

**89**

**COMMITTEE ON  
GOVERNMENT ASSURANCES  
(2018-2019)**

**SIXTEENTH LOK SABHA**

**EIGHTY-NINTH REPORT**

REVIEW OF PENDING ASSURANCES PERTAINING  
TO THE MINISTRY OF DEFENCE  
(DEPARTMENT OF DEFENCE  
PRODUCTION)

*(Presented to Lok Sabha on 08 January, 2019)*



**LOK SABHA SECRETARIAT  
NEW DELHI**

***January, 2019/Pausha, 1940 (Saka)***

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COMPOSITION OF THE COMMITTEE ON GOVERNMENT ASSURANCES\*  
(2018-2019)

Dr. Ramesh Pokhriyal Nishank — *Chairperson*

MEMBERS

2. Shri Rajendra Agrawal
3. Shri Anto Antony
4. Shri Tariq Anwar
5. Shri E.T. Mohammed Basheer
6. Prof. (Dr.) Sugata Bose
7. Shri Naranbhai Bhikhabhai Kachhadiya
8. Shri Bahadur Singh Koli
9. Shri Prahlad Singh Patel
10. Shri A.T. Nana Patil
11. Shri C. R. Patil
12. Shri Sunil Kumar Singh
13. Shri K.C. Venugopal
14. Shri S.R. Vijayakumar
15. Vacant

SECRETARIAT

1. Shri N.C. Gupta — *Joint Secretary*
2. Shri P.C. Tripathy — *Director*
3. Shri S.L. Singh — *Deputy Secretary*

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\*The Committee has been re-constituted *w.e.f.* 01 September, 2018 *vide* Para No. 7305 of Lok Sabha Bulletin Part-II dated 10 September, 2018.

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(2017-2018)

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2. Shri P.C. Tripathy — *Director*
3. Shri S.L. Singh — *Deputy Secretary*

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\* The Committee has been re-constituted *w.e.f.* 01 September, 2017 *vide* Para No. 5800 of Lok Sabha Bulletin Part-II dated 18 September, 2017.

\*\* Nominated to the Committee *vide* Para No. 6261 of Lok Sabha Bulletin Part-II dated 08 January, 2018 *vice* Shri P.K. Kunhalikutty resigned on 02 January, 2018.

## INTRODUCTION

I, the Chairperson of the Committee on Government Assurances (2018-2019), having been authorized by the Committee to submit the Report on their behalf, present this Eighty-ninth Report (16th Lok Sabha) of the Committee on Government Assurances.

2. The Committee (2017-2018) at their sitting held on 27 December, 2017 took oral evidence of the representatives of the Ministry of Defence (Department of Defence Production) regarding pending Assurances given from the 2nd Session of the 15th Lok Sabha to 6th Session of 16th Lok Sabha.

3. At their sitting held on 04 January, 2019, the Committee (2018-2019) considered and adopted their Eighty-ninth Report.

4. The Minutes of the aforesaid sittings of the Committee form part of this Report.

5. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI;  
04 January, 2019  

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14 Pausha, 1940 (Saka)

DR. RAMESH POKHRIYAL NISHANK,  
*Chairperson,*  
*Committee on Government Assurances.*

## **REPORT**

### **I. Introductory**

The Committee on Government Assurances scrutinize the Assurances, promises, undertakings, etc., given by the Ministers from time to time on the floor of the House and report the extent to which such Assurances, promises, undertakings have been implemented. Once an Assurance has been given on the floor of the House, the same is required to be implemented within a period of three months. The Ministries/Departments of Government of India are under obligation to seek extension of time required beyond the prescribed period for fulfilment of the Assurance. Where a Ministry/Department are unable to implement an Assurance, that Ministry/Department are bound to request the Committee for dropping it. The Committee consider such requests and approve dropping, in case, they are convinced that grounds cited are justified. The Committee also examine whether the implementation of Assurances has taken place within the minimum time necessary for the purpose and the extent to which the Assurances have been implemented.

2. The Committee on Government Assurances (2009-10) took a policy decision to call the representatives of the various Ministries/Departments of the Government of India, in a phased manner, to review the pending Assurances, examine the reasons for pendency and analyze operation of the system prescribed in the Ministries/Departments for dealing with Assurances. The Committee also decided to consider the quality of Assurances implemented by the Government.

3. The Committee on Government Assurances (2014-2015) decided to follow the well established and time tested procedure of calling the representatives of the Ministries/Departments of Government of India, in a phased manner and review the pending Assurances. The Committee took a step further and decided to call the representatives of the Ministry of Parliamentary Affairs also as all the Assurances are implemented through them.

4. In pursuance of the *ibid* decision, the Committee on Government Assurances (2017-2018) called the representatives of the Ministry of Defence (Department of Defence Production) and the Ministry of Parliamentary Affairs to render clarification with respect to delay in implementation of pending Assurances

made during the period from the 2nd Session of the 15th Lok Sabha to the 6th Session of the 16th Lok Sabha. The Committee examined the following 10 pending Assurances (Appendices I-X) pertaining to the Ministry at their sitting held on 27.12.2017:—

Sl.No.	USQ No. dated	Subject
1.	SQ No. 222 dated 20.07.2009 (Supplementary by Shri Lalu Prasad Yadav, M.P.)	Provision of Quality Materials to Soldiers (Appendix-I)
2.	SQ No. 476 dated 13.12.2010	Defence Deal (Appendix-II)
3.	SQ No. 116 dated 08.08.2011	Cases against Defence Companies (Appendix-III)
4.	USQ No. 5330 dated 29.04.2013	Test of Guns (Appendix-IV)
5.	SQ No. 277 dated 10.02.2014	Intermediate Jet Trainer (Appendix-V)
6.	USQ No. 3310 dated 12.12.2014	Aerospace University (Appendix-VI)
7.	SQ No. 384 dated 19.12.2014 (Supplementary by Shri Narasimham Thota, M.P.)	Naval Vessels (Appendix-VII)
8.	USQ No. 5269 dated 24.04.2015	Achievements of HAL (Appendix-VIII)
9.	USQ No. 3261 dated 18.12.2015	Financial Loss in Ordnance Factory (Appendix-IX)
10.	USQ No. 3296 dated 18.12.2015	Supply of Sub-Standard Material to Ordnance Factory (Appendix-X)

5. The Extracts from Manual of Practice and Procedure in the Government of India, Ministry of Parliamentary Affairs laying guidelines on the definition of an Assurance, the time limit for its fulfilment, dropping/deletion and extension, the procedure for fulfilment, etc., besides maintenance of Register of Assurances and

periodical reviews to minimize delays in implementation of the Assurances are reproduced at Appendix-XI.

6. During oral evidence, the Committee drew the attention of the representatives of the Ministry to the long pendency in the fulfilment of the 10 Assurances. The Committee also enquired about the system of reviewing the pending Assurances in the Ministry besides undertaking weekly or fortnightly reviews at the level of JS/AS/Secretary or the Minister. In this regard, the Secretary, Department of Defence Production responded as follows:

"After my joining, I review pending Assurances every Tuesday. There has been an improvement as compared to last year. Last year in November, we had 16 pending Assurances. Now these have been reduced to 10. Out of the 10 pending Assurances, in case of 2 Assurances we have submitted compliance Report. Out of the remaining 8 cases, 2 cases have been pending with CBI."

7. Four Assurances mentioned at Sl. Nos. 4, 7, 9 and 10 have since been implemented on 18.12.2018, 07.08.2018, 22.12.2017 and 27.03.2018 respectively.

#### **Observations/Recommendations**

**8. The Committee are concerned to note that out of 10 Assurances pertaining to the Ministry of Defence (Department of Defence Production) examined by them, the Assurance mentioned at Sl. No. 1 is pending for more than 9 years since July, 2009 while another Assurance at Sl. No. 2 is pending for more than 8 years since December, 2010. Further, the Assurance mentioned at Sl. No.3 is pending for more than 7 years. Another 3 Assurances mentioned at Sl. Nos. 5, 6 and 8 have been pending for more than 3 to 4 years. The Committee also find that the 4 Assurances mentioned at Sl. Nos. 4, 7, 9 and 10 were fulfilled after delays ranging from two years to more than five and a half years. This is indicative of the fact that monitoring and follow-up action taken by the Ministry for implementation of Assurances have been very tardy. While the Committee appreciate the fact that the implementation of Assurances related to research, development and production of defence equipment and military hardware as well as defence deals is a time consuming process and such assurances may be difficult to be implemented within the prescribed time period, however, the same cannot be left unimplemented indefinitely. The Department of Defence Production need to make earnest and sustained efforts to implement Assurances within a specific time frame. The Committee, therefore, desire that in addition to strengthening the present arrangement of review mechanism instituted by the Ministry, the implementation of the Assurances should be in a time-bound period and progress monitored regularly.**

#### **II. Review of the Pending Assurance**

9. In the succeeding paragraphs, the Committee deal with the pending Assurances pertaining to the Ministry of Defence (Department of Defence Production) and examined by them.

**A. Provision of Quality Materials to Soldiers**

10. In reply to SQ No. 222 dated 20.07.2009 (Supplementary by Shri Lalu Prasad Yadav, M.P.) regarding 'Provision of Quality Materials to Soldiers' (Annexure-I), an Assurance was given that the Nalanda factory will become a reality.

11. In their Status Note furnished in December 2017, the Ministry apprised the position regarding fulfilment of the Assurance as under:—

"Of Nalanda is a greenfield project at Rajgir, Bihar for indigenous production of eight lakh modules per annum of Bi-Modular Charge System (BMCS) for 155 mm Artillery Gun. The project will be completed and the factory will become fully operational when all the major plants are procured and commissioned.

