for Defence Services Estimates, Rs. 28,682.97 crore for MoD (Civil) and Rs. 1,60,795.00 crore for Defence pensions;
- (iii) Seventy-five percent of Defence Modernization budget has been earmarked for domestic industry in FY 2025-26; and
- (iv) Out of total allocation for Ministry of Defence for the financial year 2025-26 is Rs. 6.81 lakh crore, out of which Rs. 4.92 lakh crore, i.e 72 %, is allocated for the defence forces;

6. 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) The total Defence Budget for 2024-25 i.e. BE Rs. 6,90,710.27 crore is an increase of 4.65 percent in Defence Budget in comparison to BE 2024-25;
- (ii) Defence Service Estimates which is almost seventy-three percent of the total Defence Budget;
- (iii) Enhancement in Non-salary revenue outlays allocation for the Defence Services in BE 2025-26 in comparison to BE 2024-25;
- (iv) Increase in revenue and capital budget as compared to previous year allocation;
- (v) Total allocation for revenue expenditure for the Defence Forces is Rs.3.12 lakh crore, which is 10.24 per cent and 4.88 per cent higher than the BE and the RE of the current financial year 2024-25.;
- (vi) Rs. 28,682 crore (4.21 %) is allocated (civil) budget, out of the total Rs. 4.92 lakh crore, Rs. 3.12 lakh crore is for the revenue expenditure, and Rs. 1.8 lakh crore is for the capital expenditure for the financial year 2025-26;
- (vii) total defence budget is 13.45 per cent of the total expenditure of the Government of India which is at Rs. 50.65 lakh crore, 9.53 per cent higher than the budget estimate of the 2024-25;



- (viii) 30 per cent of the expenditure is on the salary and allowances, 28 per cent on the capital head, 24 per cent on the defence pensions and 18 per cent on non-salary expenditure;
- (ix) The revenue expenditure of MOD is 12.39 per cent of the Government of India revenue expenditure which is at Rs. 39.44 lakh and capital expenditure of MOD is 17.16 per cent of the Government of India capital expenditure which is at Rs. 11.21 lakh crore.;
- (x) Capital Budget has been increased by Rs. 66,266 Cr (58.26%) in the 1st 5 years which showed a growth rate of 9.62 % Compounded Annual Growth Rate in the last 5 Years;
- (xi) Budget allocation for modern warfare to equip Armed Forces;
- (xii) Modernisation of defence equipments;
- (xiii) Quantity of defence equipments exported by DPSUs and Private Sector;
- (xiv) Reasons for emergency procurement of defence equipments;
- (xv) Inclusion of all indigenized products in Srijan portal
- (xviii) Increase in Defence allocation to meet actual requirement keeping in view current security scenario;
- (xix) Planning for upgradation and modernisation of conventional arms;
- (xx) Strategy for achieving complete indigenization and self-reliance in Defence sector;
- (xxi) Comparison with neighboring countries regarding expenditure on equipments and development of infrastructure.

7. The representatives of the Ministry of Defence then gave a Power Point Presentation on **Capital Outlay on Defence Services, Procurement Policy and Defence Planning** which was followed by discussion on a wider gamut of issues encompassing the following:

- (i) Defence Planning to cater current and further modernisation needs of the Armed Forces in terms of platforms, equipment, ammunitions, infrastructure and manpower;
- (ii) Allocation under capital head has been gone up from 1.72 Lakh Crore in FY 2024-25 to 1.8 Lakh crore in FY 2025-26, an increase in 4.65%;
- (iii) Capital allocation budget is also termed as modernisation budget of the armed forces and issued for acquisition of military equipment;

- (iv) 75% (Rs. 1,48,722 crore) of Capital Acquisition Budget has been earmarked for domestic industries;
- (iv) The overall increase in capital outlay of 4.65 per cent in BE of 2025-26 over BE of 2024-25 and 12.85 per cent over RE of 2024-25;
- (v) Capital outlay on defence services in FY 2025-26 is 1.80 Lakhs crores, has been increased by 58% in the last 5 years;
- (vi) Mission Atmanirbharta and Earmarking of Fund for Domestic Industries.
- (vii) Growth in Defence Capital Acquisition (Modernization) Budget from FY 2020-21 to FY 2025-26;
- (viii) Defence Acquisition Procedure (DAP)-2020 for Defence Procurement Policy has been revised nine times during 2002-2020;
- (ix) Defence procurements carried out as per Defence Acquisition Procedure (DAP)- 2020;
- (x) Fundamental Philosophy for acquisition process;
- (xi) Defence Acquisition Policy which aims to ensure timely procurement of defence equipment to meet the operational requirements;
- (xii) Priority of procurement of defence equipments;
- (xiii) Basic categories for classification of acquisition process i.e. pre-AoN and Post-AoN;
- (xiv) Three pillars of Atmanirbharta i.e. Atmanirbhar Bharat, Make in India and ease of doing business;
- (xv) Push for domestic defence ecosystem in FY 2025-26;
- (xvi) Allocation of 75% of Modernisation Defence budget in FY 2025-26.
- (xvii) Aero India 2025.
- (xviii) Visibility of Capability Development Plan to Indian Defence Cosystem.
- (xix) Indigenization of various weapons and platforms including missiles, submarines, LCA, etc.;
- (xx) Promotion of 'Make in India' aspects in domestic production ;

- (xxi) Transparency in the defence acquisition process;
- (xxii) Ensuring level playing field between the DPSUs and the Private Players;
- (xxiii) Parity in securities and payment terms between DPSUs and industry.
- (xxiv) Recent initiative in DAP;
- (xxv) Recent Initiatives in Indigenous Content (IC) for Material, Components and Software for Defence Procurement .
- (xxvi) Development of domestic defence ecosystem through enhanced avenues and increase vendor base.
- (xxvii) Ensuring Level Playing field for private defence industry.
- (xxviii) Reduction of Timelines for Defence Procurement.

***(The witnesses then withdrew and representatives of Department of Military Affairs and the Army came in)***

8. The Chief of Defence Staff gave an overview of the working of the three forces following which a Power Point presentation on the Army was made. This was followed by detailed deliberations on following issues:

- (i) Maintaining of territorial Integrity by Army;
- (ii) Security situation in border areas of the country;
- (iii) Strengthening of Border Area Development programme in border areas by army;
- (iv) Extension of Year of Transformation initiatives; into a Decade of Transformation from 2023 to 2032;
- (v) Logistic operations in High Altitude Areas;
- (vi) Infrastructure development in northern and western borders;
- (vii) Induction of state-of-the art weapon system and platforms;
- (viii) 6G initiatives to the latest National Quantum Mission;
- (ix) Training of Army with friendly foreign countries;
- (x) Contribution of Army in Military Diplomacy;
- (xi) Role of women officers in Army;
- (xii) Contribution of Army in management of natural disasters and calamities relief;

- (xiii) Indian Army AI Incubation Centre has been started;
- (xiv) Modernization through induction of indigenous weapons and platforms;
- (xviii) Schemes to enhance security infrastructure, surveillance, research and development and fighting abilities of Army;
- (xix) Transform Indian Army into an Atmanirbhar Future Ready Force;
- (xx) Project NAMAN has been started by Indian Army;
- (xxi) Mission Olympics for 2036;
- (xxii) Funds for Ex-servicemen Contributory Health Scheme(ECHS);
- (xxiii) AGNIPATH Scheme has been started;
- (xxiv) Participation in United Nations peacekeeping operations by March, 2025;
- (xxv) Training of 17 Lakh National Cadet Corps cadets including Six lakh girls every year;
- (xxvi) Budgetary allocation to Army;
- (xv) Contribution in sports by Army;
- (xvi) Role of Army towards humanitarian assistance and speedy relief during calamities;
- (xvii) Medical assistance and health care of veterans;

***(The officials of Army then withdrew  
and officials of Air Force came in)***

9. Thereafter, a Power Point presentation on the Air Force was made. This was followed by detailed deliberations on following issues:

- (i) Integrated Air Command and Control System;
- (ii) Anti Piracy Joint Maritime operation
- (iii) Propelling India to become an aerospace power
- (iv) Air Defence: Surface to air guided weapon;
- (v) Air Exercises;
- (vi) Joint Air-Ground –Sea exercises;
- (vii) Promoting AGNIPATH Scheme;
- (viii) Reduction in carbon emission;
- (ix) Promoting growth in civil aviation;

- (x) Promoting service in cyber and CRYPTO;
- (xi) Increasing induction of women in IAF as Empowerment of Women;
- (xii) Enabling operations through technology infusion;
- (xiii) Upgradation of Fighter Aircrafts upto 4<sup>th</sup> Generation capability;
- (xiv) Indigenous upgradation of Su-30MKI;
- (xv) Shortage of authorized squadrons strength;
- (xvi) Study to analyze the major reasons for the delay of LCA;
- (xvii) Joint air-ground-sea exercises;
- (xviii) Promoting and commitment for Atmanirbharta in Air Force;
- (xix) Role of Air Force towards human assistance and disaster relief operations;
- (xx) Decline in accident rates in Air Force;
- (xxi) Increase in Budget Estimate (BE) for the year 2025-26 as compared to the previous year 2024-25.

***(The officials of Air Force then withdrew  
and officials of Navy came in)***

10. Consequently, a power point presentation on the Navy was also made before the Committee following which deliberations on the following issues were held:

- (i) More allocation in Budget Estimates, Capital Budget and Revenue Budget of 2025-26 in comparison to Budget Estimates, Capital Budget and Revenue Budget of 2024-25;
- (ii) Maritime threats and challenges from traditional and non traditional sources;
- (iii) Maritime security operations by Navy;
- (iv) Area of operations of Navy to Africa and Australia continents;
- (v) Bilateral and Multilateral exercises with friends by foreign countries;
- (vi) Indian Ocean Region (IOR) maritime information hub linkages with 25 national and 50 multinational centres;
- (vii) Role of Navy in Multi-National contracts;
- (viii) Projection of growth of the number of ships and submarines;
- (ix) Anti-piracy operations by Navy;
- (x) Anti-Narcotics Operations by Navy;

- (xi) HADR/SAR operations by Navy;
- (xii) Promoting Coastal Security;
- (xiii) Role of women officers in Navy;
- (xiv) Promotion of Atmanirbharta through various projects;

***(The officials of Navy then withdrew  
and officials of Joint Staff came in)***

11. Following the discussion on the Navy, a power point presentation on Joint Staff was made. Members raised various queries related to the following:

- (i) Promoting jointness and integration of Armed Forces;
- (ii) Formulation of policy on Joint Capabilities, Training and Functional aspects;
- (iii) Financial planning and oversight of joint staff organizations;
- (iv) Defence Crisis Management Group for coordination of Armed Forces during humanitarian assistance and disaster relief operations;
- (v) Coordination of strategic defence intelligence;
- (vi) Integrated Capability Development Plan (ICDP) and indigenization;

***(The witnesses then withdrew and representatives of the  
Ministry of Defence and Indian Coast Guard came in)***

12. After a brief introduction of the officials of Indian Coast Guard, a Power Point Presentation on the working of Indian Coast Guard was made. This was followed by discussion on following points:

- (i) More allocation in BE 2025-26 as compared to BE 2024-25;
- (ii) Safety and protection of artificial islands and offshore oil terminals;
- (iii) Protection of fishermen including assistance at sea;
- (iv) Preservation and protection of marine environment;
- (v) Prevention and control of marine pollution;
- (vi) Assistance to customs and other authorities in anti-smuggling operations;
- (vii) Securing life and property at sea;

- (viii) Assistance in collection of scientific data;
- (ix) Enforcement of maritime enactments.