As of now, except for BMCS plant, the other plants of the project, viz. Nitroglycerine (NG) Plant, Nitrocellulose (NC) Plant and Sulphuric Acid Concentration/Nitric Acid Concentration (Acid Concentration) Plant, have already been erected. However, procurement of the BMCS plant, which itself consists of five individual plants (NC-NG Paste, Single Base Propellant, Triple Base Propellant, Combustible Cartridge Case and Charge Assembly), is in process."

In a meeting held in office of Hon'ble RM on 24 Nov. 2015, following was decided :—

- (a) Global Tender Enquiry (GTE) be issued for three plants (NC-NG Paste Plant, Single Base Propellant Plant and Triple Base Propellant Plant) as a single integrated package along with civil works on turnkey project.
- (b) The other two plants (Combustible Cartridge Case Plant and Charge Assembly Plant) to be procured separately as modular unit of 50% capacity of the originally envisaged with the facility to augment adding incremental units for increasing capacity in future. The same may also be processed on turnkey basis.

However, the above actions could not fructify as no vendor was found suitable.

In the 7th PMB meeting held on 11th May 2017 it was decided that fresh separate GTEs for procurement of 5 BMCS plants (NC-NG paste plant, Single Base Propellant plant, Triple Base Propellant plant, Combustible Component plant and Charge Assembly plant) to be issued by OFB. Definite timelines, defining each activity should be prepared and followed for establishing the BMCS plant in shortest possible time.

Present status/progress of procurement of 5 BMCS plants is as under:—

- (i) NC-NG Paste Plant. GTE was issued on 27 Jul 2017 and the Tender Opening Date was 26 Sept. 2017. Now extended till 31st Dec. 2017.
- (ii) Single Base Propellant Plant. Specifications are under approval with OFB formulation by the factory.

- (iii) Triple Base Propellant Plant. Specifications for the plant have been formulated by the factory and presently with the OFB for approval. Approval received from OFB on 12 Sept. 2017. Tender opening date is 31st Dec. 2017.
- (iv) Charge Assembly Plant. Specifications for the plant have been finalized by the OFB .
- (v) Combustible Cartridge Case Plant. Specifications for the plant under formulation by the factory.

12. During Oral Evidence, the Secretary, Department of Defence Production briefed the Committee about the Assurance, as under:—

"I have reviewed this matter. I want to submit that the Assurance pertained to setting up of a new ordnance factory at Nalanda. The factory has now been set up and it is working with around 600 people. The factory produced products worth Rs. 160 crore last year. However, the factory has not been fully set up. It involved commissioning of 8 different plants. At present only 3 plants are functioning. Tendering process of the rest of the plants is in process. The last date for tender is 31.12.2017. After that its implementation will begin. There was a delay in setting of 3 plants for which we are trying to ensure that the work proceeds without delay. The problem arose when in the beginning itself it was decided that all the 5 plants would be set up through integrated tendering. The process was carried out but no response was received and the time was also lost. Seeing this, a meeting was held on 11.05.2017 in which the earlier decision was reversed and it was agreed upon that fresh separate tenders for procurement of 5 Bi-Modular Charge System (BMCS) plants should be issued. Since then, 3 plants have been set up and the last date for tender of the 2 plants is 31.12.2017 and the rest of the work is also progressing well."

#### **Observations/Recommendations**

**13. The Committee express their strong displeasure on non-implementation of Assurance pertaining to the setting up of a new ordnance factory at Nalanda even after a lapse of more than 9 years. This is more of serious concern as the Assurance pertains to very important aspect relating to country's defence preparedness and security which warranted the Ministry's utmost priority and proper attention. Obviously, the Ministry proceeded at snail's pace right from the beginning, especially in the matters of decision-making resulting in poor tendering process which wasted precious time. The Committee also feel that setting up and operationalisation of an ordnance factory like Nalanda has ramifications on the entire spectrum of country's defence capabilities, security scenario and quest to become a major global arm exporter. The Committee, therefore, urge upon the Ministry to pursue the matter vigorously in the right earnest and deal with the Assurance in a time bound manner and, if possible, set up a Committee to find ways and means to implement such important Assurances in time. The Committee**

would also like the Ministry to furnish a Part Implementation Report comprising details of various works done so far by them to implement the Assurance.

**B. Intermediate Jet Trainer**

14. In reply to SQ No. 277 dated 10.02.2014 regarding 'Intermediate Jet Trainer' (Annexure-V), it was stated that all efforts are being made for achieving Final Operational Clearance (FOC) of Intermediate Jet Trainer by December, 2014. Production of the aircraft will commence immediately thereafter.

15. In their Status Note furnished in December 2017, the Department of Defence Production apprised the position in this regard as under:—

"JT aircraft development has successfully completed all the crucial developmental test except the spin trial and armament testing towards the achievement of operational clearance.

In the 25th Meeting of the Steering Committee held on 29th July 2016, it was decided that:

- (a) HAL may continue with the R&D of IJT on its own; and
- (b) The proposal of IAF for two stage training was concurred.

Hindustan Aeronautics Limited (HAL) has identified M/s Bihrl Applied Research Inc. (BAR) for external consultancy for resolving spin issue. HAL shared IJT data with M/s BAR and they have commenced activity based on the Technical Assistance Agreement (TAA) approved by US Government in November 2017.

M/s BAR is expected to take 6 to 8 months to provide their final recommendations for resolving the spin issue. Once the recommendations from M/s BAR are available, the total spin testing and certification would require around 175 test flights which would entail time-frame of around one year, that is upto December 2018."

16. During oral evidence, the Secretary, Department of Defence Production elucidated the matter as under:—

"Sir, this is also a developmental project which involves development of Jet trainer indigenously. When it was listed, two drawbacks were noticed. One related to spinning and the other pertained to armour testing. Various efforts were made but the issue could not be resolved. Now, finally the HAL has taken consultancy from M/s Bihrl Research Inc. a US Organisation to solve this problem. We are hopeful that the problem will get resolved in another year."

17. In this regard, a representative from Hindustan Aeronautics Limited (HAL) further added:—

"Sir, 1100 flights of this Jet trainer have taken place. This is a design and

develop project which is being developed by HAL indigenously. It is facing problem in spinning. The Air Force has put a question mark on this stating that since it is an important component, it should be investigated. Hence, HAL has given an order for consultancy. In that, the US Government has given approval in November, 2017. It's report is likely to come in another 5-6 months. After that, around 175 flight tests would be required which would take around one year. By that account, its completion will take around one and a half years. Due to this reason the project has got a bit delayed."

#### **Observations/ Recommendations**

**18. The Committee find that the Assurance given in reply to SQ No. 277 dated 10.02.2014 regarding 'Intermediate Jet Trainer' is yet to be fulfilled even after a lapse of more than 4 and a half years. The Committee's examination has revealed that HAL has been missing several deadlines in this regard. As of now the project has been delayed as the aircraft failed to demonstrate its ability to get out of a stall and spin, a critical feature needed in a trainer aircraft and its developer Hindustan Aeronautics Limited (HAL) had to call in M/s BAR Systems, a US based company for external consultancy to resolve this problem. However, it is still going to be a long time before the Final Operation Clearance of the Intermediate Jet Trainer is achieved and the production of the aircraft commenced. The Committee observed that both the Ministry and HAL have not been serious enough in their approach and have failed to pursue the matter in the right earnest to fix the problem well in time, when the country badly needs a reliable intermediate jet trainer to hone the skills of its fighter pilots, minimize aircraft crashes during training and save the lives of trainee pilots as well as to accelerate the country's march towards self-reliance in defence sector. The Ministry need urgent self-introspection to bring the matter on the right track. The Committee, therefore, emphasize upon the Ministry to pursue the matter aggressively and bring more mobility in their functioning and expedite the progress of the project so that it does not become a grim reminder of HAL's failures. The Committee further observe that there has been a failure on the part of the Ministry in coordination and communication in the matter and urge upon the Secretary, Department of Defence Production to review the matter personally and pursue it earnestly so that things do not remain stuck up.**

### III. Implementation Reports

As per the Statements of the Ministry of Parliamentary Affairs, Implementation Reports in respect of the Assurances given in reply to the following 04 SQs/USQs have since been laid on the Table of the House on the dates as mentioned against each:

Sl. No.	Sl.No. in the Table (Para No. 4)	SQ/USQ No. dated	Date of Implementation
(i)	Sl. No. 04	USQ No. 5330 dated 29.04.2013 regarding 'Test of Guns'	18.12.2018
(ii)	Sl.No. 07	SQ No. 384 dated 19.12.2014 regarding (Supplementary by Shri Narasimham Thota, M.P. Page No. 14) 'Mine Surveillance System'	07.08.2018
(iii)	Sl. No. 09	USQ No. 3261 dated 18.12.2015 regarding 'Financial Loss in Ordnance Factory'	22.12.2017
(iv)	Sl. No. 10	USQ No. 3296 dated 18.12.2015 regarding 'Supply of Sub-Standard Material to Ordnance Factory'	27.03.2018

NEW DELHI;  
04 January, 2019  
14 Pausha, 1940 (Saka)

DR. RAMESH POKHRIYAL NISHANK,  
Chairperson,  
Committee on Government Assurances.

**APPENDIX I**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

LOK SABHA STARRED QUESTION NO. 222

ANSWERED ON 20.07. 2009

**Provision of Quality Materials to Soldiers**

222. SHRI SHAILENDRA KUMAR:

SHRI SAJJAN VERMA:

Will the Minister of DEFENCE be pleased to state:

(a) whether weapon and non-weapon materials provided to the soldiers posted in the border/high altitude areas are of state-of-the-art technology;

(b) if not, the reasons therefor; and

(c) the steps taken/proposed to be taken alongwith the funds allocated by the Government to equip the soldiers with the above materials of the latest technology?

**ANSWER**

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) A Statement is laid on the Table of the House.