***(The officials of Indian Coast Guard then withdrew  
and officials of Directorate General Defence Estates came in)***

13. Followed by brief introduction of the officials of Directorate General Defence Estates (DGDE), a Power Point Presentation on the working of Defence Estates Organisation was made. This was followed by discussion on following points:

- (i) Allocation in BE in FY 2025-26;
- (ii) Provisions relating to Municipal Administration of notified cantonments, land acquisition, post acquisition, land survey, etc.;
- (iii) Duties of cantonment Board *i.e.* sanitation, drains and sewerage, water supply, primary education, health, roads, street lights and survey, etc.;
- (iv) Status of cantonment board schools;
- (v) Infrastructure and facilities in cantonment board hospitals;
- (vi) Environment and waste management works;
- (vii) Skill development programmes and centres;
- (viii) Industrial training institutes in cantonment Board;
- (ix) Provision of eChhawani-Digital portal for online municipal services;
- (x) Bhoomi Raksha IT module was started in 2022;
- (xi) New initiatives *i.e.* polythene Kachra Bank and E-Waste Drives/Bank
- (xii) Proposal from the State Government for provision of Defence Land;
- (xiii) Issues such as access to roads etc. faced by general public in Cantonment areas and efforts for resolution of these issues;
- (xiv) Enforcement of building laws in cantonment area;
- (xv) Removal of encroachment on the Defence land in the cantonment area;
- (xvi) Policy regarding handing over of Defence institutions to civil municipal bodies adjoining the cantonment areas;

***(The representatives of Directorate General Defence Estates  
withdrew and representatives of Border Roads Organization came in)***

14. After a Brief introduction of the officials of Border Roads Organization (BRO), a Power Point presentation on Border Roads Organization was made. The deliberations were held on the subject on following points:

- (i) Budgetary figures for BRO for 2025-26;
- (ii) Role of BRO during the peace and in war periods;
- (iii) Involvement of Government Agencies like NHAI, CPWD, Ministry of Road Transport and Highways by BRO;
- (iv) Construction of roads in Ladakh;
- (v) Shortage of manpowers particularly engineers in BRO;
- (vi) Challenging terrain, unfavourable climate and difficult security situation faced by BRO;
- (vii) Construction of Indo-China Road under India-China Border Roads(ICBR);
- (viii) Initiation of Engineering Procurement and Construction to boost efficiency; and
- (ix) Strategic projects being executed in J&K, Himachal Pradesh, Uttarakhand, Ladakh, Mandi, Manali, Pithauragarh Sikkim, West Bengal, Meghalaya;

15. The Chairperson, then thanked the representatives of the Ministry of Defence for extensive discussion on the Demands for Grants and for responding to the queries of the Members. The Chairperson also requested the representatives to furnish information (which was not readily available) to the Secretariat expeditiously.

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

*The Committee then adjourned.*



**STANDING COMMITTEE ON DEFENCE (2024-25)**

**Minutes of the Eighth Sitting of the Standing Committee on  
Defence (2024-25)**

**The Committee sat on Tuesday, the 18<sup>th</sup> February, 2025 from 1100 hrs. to 1740 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.**

**PRESENT**

**Shri Radha Mohan Singh — *Chairperson***

**MEMBERS**

***Lok Sabha***

2. Dr. Rajeev Bharadwaj
3. Shri Captain Viriato Fernandes
4. Shri Mohamad Haneefa
5. Shri S. Jagathratchakan
6. Ms Jothimani
7. Shri Ravindra Shukla alias Ravi Kishan
8. Shri Shashank Mani
9. Shri Lumba Ram
10. Shri Jagannath Sarkar
11. Shri Jagadish Shettar
12. Shri Virendra Singh
13. Shri Kesineni Sivanath
14. Shri Richard Vanlalhmangaiha

***Rajya Sabha***

15. Shri Naresh Bansal
16. Shri Prem Chand Gupta
17. Shri Muzibulla Khan
18. Shri Sanjay Singh
19. Shri Sudhanshu Trivedi

## SECRETARIAT

- |    |                      |     |                  |
|----|----------------------|-----|------------------|
| 1. | Dr. Sanjeev Sharma   | —   | Joint Secretary  |
| 2. | Shri Tirthankar Das  | —   | Director         |
| 3. | Shri Tenzin Gyaltsen | --- | Deputy Secretary |