All soldiers including those in the border/high altitude areas are equipped with weapon and non-weapon materials based on the operational and security needs of the country.

These materials are procured as per qualitative requirements which are revised from time to time keeping in pace with emerging technologies and the operational requirements, changes in threat perceptions, capabilities and equipment of adversaries, etc.

Funds are placed at the disposal of the Services who spend them with the approval of the Competent Financial Authority for procuring such items as per their requirements.

**श्री शैलेन्द्र कुमार:** माननीय अध्यक्ष महोदया, हमारे देश के बॉर्डर पर अधिक ऊंचाई वाले क्षेत्र में सैनिक तैनात हैं और इस बारे में काफी शिकायतें आई हैं आपने देखा होगा खास तौर पर से चाहे कारगिल युद्ध रहा हो या आतंकवादियों से लड़ने की बात रही हो, जब ऐसे हमले होते हैं तब भारतीय सैनिकों के पास अत्यधिक आधुनिक शस्त्र नहीं होते हैं जिससे इनका इस्तेमाल नहीं हो पाता है। इसी कारण आतंकियों से लड़ते हुए और कारगिल युद्ध में लड़ते हुए बहुत से बहादुर सैनिक और जवान मारे गए हैं। अभी हाल ही में आपने देखा होगा कि महाराष्ट्र में जो आतंकी घटना घटी है, उसमें बुलेटप्रूफ जैकेट, जो सैनिकों, जवानों को वितरित की गई थी वह कारगर सिद्ध नहीं हुई। जब इन जैकेटों की जांच हुई और इनमें गोली मारी गई तो गोली आरपार हो गई। माननीय मंत्री जी ने प्रश्न का जो उत्तर दिया है, वह विस्तार से नहीं दिया है। हमारे सैनिक अन्य देशों के आतंकी संगठन या कारगिल युद्ध में लड़ते हुए मारे गए थे, हालांकि मैं जानता हूँ कि दुश्मन ऊंचाई पर थे। इस तरह के तमाम सवाल हैं और मैं आपके माध्यम से माननीय मंत्री जी से पूछना चाहता हूँ कि क्या अत्याधुनिक शस्त्रों के निर्माण के लिए कोई योजना बनी है कि उनको अत्याधुनिक शस्त्र दिए गए हैं?

**SHRI M.M. PALLAM RAJU:** Madam, there is a constant endeavour to equip our soldiers for guarding our borders with the best possible equipment and the best possible defences. Now there is a convention by which we maintain a proportion of 30:40:30 for state-of-the-art equipment, equipment that has been stabilized and equipment that is about to be phased out. It is because there are cost implications and the decision to equip the soldiers with the state-of-the-art equipment is a decision that has to be taken with great responsibility which involves cost and also assessing the adversary's capabilities and also a lot of other factors.

Now, specifically as far as the bulletproof jacket is concerned, I agree there have been certain deficiencies where there were gaps in the sides and in the neck where the soldiers could get injured. Those GSQRs are being looked at by the Army Headquarters and these revised GSQRs and better specifications have been sent to the Ministry. We are looking at how to procure those jackets for our soldiers.

**श्री शैलेन्द्र कुमार:** माननीय अध्यक्ष महोदया, माननीय मंत्री जी का अभी जो जवाब आया है उसमें उन्होंने बुलेटप्रूफ जैकेट के लिए गलती भी स्वीकार की है। इन्होंने उत्तर में कहा है—सेनाओं को धनराशि आबंटित की जाती है जो उनके अधिकार में रहती है और उन्हें अपनी आवश्यकताओं के अनुसार सक्षम वित्तीय प्राधिकारी के अनुमोदन से ऐसी मदों के अधिप्राप्ति करने के लिए खर्च करती हैं। माननीय मंत्री जी ने उत्तर में धनराशि नहीं बताई है। ऐसे शस्त्र जिन लोगों ने सप्लाई किए हैं, आपने जहां से मंगाए हैं, इसमें जो प्राधिकारी जिम्मेदार हैं, क्या आपने उनके खिलाफ कार्यवाही की है?

**THE MINISTER OF DEFENCE (SHRI A.K. ANTONY):** To speed up the procurement of these kinds of most modern equipment, recently the Ministry has taken a decision. Hitherto, the Ministry used to give the final clearance. Now we have taken a decision to appoint a Committee under MGO and that Committee is authorized to take the decision and the financial powers of the Raksha Mantri have also been given to that committee. So, there is no question of delay now. After considering the security aspect, they can take decisions and can give money also. Now the committee under MGO can give all clearances.

MADAM SPEAKER: Shri Sajjan Verma— Not present.

श्री सतपाल महाराज: अध्यक्ष महोदया, मैं आपके माध्यम से माननीय मंत्री जी से जानना चाहता हूँ कि हाई ऑल्टिट्यूड में रेकी करने के लिए, सर्वेक्षण करने के लिए जवानों को बहुत कष्ट होता है और इस काम के लिए जवानों को स्नो मोबाइल की आवश्यकता होती है। क्या माननीय मंत्री जी ने आर्मी को स्नो मोबाइल प्रोवाइड करने का काम किया है?

SHRI M.M. PALLAM RAJU: Madam, Speaker, at the high altitude area we have special clothing and maintenance equipment. All the equipment that are necessary for guarding the borders is given to them. If the necessity of snow mobile is there, it will definitely be looked into.

SHRI A. SAMPATH : Madam, Speaker, through you I would like to know one point. The answer given by the hon. Defence Minister is very vague. But I do hope that our Defence Minister may become the successor of the late V.K. Krishna Menon who initiated efforts for the development of indigenous production of military equipments.

Fortunately I had the occasion to serve in the Standing Committee of Defence twice and had the rare opportunity of visiting the Siachen Glacier. I understand that the expenditure that we incur per day for the upkeep of the highest battle field on earth is more than Rs. 4 to Rs. 5 crore. When I went through the answer to this Question I understood that most of the materials were being procured from other countries and were not indigenously manufactured. I would like to know whether the Government of India will take necessary steps immediately for the production of good quality and State-of-the-Art technology equipments for providing to our soldiers and officers who are doing their duty in the Siachen Glacier and the high altitude areas.

SHRI A.K. ANTONY: Madam, Speaker, the first aim of the Government is to provide State-of-the-Art equipment to those soldiers who are working in the most difficult areas like the Siachen Glacier and wherever possible we provide them from indigenous sources. Out of the 55 items which are provided to the soldiers who are deployed in the Siachen Glacier and other high altitude areas, only 19 of them are being imported. Rest of the equipment is manufactured from our own sources. We are gradually trying to produce those 19 items also indigenously. But till that time we cannot provide those — just for the sake of providing indigenous equipment, which are not up to the mark — to our soldiers. That is more dangerous. Our first priority is giving the most modern and state-of-the-art equipment to our soldiers who are working in such areas. The policy of the Government is to produce more equipment from our own sources at the earliest.

Now we have taken a decision that in all procurements, first priority, wherever possible, if any equipment can be produced in India either by the Public Sector or the Private Sector, should be by India. If that is not possible, then only we will buy from abroad. That is the recent policy of the Government.

श्री मुलायम सिंह यादव: अध्यक्ष महोदया, मैं आपके माध्यम से माननीय मंत्री जी से दो सवाल एक साथ पूछना चाहता हूँ।

अध्यक्ष महोदया: आप एक सवाल पूछिये।

श्री मुलायम सिंह यादव: पहला सवाल यह है कि आपने स्वीकार किया कि बुलेटप्रूफ जैकेट्स घटिया हैं। मैं जानना चाहता हूँ कि इसके लिए कौन लोग जिम्मेदार हैं और यदि आपने इसके लिए किसी को जिम्मेदार माना है तो उनके खिलाफ क्या कार्रवाई की गई? दूसरा प्रश्न यह है कि ... (व्यवधान)

अध्यक्ष महोदया: आप एक सप्लीमेंटरी प्रश्न पूछिये।

श्री मुलायम सिंह यादव: यह इसी का भाग है, दूसरा सवाल नहीं है। यह रक्षा मंत्रालय से संबंधित सवाल है जिसका उत्तर अभी रक्षा मंत्री ने दिया है। पहली बात है कि इतनी रद्दी जैकेट्स देने के लिए कौन लोग जिम्मेदार हैं? इतने लोग शहीद हुए हैं, उनके साथ मजाक किया गया है। हमारी सेना के जवान वहां जान की बाजी लगाकर, अपने प्राणों की आहुति देकर देश की रक्षा करते हैं। इसलिए इस बात को इतने हल्के-फुल्के ढंग से नहीं लिया जाना चाहिए। इसके लिए कौन जिम्मेदार हैं और उनके खिलाफ क्या कार्रवाई हुई है? जिससे आगे पुनरावृत्ति न हो। आप शस्त्रों के मामले में कब तक आत्मनिर्भर हो जायेंगे, आपकी क्या योजना है? इसके अलावा अपने देश में युद्ध के लिये जितने शस्त्र या हथियार हैं, उन्हें बनाने के लिये दुनिया से बेहतर और उसकी बराबरी करने के लिये क्या कोई समयबद्ध कार्यक्रम बनाया है, यदि हां, तो माननीय रक्षा मंत्री बताने की कृपा करें।

SHRI A.K. ANTONY: Even though we had set the target for self-reliance 50 years ago by the first Prime Minister, late Pandit Ji, over the years, inspite of the efforts by all successive Governments..... (*Interruptions*) That is why, I said 'all successive Governments'. We do not try to get credit for ourselves on anything. All successive Governments tried to achieve this goal. But still, the unfortunate part, the shameful part is that we are importing 70 per cent of the equipment used by the Armed Forces. A country like India cannot allow this situation to continue. It is shameful and dangerous also. From whichever country we are importing, there can be a situation when we will face real difficulties. There can be some kind of a ban on imports or technology control. So, we have taken a decision now. As I told earlier, hereafter, first priority will be given to buy from India. The Armed Forces have also agreed to it. If any Indian industry, public or private, can assure us that they can supply equipment to the Armed Forces, they will be given the first choice. If there is no source in India, whether public or private industry, to supply equipment, only then we will allow any kind of import. Now, I think, hereafter things will speed up.