## LIST OF WITNESSES

### Ministry of Defence

#### Defence Public Sector Undertakings (DPSUs)

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Sanjeev Kumar	Secretary (DP)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Dipti Mohil Chawla	AS, DoD
4.	Rajeev Prakash	JS(NS)
5.	Shalabh Tyagi	JS(P&C)
6.	Amit Satija	JS(DIP)
7.	Dr. Garima Bhagat	JS(LS)
8.	Dr. DK Sunil	CMD, HAL
9.	Manoj Jain	CMD, BEL
10.	Cmde A Madhavarao	CMD, BDL
11.	Shantanu Roy	CMD, BEML
12.	N Gowri Sankara Rao	MIDHANI
13.	Cmde PR Hari	CMD, GRSE
14.	Sanjeev Singhal	CMD, MDL
15.	Brajesh Kumar Upadhyay	CMD, GSL
16.	Cmde Hemant Khatri	CMD, HSL
17.	Rajesh Sharma	Addl FA (RS) & JS
18.	Subhash Kumar	Director (Budget)

**Directorate of Ordnance (Coordination and Services)- (New DPSUS)**

<b>S. No.</b>	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Sanjeev Kumar	Secretary (DP)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	DiptiMohil Chawla	AS, DoD
4.	GarimaBhagat	JS(LS)
5.	Sanjeev Gupta	DGO(C&S)
6.	SunitaMansukhani	DDG(Budget)
7.	Sanjay Mehrishi	DDG(ND CD)
8.	Rakesh Ojha	Director (Operations), MIL
9.	Sanjay Dwivedi	CMD, AVANI
10.	AK Maurya	Dir.(Ops) & CMD (Addl Charge), AWEIL
11.	Dr. SK Saxena	Dir(Fin) & CMD(Addl Charge), TCL
12.	MC Balasubramaniam	CMD, GIL
13.	Rakesh Singh Lal	Dir(Fin.), YIL
14.	TusharTripathi	CMD, IOL
15.	BirendraPratap	DDG(ND CD-I)
16.	Rajesh Sharma	Addl FA (RS) & JS
17.	Subhash Kumar	Director (Budget)

**Directorate General of Quality Assurance (DGQA)& Directorate General of  
Aeronautical Quality Assurance (DGAQA)**

<b>S. No.</b>	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Sugata Ghosh Dastidar	FA(DS)
2.	Dipti Mohil Chawla	AS, DoD
3.	N Manoharan	DG, DGQA
4.	S.K. Kapoor	ADG, HQ DGAQA
5.	Rajesh Sharma	Addl. FA(RS) & JS
6.	Subhash Kumar	Director (Budget)

**Defence Research and Development Organisation (DRDO)**

<b>S. No.</b>	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Dr. SV Kamat	Secretary, DDR&D
2.	Sugata Ghosh Dastidar	FA(DS)
3.	DiptiMohil Chawla	AS, DoD
4.	Mangal Lal Chand	DS&DG(TM)
5.	U. JeyaSanthi	OS & DG(HR)
6.	Dr. Chandrika Kaushik	OS & DG(PC&SI)
7.	Dr. Manu Korulla	OS & DG(R&M)
8.	Sunil Sharma	OS & Director, DPARO&M

9.	Dr. SumitGoswami	Sc 'G' & Director, P&C
10.	Vedveer Arya	Addl FA (VA) & JS
11.	Rajesh Sharma	Addl. FA(RS) & JS
12.	Subhash Kumar	Director (Budget)

**Department of Ex-Servicemen Welfare (Defence Pension, Welfare of Ex-Servicemen & Ex-Servicemen Contributory Health Scheme (ECHS))**

<b>S. No.</b>	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Dr.Niten Chandra	Secretary, ESW
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Dipti Mohil Chawla	AS, DoD
4.	MayankTewari	JS(ESW)
5.	Lt Gen VPS Kaushik	AG
6.	V Adm Sanjay Bhalla	COP
7.	AVM Updesh Sharma	ACAS(Accts & AV)
8.	Dr. Mayank Sharma	Special CGDA
9.	Maj Gen Manoj Natarajan	MD, ECHS
10.	Maj Gen SBK Singh	DG(R)
11.	Lt Gen Ulhas Kirbekar	DGFP
12.	Rajesh Sharma	Addl. FA(RS) & JS
13.	Subhash Kumar	Director (Budget)