The Government has taken one more decision. In the past, we used to have amendment of Defence Procurement Procedure every two years. Now we have taken a decision, to hasten the process of Indianisation, to amend the Defence Procurement Procedure every year instead of two years. The main idea is to give more teeth so that we can assure more transparency on the one side and on the other side give more space to the Indian industry, both public and private industry. I hope, we will be able to speed up the process year after year.

श्री मुलायम सिंह यादव (मैनपुरी): अध्यक्ष महोदया, मेरे प्रश्न का जवाब नहीं आया है ...  
(व्यवधान)

अध्यक्ष महोदया: कृपया शान्ति रखिये। आप बैठ जाइये। आपने दो प्रश्न भी पूछ लिये हैं।  
.....(Interruptions)

MADAM SPEAKER: Shri Naveen Jindal. ....(Interruptions)

MADAM SPEAKER: Nothing will go on record except what Shri Naveen Jindal is saying. (Interruptions)... (Not recorded)

अध्यक्ष महोदया: आप कृपया बैठ जायें।

श्री मुलायम सिंह यादव (मैनपुरी): अध्यक्ष महोदया, जो दूसरा सवाल पूछा कि क्या समयबद्ध कार्यक्रम है कि कितने समय में आत्मनिर्भर हो जायेंगे? ...(व्यवधान)

SHRI A. K. ANTONY: Now we told the DRDO as well as industry, both public and private, that they should see to it that whatever has happened in the past ...  
(Interruptions)

श्री मुलायम सिंह यादव (मैनपुरी): कब तक करेंगे?

SHRI A.K. ANTONY: We cannot say on the specific time limit. One thing I can assure that things will move fast hereafter. ... (Interruptions)

अध्यक्ष महोदया: कृपया शान्त हो जाइये, दूसरे को भी पूछने दीजिये। .....(Interruptions)

MADAM SPEAKER: Mr. Minister, would you like to respond to this point?

SHRI M.M. PALLAM RAJU: If I may clarify on the jackets part of it, I did not say 'sub-standard'. I said that there were some shortcomings in their performance which are being rectified with the new GSQR.... (Interruptions)

SHRI A.K. ANTONY: There is some misunderstanding. The old jackets were supplied as per the old GSQR. But when we found that that GSQR is not suitable to most difficult conditions, now the Army has taken a decision to change the GSQR. They have changed the DSQR. Now, hereafter, the procurement will be done as per the new GSQR.

SHRI NAVEEN JINDAL (Kurukshetra): Madam Speaker, I have seen the answers provided by the hon. Minister and heard the discussions. Many hon. Members of Parliament have raised vary valid points.

In my view also the quality of small arms, ammunition and equipment provided to our armed forces is not up to the mark. Starting from the running shoes to combat boots to the body armour, which they are referring to as bullet proof wears, or even the helmet, are not really up to the mark. Even, most of the small arms that we are providing to our armed forces are of World War II vintage and are obsolete. The countries which produce them have put them in the museums, but our ordnance factories still continue to produce these obsolete arms.

Even our neighbours, Pakistan and Bangladesh, are providing their armed forces better small arms than what we are providing.

The hon. Minister and the Government have taken many steps. Through you, I would like to ask the hon. Minister, under his dynamic leadership, what drastic steps that they are going to take so that we provide our armed forces, our valiant soldiers, the best equipment possible.

SHRI A.K. ANTONY: Madam Speaker, the question is very important. Our Government and the whole country are concerned about it, because as far as armed forces are concerned, there is no political aspect to it.

Our concern is to give most modern and state-of-the-art equipment to the armed forces. But it is an on-going process. While admitting that there are still some equipment that are not most modern, I would like to add that considering the past, every year improvement is taking place. In the early years, the death toll in the Siachen Glacier used to be high. Hundreds of soldiers used to die there. But, now, things are fast improving. Still, we are not satisfied. Even if one soldier dies because of bad quality, we cannot agree to that situation. So, we are determined to provide most modern equipment to those soldiers who are working in the difficult areas. It is a continuing process. We will do everything possible to speed up the process. We must also realize one thing. We are a democracy. In some other countries one or two individuals take decisions. They procure immediately whatever they want. But in our country we have systems and procedures. All these things are there. In spite of that, every serious attempt is being made to simplify the systems and to provide the most modern and state-of-the-art equipment to the armed forces.

I realize the concern of the Members of Parliament belonging to all parties. So, I will take it seriously, and the Government will take it seriously. We will try our best, whatever is humanly possible, to give the most modern equipment to the armed forces.

श्री लालू प्रसाद (सारण): महोदया, मैं आपके माध्यम से मंत्री जी से जानना चाहता हूँ कि आपने कहा है कि पब्लिक पार्टनरशिप से अगर कोई खरीद की ऑफर करता है तो हम उसे प्राथमिकता देंगे। एनडीए गवर्नमेंट में श्री जॉर्ज फर्नांडीज साहब रक्षा मंत्री थे और सरकार ने बिहार के राजगीर में आर्डिनेंस फैक्ट्री खोली और इसमें काफी इन्वेस्टमेंट हुआ, लेकिन आज वह मुंह बाये खड़ी है। एक तरफ तो सरकार के स्तर पर आर्डिनेंस फैक्ट्री खोलने का फैसला हुआ, खर्चा हुआ, पेमेंट हुआ, इन्वेस्टमेंट हुआ और फिर भी प्राइवेट लोगों से, बाहर के लोगों से समान लिया जाता है। आये दिन शिकायत होती है कि रक्षा सौदे की खरीद में घोटाला है। घोटाला-घोटाला का सिलसिला लगा रहता है। मैं आपसे जानना चाहता हूँ कि भारत सरकार, रक्षा मंत्रालय ने बिहार के राजगीर में जो खर्चा किया, इन्वेस्टमेंट किया, उसकी क्या स्थिति है और वह कब तक तैयार होगा? आपने उसे बंद कर दिया है या उसे चालू रखने का कोई निर्णय किया है? हम यह जानना चाहते हैं?

SHRI A.K. ANTONY: The construction work in the Nalanda factory is going on. There was some inordinate delay and years have passed without doing much work. But, now, things are improving. However, still there are some problems. But I can assure the hon. Member that the Nalanda factory will become a reality.

## **APPENDIX II**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

LOK SABHA STARRED QUESTION NO. 476

ANSWERED ON 13.12.2010

### **Defence Deal**

\*476. SHRI HUKAMDEO NARAYAN YADAV:

Will the Minister of DEFENCE be pleased to state:

(a) the number of cases of alleged irregularities/corruption in defence deals reported during the last three years and the current year;

(b) the details of officials and companies involved therein;

(c) the details of inquiries conducted into each of the cases and the outcome thereof;

(d) the action taken/being taken against them; and

(e) the measures being taken by the Government to check recurrence of such cases?

### **ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY): (a) & (b) The Central Bureau of Investigation (CBI) had registered an FIR against Shri Sudipto Ghosh, former Director General of Ordnance Factories (DGOF) and some others in May, 2009. The said FIR mentions, *inter alia*, the names of the following firms/vendors:

1. M/s Israeli Military Industries Ltd., Israel.
2. M/s Singapore Technology, Singapore.
3. M/s HYTEngg.
4. M/s T.S. Kissan and Co. Pvt. Ltd., New Delhi.
5. M/s R.K. Machine Tools Pvt. Ltd., Ludhiana.
6. M/s BBT, Poland.
7. M/s Media Architects Pvt. Ltd., Singapore.

(c) So far, the CBI has charge-sheeted, among others, Shri Sudipto Ghosh, former DGOF and two firms, namely, M/s T.S. Kissan and Co. Pvt. Ltd., New Delhi

and M/s R.K. Machine Tools Pvt. Ltd., Ludhiana. In respect of other companies, the CBI report indicates that there is a *prima facie* or circumstantial evidence of payment of illegal gratification to Shri Sudipto Ghosh. The matter is under further investigation by CBI.

(d) Departmental proceedings are being contemplated against Shri Sudipto Ghosh, former DGOF, under Rule 9 of CCS (Pension) Rules, 1972 and show cause notices are being issued to the companies recommended for blacklisting by the CBI.

(e) The Defence Procurement Procedure contains stringent provisions aimed at ensuring the highest degree of probity, public accountability and transparency. The Procedure provides for the mechanism of Pre-Contract Integrity Pact in procurement cases of the estimated value exceeding Rs.100 crore as well as provisions prohibiting engagement of agents or use of undue influence.

### **APPENDIX III**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

LOK SABHA STARRED QUESTION NO. 116

ANSWERED ON 8.8.2011

#### **Cases against Defence Companies**

\*116. SHRI HUKAMDEO NARAYAN YADAV:

Will the Minister of DEFENCE be pleased to state:

(a) the details of the alleged irregularities committed by certain defence companies/firms against which action was initiated by the Government during the last three years;

(b) the dates on which show cause notices were issued to the firms and the dates on which replies were submitted by them;

(c) the details of the officials allegedly involved in the cases;

(d) the details of penal action taken against the foreign/Indian firms and the officials found guilty;

(e) the reasons for such alleged irregularities/corruption cases despite several measures in place to check them; and

(f) the details of other such cases pending for action?

#### **ANSWER**

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (f) A Statement is laid on the Table of the House.

As per CBI report following firms:

- M/s R.K. Machine Tools Ltd., Ludhiana
- M/s T.S. Kissan & Co. Pvt. Ltd., New Delhi
- M/s Israeli Military Industries Ltd.(IMI)
- M/s Rheinmetall Air Defence (RAD), Zurich
- M/s Corporation Defence, Russia (CDR)
- M/s Singapore Technologies Kinetics Ltd., (STK)

have been involved in payment of illegal gratification to the former Director General of Ordnance Factories and Chairman/OFB in respect of certain supply orders placed

on them by different Ordnance Factories either for placement of high value orders or additional orders or for release of advance payment in respect of contract for supply of Bi Modular Charge System (BMCS) plant.

The dates of issue of show cause notices to the firms and the dates of receipt of their replies are given as under:

Sl. No.	Name of the firm	Date of issue of show cause notice	Date of receipt of firm's reply
1.	M/s R.K. Machine Tools Ltd.	Gun & Shell Factory: 23rd December 2010	22nd January 2011
		Ordnance Factory Kanpur: 21st December 2010	27th January 2011
		Heavy Vehicle Factory: 22nd December, 2010	27th January 2011
		Ordnance Factory Chanda: 21st December 2010	2nd February 2011
2.	M/s T.S. Kissan & Co. Pvt. Ltd.	Ordnance Factory Chanda: 21st December 2010	2nd February 2011
		Heavy Vehicle Factory: 22nd December 2010	27th January 2011
3.	M/s IMI, Israel	Ordnance Factory Board (NC): 22nd December 2010	7th April 2010 (interim reply) 4th March 2011
4.	M/s Rheinmetall Air Defence, Zurich	Ordnance Factory Board CT & Export-04 February 2011	28th February 2011
5.	M/s Corporation Defence Russia		9th March 2011
6.	M/s Singapore Technologies Kinetics Ltd.		20th April 2011

As, per CBI report, no other official of Ordnance, Factory Board, except Shri Sudipto Ghosh *ex* DGOF & Chairman/OFB, has been found to be involved in the case.

CBI had registered a case against Shri Sudipto Ghosh former DGOF and some others in May, 2009. Ministry of Defence decided to put on hold all contracts with the companies figuring in the FIR *vide* its order dated 28th May, 2009. The above order was contested by some of the companies before the Delhi High Court. Delhi High Court set aside the order in its judgement dated 11th February, 2010 and directed that penal action against the companies can be taken only after following the principles of natural justice. In June 2010, CBI recommended blacklisting of the above-mentioned six firms. Accordingly, show cause notices were issued to these firms. Replies were submitted by the companies denying the allegations and seeking personal hearing and specific evidence based on which penal action was proposed against them.

The Ministry, in April 2011, has directed OFB that in accordance with the principle of natural justice, before taking any decision on Show Cause Notice it should give personal hearing to the firms. Action is being taken accordingly by OFB.

In June 2010, CBI has charge-sheeted, among others, Shri Sudipto Ghosh, former DGOF and two firms, namely M/s T.S. Kissan and Co. Pvt. Ltd., New Delhi and M/s. R.K. Machine Tools Pvt. Ltd., Ludhiana. In respect of remaining four companies, the CBI has reported that there is a *prima facie* or circumstantial evidence of payment of illegal gratification to Shri Sudipto Ghosh. The matter is under further investigation by CBI.

OFB has also issued charge-sheet to Shri Sudipto Ghosh, the former DGOF & Chairman/OFB under Rule 9 of CCS (Pension) Rules, 1972.

The present corruption case, despite several measures in place to check them, is a case of individual aberration as no other official of Ordnance Factory Board, has been alleged to be involved in the case.

**APPENDIX IV**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF DEFENCE**  
**LOK SABHA UNSTARRED QUESTION NO. 5330**  
**ANSWERED ON 29.04.2013**

**Test of Guns**

5330. SHRI RAKESH SINGH:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the test fire of 155mm gun developed in gun Carriage Factory, Jabalpur has been successful;
- (b) if so, the details thereof;
- (c) whether the said guns are proposed to be manufactured at large scale; and
- (d) if so, the time by which the production of said guns is likely to commence?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI JITENDRA SINGH): (a) & (b) The Ordnance Factory Board (OFB) has carried out several internal firings of their in house developed 155mmx 45 calibre Artillery gun and it has met the planned objectives. However, User Test Fire is yet to be carried out.

(c) & (d) Yes, Madam. OFB has received indent for 114 Nos. of 155mm x 45 calibre Artillery guns which are to be delivered as per following delivery schedule:—

Sl. No.	From	To	No. of Guns	Remarks
1.	T*	T+8 months	06	} *T is the date of accord of Bulk Production Clearance.
2.	T+9 months	T+12 months	12	
3.	T+13 months	T+24 months	36	
4.	T+25 months	T+36 months	60	
Total:			114	

**APPENDIX V**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

LOK SABHA STARRED QUESTION NO. 277

ANSWERED ON 10.02.2014

**Intermediate Jet Trainer**

\*277. SHRI UDAY SINGH:

SHRI KULDEEP BISHNOI:

Will the Minister of DEFENCE be pleased to state:

(a) whether there has been a substantial delay by the Hindustan Aeronautics Limited (HAL) in handing over Intermediate Jet Trainer (IJT) Sitara to Indian Air Force (IAF);

(b) if so, the details thereof along with the reasons for missing several deadlines by HAL since 2007;

(c) whether any new target date has been fixed for handing over IJT Sitara by HAL to IAF; and

(d) if so, the time by which IJT Sitara is likely to have the initial operational clearance and is handed over to IAF for intermediate training of pilots?

**ANSWER**

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 277 FOR ANSWER ON 10.02.2014

(a) & (b) The project was sanctioned in 1999 and the first and second prototypes flew in March, 2003 and in March, 2004 respectively.

The prototypes were initially flight tested with the LARZAC engines from SNECMA. To meet the technical parameters, a higher powered engine, AL-55I from Russia, was selected based on a global tender. Due to developmental issues in Russia, flight-worthy engines were supplied to HAL in January, 2009 against the contractual schedule of January, 2007. Flights with these Engines commenced in May, 2009 after resolution of Engine-Aircraft Interface issues with the Russians.

The Progress of project was affected due to loss of prototype during flight testing which necessitated major changes like total redesign of flight control system and associated increased number of design iteration for recovery and resolution.

(c) & (d) Presently, the development of IJT is in the advanced stages of certification with more than 800 test flights completed so far. The activities are progressing well with completion of Sea-level trials, Night flying trials, High altitude trials as well as weapon and drop tank trials. The activities left for obtaining Final Operational Clearance (FOC) are the refinement of stall characteristics and thereafter spin testing.

All efforts are being made for achieving FOC by December 2014. Production of the aircraft will commence immediately thereafter.

**APPENDIX VI**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DEPARTMENT OF DEFENCE PRODUCTION

LOK SABHA UNSTARRED QUESTION NO. 3310

ANSWERED ON 12.12.2014

**Aerospace University**

3310. DR. SHASHI THAROOR:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to establish an Aerospace University for meeting manpower shortfall in the Aerospace Industry;
- (b) if so, the details thereof including the time by which the project is likely to commence and the location identified for the university;
- (c) whether the Government proposes to expand its collaboration with existing Universities for research, programmes and industry focused post-graduate and doctoral degrees in aerospace technologies; and
- (d) if so, the details thereof? .

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI RAO INDERJIT SINGH): (a) The Board of Directors of Hindustan Aeronautics Limited (HAL) in its 377th Meeting held on 30.8.2014 has approved the establishment of a Registered Society as a not-for-profit category one, with the objective to establish a Meta University.

(b) The society will give shape to detailed requirements of establishing the University and submit Detailed Project Report (DPR) to the Board of HAL and subsequently to the relevant Ministries for consideration and approval.

(c) & (d) The HAL is expanding its collaboration with existing Universities for Research Programmes.

**APPENDIX VII**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DEPARTMENT OF DEFENCE PRODUCTION

LOK SABHA STARRED QUESTION NO. 384

ANSWERED ON 19.12.2014

**Naval Vessels**

\*384. SHRI NARASIMHAM THOTA:  
SHRI SISIR KUMAR ADHIKARI:

Will the Minister of DEFENCE be pleased to state:

- (a) whether public and private shipyards have adequate capabilities to build naval vessels including warships and submarines of various categories;
- (b) if so, the details thereof;
- (c) the other steps being taken or proposed to be taken by the Government to acquire self sufficiency in the construction of naval vessels indigenously;
- (d) whether the Government has assessed the potential of exporting naval vessels, warships and submarines to other countries; and
- (e) if so, the proactive action taken by the Government in this regard?

**ANSWER**

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) to (e)  
A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF  
LOK SABHA STARRED QUESTION NO. 384 FOR ANSWER ON 19.12.2014

(a) & (b) Indian shipyards, both in the public and private sectors, have adequate capabilities to build various categories of naval vessels including Warships and Submarines. Mazagon Dock Limited (MDL), Garden Reach Shipbuilders and Engineers (GRSE) and Cochin Shipyard Limited (CSL) are engaged in building large vessels, submarines and aircraft carrier. Other Defence Shipyards and private shipyards also have capability in building various categories of vessels including Patrol Vessels, Tugs, Barges, Tankers, Survey Vessels etc.

(c) The modernisation programme of the Indian Navy is focussed on indigenous warship construction and is largely driven by Indian Shipyards and

industry. The steps taken by the Government to make the country self-sufficient in the field of indigenous construction of naval vessels are placed at Appendix-I.

(d) & (e) Defence Public Sector Shipyards have potential of exporting naval vessels, and warships. The export orders received by Defence Public Sector Shipyards are as under:

(i) Goa Shipyard Limited has orders for export of eleven (11) Fast Interceptor Boats and two (02) Fast Patrol Vessels to Mauritius and two (02) Offshore Patrol Vessels to Sri Lanka.