### **Directorate General Armed Forces Medical Services (DGAFMS)**

<b>S. No.</b>	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Sugata Ghosh Dastidar	FA(DS)
2.	Dipti Mohil Chawla	AS, DoD
3.	Surg VAdm Arti Sarin	DGAFMS
4.	Maj Gen Manas Chatterjee	Addl. DGAFMS
5.	Rajesh Sharma	Addl. FA(RS) & JS
6.	Subhash Kumar	Director (Budget)

### **National Cadet Corps (NCC)**

<b>S. No.</b>	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Sugata Ghosh Dastidar	FA(DS)
2.	Dipti Mohil Chawla	AS, DoD
3.	Lt Gen Gurbirpal Singh	DG NCC
4.	AVM PVS Narayana	ADG(A)
5.	Pawan Kumar Sharma	JS(Trg.)
6.	Rajesh Sharma	Addl. FA(RS) & JS
7.	Subhash Kumar	Director (Budget)

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 2025-26.

3. Thereafter, the Chairperson welcomed the representatives of Ministry of Defence to the Sitting of the Committee convened to deliberate upon Defence Public Sector Undertakings (DPSUs), Directorate of Ordnance(Coordination and Services)-New DPSUs, Directorate General of Quality Assurance (DGQA), Directorate General of Aeronautical Quality Assurance (DGAQA), Defence Research and Development Organisation (DRDO), Department of Ex-Servicemen Welfare (Defence Pension, Welfare of Ex-Servicemen and Ex-servicemen Contributory Health Scheme (ECHS), Directorate General of Armed Forces Medical Services (DGAFMS) and National Cadet Corps(NCC) in connection with examination of Demands for Grants of the Ministry of Defence for the year 2025-26.

4. Later, drawing attention to Direction 55(1) of the Direction by the Speaker, Lok Sabha to treat the deliberations of the sittings as 'confidential', he requested the representatives of the Ministry to give an overview of the subject after introducing themselves.

5. After formal introduction, the Secretary, Defence Production initiated the discussion by highlighting the works of the department which includes production of defence equipment in country, incorporating the components of indigenization, export of defence products, inclusion of new technologies in defence and creating an ecosystem of defence manufacturing wherein MSMEs, Start-Ups and private sector can participate . The highlights of the brief given by the Secretary are as under:

- (i) Export of defence product till 31.01.2025 is Rs. 18,487 Cr, is expected to cross 23000 Cr. In FY 2025-26:
- (ii) Export of defence products increased up to Rs 21,000 crores in the year 2023-24 from Rs. 686 crores in the 2013-14 ;
- (iii) Substantial steps taken towards 'Make in India' and achieving 'Atma Nirbhar Bharat'.

- (iv) A new portal 'SRIJAN' has been launched to promote indigenization by participation of MSMEs and Start ups. On this portal 32,000 defence components were listed for indigenization out of which process of indigenization of 12-13,000 components have been done. It is likely to be increased drastically by 2028-29. Consequently import of such components will be stopped.
- (v) Increase in R&D Budget;
- (vi) ADITI Scheme has been launched to promote Export;
- (vii) Export Promotion Cell (EPC) has been set up to boost Export.
- (viii) Open General Export License (OGEL) scheme has been launched to boost Defence Exports.

6. Thereafter, a Power Point Presentation was made by the representatives of nine Defence Public Sector Undertakings (DPSUs) viz. Hindustan Aeronautics Limited, Bharat Electronics Limited, Mazagon Dock Shipbuilders Limited, Garden Reach Shipbuilders and Engineers Limited, Goa Shipyard Limited, Bharat Dynamics Limited, Mishra Dhatu Nigam Limited, BEML Limited and Hindustan Shipyard Limited. This was followed by detailed deliberations on the following issues:

- (i) Financial Data comprising turnover and profit made by said DPSUs;
  - (ii) Status of Order Book Positions of DPSUs;
  - (iii) Various measures undertaken to increase export and minimize import;
  - (iv) Modernisation activities taken by all DPSUs;
  - (v) Measures taken towards indigenization and achieving 'Atma Nirbharta';
  - (vi) Initiative taken for technological advancements in light of latest warfare techniques.
  - (vii) Optimum focus on investment in research and Development;
  - (viii) Share of FDI and FII in DPSUs along with foreign investment by DPSUs;
- and



- (ix) Utilisation of CSR fund.