(ii) Garden Reach Shipbuilders and Engineers (GRSE) has order for export of one Offshore Patrol Vessel to Mauritius.

#### STEPS TAKEN BY THE GOVERNMENT TO MAKE THE COUNTRY SELF-SUFFICIENT IN THE FIELD OF INDIGENOUS CONSTRUCTION OF NAVAL VESSELS INDIGENOUSLY:

1. The Defence Production Policy promulgated in 2011, aims at achieving substantive self-reliance in the design, development and production of equipment, weapon systems, platforms required for defence in as early a time frame possible; creating conditions conducive for the private industry to take an active role in this endeavour; enhancing potential of SMEs in indigenisation and broadening the defence R&D base of the country.

2. In pursuance of the Defence Production Policy 2011, the Government has taken the following major steps to promote the participation of private sector in the indigenous production of defence equipment;

- (i) National Institute for Research and Development in Defence Shipbuilding (NIRDESH), a society registered under the Society Act 1860 has been set up for R&D relating to warships, submarines and other related platforms in order to strengthen indigenous defence production capabilities.
- (ii) Modernisation plans have been initiated in all the defence public sector shipyards to enhance capacity and capability for indigenous shipbuilding.
- (iii) Preference to 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories of acquisition over 'Buy & Make' and 'Buy (Global)' categories thereby giving preference to Indian Industry in procurement.
- (iv) The procedure for 'Buy & Make (Indian)' category has been further simplified in order to make the category more attractive for Indian Defence Industry.
- (v) Indian private sector industry has also been allowed to receive 'Maintenance Transfer of Technology (MToT)' in 'Buy (Global)' cases.

- (vi) FDI policy in defence sector has been reviewed and as per the new policy, composite foreign investment upto 49% has been allowed through FIPB route and beyond 49% with the approval of the Cabinet Committee on Security (CCS).
- (vii) Defence products list for the purpose of industrial licensing has been revised and most of the components/parts / raw materials, have been taken out from the revised list from purview of industrial licensing.
- (viii) Defence Exports Strategy has been formulated and is put in public domain. The Standard Operating Procedure (SOP) for issuing NOC for export of military stores has been simplified and process for issuing NOC has been made online.

**(Q. 384)**

SHRI THOTANARASIMHAM (KAKINADA): Madam Speaker, India's overall shipbuilding industry comprises 27 shipyards of which six are in Central public sector, two are under State Governments, and 19 in the private sector. However, not all of these shipyards are involved in naval ship building. Of the six shipyards in the Central public sector, four are under the administrative control of the Ministry of Defence and are known as Defence PSU shipyards. Although these four shipyards are primarily responsible for constructing naval ships, some other yards both in the public and private sectors are also involved in naval ship building. Madam, I want to know from the hon. Defence Minister through you, how the ship-building industry wants to improve its efficiency.

In Andhra Pradesh, the Hindustan Shipyard at Visakhapatnam is in a financial crisis due to lack of orders. I would like to know if there is any proposal to give orders for building submarines at Hindustan Shipyard, Visakhapatnam.

SHRI MANOHAR PARRIKAR: Madam Speaker, the aspect mentioned by the Member is correct. Hindustan Shipyard does have a problem. It is a taken over shipyard from the Ministry of Shipping and it is a loss incurring company. Currently the financial and HR restructuring of the company is under process. They already have orders worth Rs. 3,256 crore. Their production, however, was only of Rs. 453 crore for financial year 2013-14 as against a target of Rs.750 crore. But they are facing financial crisis. There is no problem with the orders. We can offload more orders. But I think there are certain issues which need to be sorted out like efficiency, production capability and overheads. In one particular tender I was observing that their quote is around Rs.1,000 crore whereas the L1 by a private sector company was about Rs. 450 crore.

So you can understand the quantum of overheads which have piled up. I have already had one briefing with it. I assure the hon. Member that very soon I will go into the restructuring of Hindustan Shipyard Limited to make it more efficient as well as to reduce the overheads. What is happening is that overhead of existing staff is being loaded on whatever quote they make. I think that is not the correct way of calculating them. They should actually calculate for that. The rest can be

separately worked out. But more orders are being considered for LPD project that is Landing Platform Dock and two special operational vessels, one submarine under Project P-75(1). These are future projects but in the meantime I am also working out whether some works of GRE, Garden Reach can be offloaded on them so that they have work. I am aware of the financial crisis they are facing. I am looking into it so that there is no real crisis developing.

HON. SPEAKER: The Member can now ask the second supplementary question.

SHRI THOTA NARASIMHAM (KAKINADA): Madam, my second supplementary question is, what are the steps being taken by the Government for research and development in the specialized areas like submarine warfare and allied weapon systems?

SHRI MANOHAR PARRIKAR: The Government has already worked out complete capacity assessment of various shipyards also. I would also like to share with the House that in certain projects we have reached quite a substantial indigenous content; for example, in P-17 project we are around 61 per cent; in P-15A we are around 60 per cent; in P-28 corvette project we are 90 per cent, in P-15B destroyer of higher class project 75 per cent and in P-75 Scorpene submarine we are 21 per cent. We are trying to increase the indigenous content and DRDO including the Metallurgical Lab, Hyderabad is actively participating with the Navy and naval shipyards in upgrading both the capacity and the capability.

SHRI SISIR KUMAR ADHIKARI (KANTHI): Not present.

श्री सुल्तान अहमद (उलुबेरिया): माननीय अध्यक्ष जी, मंत्री जी ने स्टेटमेंट में कहा है कि इंडीजिनस नैवल वैसल बनाते हैं और सिर्फ मारीशस, श्रीलंका को पेट्रोल वैसल्स, ऑफ शोर एंड फास्ट पेट्रोल दिए जा रहे हैं। सरकार ने 49 परसेंट एफडीआई एलाऊ किया है। एफडीआई आया है या नहीं, मैं इसके बारे में प्रश्न नहीं करना चाहता हूँ। मेरा प्रश्न है कि हम नैवल इक्विपमेंट और नैवल हथियार कितनी मात्रा में इम्पोर्ट कर रहे हैं? इसका इन टर्म्स ऑफ मनी, और इन टर्म्स ऑफ इक्विपमेंट परसेंटेज क्या है?

SHRI MANOHAR PARRIKAR: I gave the general indigenous content of a ship. If the hon. Member wants the exact information, I will provide it to him but that does not form part of this question.

SHRI ADHIR RANJAN CHOWDHURY (BAHARAMPUR): Hon. Speaker Madam, it is often observed that Indian Navy is an under-invested area. I would like to draw the attention of the House to the fact that in terms of under-sea combat arms, we are still lagging behind our neighbouring countries. India only holds 13 conventional submarines and one nuclear submarine, whereas China has more than 56 conventional submarines and 5 nuclear submarines.

As per China's maritime silk route idea, India is being virtually cordoned because China has been extending its sphere of influence in Gwadar, in Sittwei, in

Maldives, in Bangladesh, etc. We have now possessed the nuclear triad after acquiring the Arihant. But I would like to know from the Government, what kind of strategy, especially in view of the flexing of naval muscle by our neighbour, that you are going to adopt. It is a matter of serious concern, because we are lagging behind in terms of both conventional and nuclear submarines.

SHRI MANOHAR PARRIKAR: The question is basically on ship-building ability of the Indian shipyard. But I can tell only one thing that we are not importing or any order on foreign shipyard has been placed by us. Everything that the Navy is doing is indigenous. The comprehensive order—some components may be imported— of all the shipyards including Kochi and others is for about Rs.70,000 crore, whereas the delivery capacity at this moment is for about Rs.7,000 crore..... (Interruptions) I am coming to that. So, the capacity has to be enhanced.

As far as the policy of China is concerned, it is a separate question, but I would like to only say that we are responding to it. There are six submarines which are being done under Scorpene and there is another project of six more conventional submarines. Regarding nuclear, obviously, I am not in a position to disclose it to the House because of sensitivity of the issue, but we are progressing quite well on this.

His overall question was about strategy. His reply comes in the form of Prime Minister's visit to various countries and building up good relations with the neighbouring countries, the details of which cannot be divulged here. But I assure him that India is also doing a counter-measure along the sea borders or maritime areas of the country.

श्री निशिकांत दुबे (गोड्डा): माननीय अध्यक्ष महोदया, मंत्री जी ने अपने जवाब में डिफेन्स प्रोडक्शन पॉलिसी के लिए कहा है। प्रधानमंत्री जी का जो “मेक इन इंडिया” प्रोग्राम है, इसके साथ जुड़ा हुआ है। नेवी की क्या मजबूती होनी चाहिए। मंत्री जी गोवा से संबंध रखते हैं। गोवा किस तरह से परतंत्र हुआ था, यह उन्हें खुद ही पता है, मुझे ज्यादा बोलने की आवश्यकता नहीं है। मुम्बई में जो ब्लास्ट हुआ, अटैक हुआ, तो नेवी इस देश के लिए कितना जरूरी है, लेकिन नेवी से संबंधित जो प्रोजेक्ट चल रहे हैं, सेल्फ सफिसिएंट होने के लिए जो प्रोजेक्ट चल रहे हैं, या “मेक इन इंडिया” के लिए प्रोजेक्ट चल रहे हैं, वे सारे बहुत ही पीछे चल रहे हैं। उनमें पी-75 है, पी-751 है, माइन स्वीपर है और अभी आकाश का प्रक्षेपण किया गया है क्योंकि वारफेचर की आवश्यकता है, लेकिन आकाश प्रक्षेपास्त्र में सीकर्स नहीं हैं। हम लोग कह रहे हैं कि हम सेल्फ सफिसिएंट हो गये, मीडियम रेंज के मिसाइल बना लिये, जो नेवी में भी इक्विपड होगा, जो एयर में भी इक्विपड होगा। मेरा यह कहना है कि “मेक इन इंडिया” में पी-75, पी-751 है, माइन स्वीपर, आकाश और फ्रांस से जो मैत्री का समझौता किया गया है, इन सारे चीजों के लिए “मेक इन इंडिया” में आपकी क्या स्ट्रैटजी है, इन सारे प्रोजेक्ट्स के बारे में मंत्री महोदय की क्या सोच है?

श्री मनोहर पर्रिकर: माननीय अध्यक्ष महोदय, उन्होंने पूरे डिफेन्स को एनकैम्पस करने वाला सवाल पूछा है, लेकिन मैं प्रश्न से जुड़ हुआ संक्षिप्त रिप्लाय दे रहा हूं। माइन स्वीपिंग का जो मामला है, उनसे संबंधित जो कांट्रैक्ट हुआ था तो कांट्रैक्ट होने से पहले कैंसल कर दिया गया है because of

some difficulties which as per the integrity bond, some problems were brought to the notice.

But we are considering to give the project to Goa Shipyard in whole. पहले इसमें 8 में से 2 बाहर बनाकर लाने का सवाल था, लेकिन अभी पूरे 8 या थोड़ा नम्बर बढ़ाकर भी we are considering to give it to Goa Shipyard and they should acquire the technologies themselves. As regards two Seekers, I will not comment because that does not form part of Navy. लेकिन जो प्रोजेक्ट्स डिले हो रहे हैं, उनके बारे में कम्प्लीट रिव्यू करके, कम से कम डिले हो, some delays were there because of technical nature of the project. Obviously, जो कन्वेंशनल सबमरिन के प्रोजेक्ट्स हैं, उनका हम लोगों ने रिव्यू लिया है और डिले कम से कम हो, इसकी गारंटी कर ली है।

श्री अरविंद सावंत (मुम्बई दक्षिण): महोदया, हाल ही में, मुम्बई में मझगांव डॉक-लिमिटेड, जो अपनी पीएसयू है, उसके जरिये कोलकाता नाम के डिस्ट्रॉयर की इनोग्रेशन माननीय प्रधान मंत्री और उस वक्त के डिफेंस मिनिस्टर, अरूण जेटली साहब के हाथ से मुम्बई में हुई थी।

Madam Speaker, the question is that the Mazagon Dock Limited is constructing the submarines/vessels but they are constructing them with the conventional technology. But right now, we need the modern technology. The question has been raised just because the other private shipyards have already gone for the modern technology which is not there with the Mazagon Dock Limited. Are we going to do something so that Mazagon Dock Limited also goes for modern technology of global standards so that they can manufacture new vessels and submarines?

श्री मनोहर पर्रिकर: वह हमारा स्कोर्पियन सबमरिन मॉडर्न टेक्नोलॉजी का है, probably the Member wants to distinguish between conventional submarine and nuclear submarine.

SHRI ARVIND SAWANT (MUMBAI SOUTH): The Navy does not give designs on time to Mazagon Dock Limited. Therefore, they are not able to prepare it on time. If the Navy gives the SCOPE, it is a technical word they use, and the design on time to Mazagon Dock Limited, they will be able to do it. Will you ensure it?

SHRI MANOHAR PARRIKAR: I think the delay is not too much. Originally, it was supposed to be delivered in November 2014. But next year we are getting the first submarine. The reviews are being done on a priority basis.

SHRI N.K. PREMACHANDRAN (KOLLAM): The Cochin Shipyard is competent and capable of building naval ships in an effective manner. Last year, the Cochin Shipyard made a profit of Rs.196 crore. The only suffering is because of lack of orders. Now the hon. Minister has already stated regarding LPD. The Defence is planning to construct four LPDs, out of which, two LPD orders have already been given to Visakhapatnam Shipyard.

So, my simple question to the hon. Minister is whether the Cochin Shipyard will also be taken into consideration in giving the orders of LPD and other defence equipment.

SHRI MANOHAR PARRIKAR: Madam, the Cochin Shipyard has been given the biggest project, that is, indigenous aircraft carrier which is being built there. I agree that the Minister for Shipping, Shri Nitin Gadkari, had written to me and some Members have also approached me. We are considering taking Cochin Shipyard for some orders so that they are comfortable on the order position. But as of now, the indigenous aircraft carrier is being built in Cochin.

## **APPENDIX VIII**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DEPARTMENT OF DEFENCE PRODUCTION

LOK SABHA UNSTARRED QUESTION NO. 5269

ANSWERED ON 24.4.2015

### **Achievements of HAL**

5269. SHRI B. SRIRAMULU:

Will the Minister of DEFENCE be pleased to state:

- (a) the details of the targets set and achievements made by the Hindustan Aeronautics Limited (HAL) during the last three years;
- (b) whether the Government has set any road map for the development of the HAL;
- (c) if so, the details thereof; .
- (d) whether the Government has received any proposal seeking financial assistance for the modernization of the HAL; and
- (e) if so, the details thereof and the action taken by the Government thereon?

### **ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI RAO INDERJIT SINGH): (a) The target fixed in the Memorandum of Understanding (MoU) in respect of sales and achievement during the last three years is as under:

YEAR	SALES (Rs. in crores)	
	TARGET	ACTUAL
2012-13	14500	14324
2013-14	13800	15128
2014-15	14900	15480
		(Provisional)

(b) & (c) Currently HAL is manufacturing SU-30 MKI, HAWK, DO-228, Advanced Light Helicopter (ALH), Cheetah/Chetak/Cheetal Helicopters and

pilotless target aircraft. Besides it undertakes repairs and overhaul of these aircraft/helicopters and other aircraft like Jaguar, Mirage, Kiran, Mig-21, HS-748, AN-32. HAL has taken up design and development of Light Combat Helicopter (LCH), Light Utility Helicopter (LUH) and Basic Turboprop Trainer (HTT-40). Co-development of Fifth Generation Fighter Aircraft (FGFA), and Multirole Transport Aircraft (MTA) with Russia is also under progress.

(d) No, Madam.

(e) Does not arise.

**APPENDIX IX**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DEPARTMENT OF DEFENCE PRODUCTION

LOK SABHA UNSTARRED QUESTION NO. 3261

ANSWERED ON 18.12.2015

**Financial Loss in Ordnance Factory**

3261. SHRI NANA PATOLE:

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government has received any representations from Public representatives demanding a high level inquiry into the financial loss caused in Nagpur Ambajhari Ordnance factory;

(b) if so, the details thereof; and

(c) the steps taken by the Government to check the financial irregularities committed in said Ordnance factory?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI RAO INDERJIT SINGH): (a) & (b) Yes, Madam. A representation has been received regarding Financial Irregularity in Ordnance Factory Ambajhari, Nagpur.

(c) The complaints are under investigation to find the reasons and identify steps to curb such financial irregularities.

**APPENDIX X**

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

DEPARTMENT OF DEFENCE PRODUCTION

LOK SABHA UNSTARRED QUESTION NO. 3296

ANSWERED ON 18.12.2015

**Supply of Sub-standard Material to Ordnance Factory**

3296. DR. UDIT RAJ:

Will the Minister of DEFENCE be pleased to state:

(a) whether sub-standard material at inflated costs running into crores of rupees is reported to have been supplied to Ordnance Factory, Chanda, Maharashtra;

(b) if so, the details thereof;

(c) whether any complaints have been received by the Government in this regard and if so, the details thereof along with the action taken by the Government thereon;

(d) whether the Government has initiated any investigation/inquiry to look into the matter; and

(e) if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE  
(SHRI RAO INDERJIT SINGH): (a) No, Madam.

(b) Does not arise.

(c) to (e) A complaint regarding anomaly in inspection and acceptance of Ammunition Container 39 A/L regarding Supply Orders dated 19.12.2011 is under investigation.

## APPENDIX XI

(Vide para 5 of the Report)

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Extracts from Manual of Practice & Procedure in the Government of India, Ministry of Parliamentary Affairs, New Delhi

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Definition	<p><b>8.1</b> During the course of reply given to a question or a discussion, if a Minister gives an undertaking which involves further action on the part of the Government in reporting back to the House, it is called an 'assurance'. Standard list of such expressions which normally constitute assurances and as approved by the Committees on Government Assurances of the Lok Sabha and the Rajya Sabha, is given at <i>Annexure 3</i>. As assurances are required to be implemented within a specified time limit, care should be taken by all concerned while drafting replies to the questions to restrict the use of these expressions only to those occasions when it is clearly intended to give an assurance in these terms.</p> <p><b>8.2</b> When an assurance is given by a Minister or when the Presiding Officer directs the Government to furnish information to the House, it is extracted by the Ministry of Parliamentary Affairs from the relevant proceedings and communicated to the department concerned normally within 10 working days of the date on which it is given.</p>
Deletion from the list of assurances	<p><b>8.3.1</b> If the administrative department has any objection to treating such a statement as an assurance or finds that it would not be in the public interest to fulfil it, it may write to the Lok Sabha/Rajya Sabha Secretariat direct with a copy to the Ministry of Parliamentary Affairs within a week of the receipt of such communication for getting it deleted from the list of assurances. Such action will require prior approval of the Minister.</p> <p><b>8.3.2</b> Departments should make request for dropping of assurances immediately on receipt of statement of assurances from the Ministry of Parliamentary Affairs and only in rare cases where they are fully convinced that the assurances could not be implemented under any circumstances and there is no option left with them but to make a request for dropping. Such requests should have the approval of their Minister and this fact should be</p>