***(The representatives of the DPSUs then withdrew and representative of Directorate of Ordnance(Coordination and Services) came in.)***

7. After introduction of the representative of Directorate of Ordnance (Cord. & Serv.), a brief overview regarding seven new DPSUs was presented by the Secretary. Then representatives of new DPSUs made a Power Point Presentation before the Committee. This was followed by detailed deliberations on the following issues:

- (i) Types of products being manufactured by these new DPSUs;
- (ii) Financial performance comprising turnover and profit made by these new DPSUs;
- (iii) Status of Order Book Positions;
- (iv) Challenges in transfer and merger of employees;
- (v) Financial Assistance being given by Government to these DPSUs;
- (vi) Diversification in products being manufactured ;
- (vii) Merger of existing seven DPSUs to synchronize their productions;
- (viii) Various initiatives being taken towards technological upgradation;

The Chairperson commended their journey despite several challenges being faced by new DPSUs.

***(The witnesses then withdrew and representatives Directorate General of Quality Assurance (DGQA)& Directorate General of Aeronautical Quality Assurance ( DGAQA came in.)***

8. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) Restructuring of DGQA (Director General Quality Assurance);
- (ii) DGQA Role in Induction of New System;

- (iii) Ministry of Defence Schemes for Defence Industries to promote Atmanirbhar Bharat;
- (iv) Defence Export Promotion Schemes;
- (v) Defence Testing Infrastructure Scheme;
- (vi) Reforms and Initiatives by DGQA for Ease of Doing Business;
- (vii) DGAQA (Directorate General of Aeronautical Quality Assurance) is a Regulatory authority for Quality Assurance & Final Inspection of Military Aviation stores for use by IAF, Army Aviation, Naval Aviation, ICG Aviation, BSF etc;

***(The witnesses then withdrew and representatives of Defence Research and Development Organisation (DRDO) came in.)***

9. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) An overview of functions of DRDO;
- (ii) New initiative taken to meet changing requirements in defence sector;
- (iii) Technology Development Fund;
- (iv) Opening of Centre of Excellence for promotion of R&D in academia;
- (v) Initiative to Atma Nirbhar Bharat in defence technologies and systems;
- (vi) Induction of women scientists;
- (vii) Upgradation in drone detection and anti missile technology;
- (viii) Progress in landmine detection;
- (ix) Investment in R&D;
- (x) Monitoring of ongoing projects for timely delivery; and
- (xi) Vacancy and attrition rates in DRDO.

***(The witnesses then withdrew and representatives of Department of Ex-Servicemen Welfare ( Defence Pension, Welfare of Ex-Servicemen & Ex-Servicemen Contributory Health Scheme (ECHS)) came in.***

10. The representatives of the Department gave an overview of the the organization with the help of Power Point presentation. This was followed by detailed deliberations on the following issues/topics:

- (i) Armed Forces Veterans (Ex-Servicemen) including pensioners;
- (ii) Armed Forces Veterans (Ex-Servicemen) Contributory Health Scheme (ECHS) along with services provided by the Poly clinics;
- (iii) Initiatives undertaken for the welfare schemes of ESM through Directorate General of Resettlement;
- (iv) Key Functions of Kendriya Sanik Boards;
- (x) Status and beneficiaries of Marriage Grants and Children Education Grants;
- (xi) Challenges to generate employment for ESM and measures undertaken to resolve them;
- (xii) Measures taken for stress management and mental health of ESM;

***(The witnesses then withdrew and representatives of Directorate General Armed Forces Medical Services (DGAFMS) came in.)***

11. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) Delivery of Comprehensive Medical Care of highest standards during operations as well as peacetime within the country;
- (ii) AFMS provides medical care in both War & Peace;
- (iii) Training and Medical Research in AFMS;
- (iv) Preventive Healthcare in AFMS;
- (v) Collaborative research, training & faculty exchange program through MoUs;
- (vi) Artificial Limb Centre, has been established in Pune;
- (vii) Satellite-based Warship Assistance and Support Tele Helpline (SWASTH) has been established for consultation:

- (viii) 'RUKMANI' a dedicated military communication satellite primarily used by the Indian Navy has been launched;
- (ix) Artificial Limb Centre has been set up in Pune for providing State-of-the art prostheses for amputee soldiers;
- (x) Tele MANAS ( Mental health Assistance and Networking Across States cell has been established at AFMC with the assistance of NIMHANS Bangalore and IIIT Bengaluru;
- (xi) Armed Forces Centre for Computational Medicine (AFCCM) was inaugurated by The Hon'ble President of India, in Dec, 2023 in Pune;
- (xii) Frozen RBC storage has been established for frozen RBC storage At AFTC, Delhi;
- (xiii) Providing Humanitarian Assistance and Disaster Relief;
- (xiv) AFMC was awarded the prestigious President's Colour in 2023;

***(The witnesses then withdrew and representatives of Directorate General National Cadet Corps (NCC) came in.)***

12. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) Annual training camps;
- (ii) Adventure Camps;
- (iii) Mountaineering Expeditions;
- (iv) Social Service and Community Development (SSCD) Efforts;
- (v) Women Empowerment;
- (vi) Awareness about environmental hazards;

13. The Chairperson, then, thanked the representatives of the Ministry of Defence for extensive discussion on the Demands for Grants and for responding to the queries of the Members. The Chairperson also requested the representatives to furnish information to the Secretariat expeditiously.

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

*The Committee then adjourned.*

**STANDING COMMITTEE ON DEFENCE (2024-25)**

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2024-25)**

The Committee sat on Wednesday, the 12<sup>th</sup> March, 2025 from 1500 hrs. to 1530 hrs.  
in the Committee Room 'B', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Radha Mohan Singh                      -                      Chairperson**

**MEMBERS**

**Lok Sabha**

2. Dr. Rajeev Bharadwaj
3. Shri Karti P. Chidambaram
4. Shri Ranjit Dutta
5. Captain Viriato Fernandes
6. Shri Mohmad Haneefa
7. Ms. Jothimani
8. Shri Lumba Ram
9. Shri Jagannath Sarkar
10. Shri Jagadish Shettar
11. Shri Virendra Singh
12. Shri Richard Vanlalhmangaiha

**Rajya Sabha**

13. Shri Naresh Bansal
14. Shri N. Chandrasengharan
15. Shri Muzibulla Khan
16. Shri Dhairyashil Mohan Patil
17. Shri Sanjay Singh
18. Dr. Sudhanshu Trivedi

## SECRETARIAT

- |    |                      |   |                  |
|----|----------------------|---|------------------|
| 1. | Dr. Sanjeev Sharma   | - | Joint Secretary  |
| 2. | Shri Tirthankar Das  | - | Director         |
| 3. | Shri Tenzin Gyaltsen | - | 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 2025-26 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Directorate General Defence Estates, Welfare of Ex-Servicemen and Defence Research and Development Organisation (Demand Nos. 19, 20 and 21)';**
- (ii) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Army, Air Force, Navy, Joint Staff, Ex-Servicemen Contributory Health Scheme and Directorate General of Armed Forces Medical Services (Demand Nos. 20 and 21)';**
- (iii) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Capital Outlay on Defence Services, Defence Planning, Procurement Policy and Defence Pensions (Demand Nos. 21 and 22)'; and**
- (iv) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Defence Public Sector Undertakings, Directorate of Ordnance (Coordination and Services–New DPSUs), Directorate General of Quality Assurance, Directorate General of Aeronautical Quality Assurance and National Cadet Corps (Demand Nos. 20 and 21)'.**

3. After some deliberations, the Committee adopted the above reports without any modifications.

4. The Committee, then, authorized the Chairperson to finalise the above draft Reports and present the same to both the Houses of Parliament on a date convenient to him.

5. \*\*\*\*Does not pertain to the report\*\*\*\*

The Committee then adjourned.\*\*\*\*\*