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	<p>indicated in their communication containing the request. If such a request is made towards the end of the stipulated period of three months, then it should invariably be accompanied with a request for extension of time. The department should continue to seek extension of time till a decision of the Committee on Government Assurances is received by them. Copy of the above communications should be simultaneously endorsed to the Ministry of Parliamentary Affairs.</p>
Time limit for fulfilling the assurance	<p><b>8.4.1</b> An assurance given in either House is required to be fulfilled within a period of three months from the date of the assurance. This time limit has to be strictly observed.</p>
Extension of time for fulfilling an assurance	<p><b>8.4.2</b> If the department finds that it is not possible to fulfil the assurance within the stipulated period of three months or within the period of extension already granted, it may seek further extension of time direct from the respective Committee on Government Assurances under intimation to the Ministry of Parliamentary Affairs as soon as the need for such extension becomes apparent, indicating the reasons for delay and the probable additional time required. Such a communication should be issued with the approval of the Minister.</p>
Registers of assurances	<p><b>8.5.1</b> The particulars of every assurance will be entered by the Parliament Unit of the department concerned in a register as at <i>Annexure 4</i> after which the assurance will be passed on to the concerned section.</p> <p><b>8.5.2</b> Even ahead of the receipt of communication from the Ministry of Parliamentary Affairs, the section concerned should take prompt action to fulfil such assurances and keep a watch thereon in a register as at <i>Annexure 5</i>.</p> <p><b>8.5.3</b> The registers referred to in paras 8.5.1 and 8.5.2 will be maintained separately for the Lok Sabha and the Rajya Sabha assurances, entries therein being made session-wise.</p>
Role of Section Officer and Branch Officer	<p><b>8.6.1</b> The Section Officer incharge of the concerned section will:</p> <ul style="list-style-type: none"> <li>(a) scrutinise the registers once a week;</li> <li>(b) ensure that necessary follow-up action is taken without any delay whatsoever;</li> <li>(c) submit the registers to the branch officer every fortnight if the House concerned is in session and once a month otherwise, drawing his special attention to assurances</li> </ul>

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	<p>which are not likely to be implemented within the period of three months; and</p> <p>(d) review of pending assurances should be undertaken periodically at the highest level in order to minimise the delay in implementing the assurances.</p> <p><b>8.6.2</b> The branch officer will likewise keep his higher officer and Minister informed of the progress made in the implementation of assurances, drawing their special attention to the causes of delay.</p>
Procedure for fulfilment of an assurance	<p><b>8.7.1</b> Every effort should be made to fulfil the assurance within the prescribed period. In case only part of the information is available and collection of the remaining information would involve considerable time, an implementation report containing the available information should be supplied to the Ministry of Parliamentary Affairs in part scrutinize of the assurance, within the prescribed time limit. However, efforts should continue to be made for expeditious collection of the remaining information for complete implementation of the assurance at the earliest.</p> <p><b>8.7.2</b> Information to be supplied in partial or complete fulfilment of an assurance should be approved by the Minister concerned and 15 copies thereof (bilingual) in the prescribed proforma as at <i>Annexure 6</i>, together with its enclosures, along with one copy each in Hindi and English duly authenticated by the officer forwarding the implementation report, should be sent to the Ministry of Parliamentary Affairs. If, however, the information being furnished is in response to an assurance given in reply to a question etc., asked for by more than one member, an additional copy of the completed proforma (both in Hindi and English) should be furnished in respect of each additional member. A copy of this communication should be endorsed to the Parliament Unit for completing column 7 of its register.</p> <p><b>8.7.3</b> The implementation reports should be sent to the Ministry of the Parliamentary Affairs and not to the Lok Sabha/Rajya Sabha Secretariat. No advance copies of the implementation reports are to be endorsed to the Lok Sabha/Rajya Sabha Secretariat either.</p>
Laying of the implementation	<p><b>8.8</b> The Ministry of Parliamentary Affairs, after a scrutiny of the implementation report, will arrange to lay it on the Table of the House concerned. A copy of</p>

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report on the Table of the House	the statement, as laid on the Table, will be forwarded by the Ministry of Parliamentary Affairs to the member as well as the department concerned. The Parliament Unit of the department concerned and the concerned section will, on the basis of this statement, make a suitable entry in their registers.
Obligation to lay a paper on the Table of the House <i>vis-a-vis</i> assurance on the same subject	<b>8.9</b> Where there is an obligation to lay any paper (rule/order/notification, etc.) on the Table of the House and for which an assurance has also been given, it will be laid on the Table, in the first instance, in fulfilment of the obligation, independent of the assurance given. After this is done, a report in formal implementation of the assurance indicating the date on which the paper was laid on the Table will be sent to the Ministry of Parliamentary Affairs in the prescribed proforma ( <i>Annexure 6</i> ) in the manner already described in para 8.7.2.
Committees on Government Assurances LSR 323,324 RSR 211-A	<b>8.10</b> Each House of Parliament has a Committee on Government Assurances nominated by the Speaker/Chairman. It scrutinized the implementation reports and the time taken in the scrutinized of Government assurances and focuses attention on the delays and other significant aspects, if any, pertaining to them. Instructions issued by the Ministry of Parliamentary Affairs from time to time are to be followed strictly.
Reports of the Committees on Government Assurances	<b>8.11</b> The department will, in consultation with the Ministry of Parliamentary Affairs, scrutinize the reports of these two committees for remedial action wherever called for.
Effect on assurances on dissolution of the Lok Sabha	<b>8.12</b> On dissolution of the Lok Sabha, all assurances, promises or undertakings pending implementation are scrutinized by the new Committee on Government Assurances for selection of such of them as are of considerable public importance. The Committee then submits a report to the Lok Sabha with a specific recommendation regarding the assurances to be dropped or retained for implementation by the Government.

ANNEXURE I

**MINUTES**  
**COMMITTEE ON GOVERNMENT ASSURANCES**  
(2017-2018)  
**(SIXTEENTH LOK SABHA)**  
SECOND SITTING  
(27.12.2017)

The Committee sat from 1500 hours to 1745 hours in Committee Room "D", Parliament House Annexe, New Delhi.

**PRESENT**

Dr. Ramesh Pokhriyal Nishank — *Chairperson*

**MEMBERS**

2. Shri Rajendra Agrawal
3. Shri Naranbhai Bhikhabhai Kachhadiya
4. Shri Bahadur Singh Koli
5. Shri A.T. Nana Patil
6. Shri C.R. Patil
7. Shri Sunil Kumar Singh

**SECRETARIAT**

1. Shri U.B.S. Negi — *Joint Secretary*
2. Shri P.C. Tripathy — *Director*
3. Shri S.L. Singh — *Deputy Secretary*

**WITNESSES**

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**II. Ministry of Defence (Department of Defence Production)**

1. Dr. Ajay Kumar, Secretary (Defence Production)
2. Shri Sanjiv Mittal, Additional Secretary
3. Shri Chandraker Bharti, Joint Secretary (Aero)

4. Dr. Amit Sahai, Joint Secretary (P&C)
5. Shri S.K. Chourasia, DGOF
6. Shri Rajvir Singh, DDG
7. Shri Vijay Mittal, Director
8. Shri S.R. Agrawal, Director (AS)
9. Shri Ravin Kulshrestha, Director (P&C)
10. Shri B.B. Patel, OSD (LS)
11. Shri S.S. Salathia, PO (LS)
12. Shri K.C. Shashidhara, CM (Planning) HAL
13. Shri Harendra Kumar Singh GM(HR) HAL Bengaluru
14. Shri Arup Chatterjee, GM (ARDC), HAL, Bengaluru
15. Shri Sunil Kumar Director (Operation) HAL, Bengaluru

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#### **V. Ministry of Parliamentary Affairs**

1. Shrimati Suman S. Bara — Deputy Secretary
2. Shri Anil Kumar — Under Secretary

At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them regarding the day's agenda to take oral evidences of the Ministry of Development of North Eastern Region (DoNER), Ministry of Defence (Department of Defence Production), Ministry of Food Processing Industries, Ministry of Human Resource Development (Department of School Education and Literacy) and Ministry of Parliamentary Affairs on various pending Assurances.

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4. Thereafter, the representative of the Ministry of Defence (Department of Defence Production) were called and the Committee took their oral evidence on

nine pending Assurances of the Department (Annexure-II) pertaining to the period from the Second Session of the 15th Lok Sabha to the 6th Session of the 16th Lok Sabha as mentioned below:

**I. USQ No. 222 dated 20.07.2009 regarding 'Provision of Quality Materials to Soldiers' (Supplementary by Shri Lalu Prasad Yadav, M.P.) (Sl. No. 1)**

The Committee were informed that the Assurance pertained to setting up of a new ordnance factory at Nalanda. The Factory has now been set up and it is working with around 600 people. However, the factory will become fully operational when all the 8 major plants are procured and commissioned. The Committee were further informed that at present only 3 plants are functioning. However, tendering process of one of the remaining Bi-Modular Charge System (BMCS) plant, which itself consists of 5 individual plants, is in process and its last date is 31.12.2017. The Ministry acknowledged that there was indeed a delay in setting up of the 3 plants. The Committee were apprised that the problem arose when in the beginning itself it was decided that all the 5 plants would be set up through integrated tendering. However, above actions could not fructify as no vendor was found suitable. After that, a meeting was held on 11.05.2017 in which it was agreed upon that fresh separate tenders for procurement of 5 BMCS plants should be issued. Since then, 3 Plants have been set up and the last date for tender of the rest two plants is 31.12.2017. The Committee were concerned to note that an Assurance connected with the country's defence and dignity which should have been given utmost priority has been kept pending for over 8 years without much progress. The Committee directed the Ministry to pursue the matter vigorously and deal with the Assurance in a time bound manner and if possible, set up a committee to find ways and means to implement the Assurance at the earliest.

**II. SQ No. 476 dated 13.12.2010 regarding 'Defence Deal' (Sl. No. 2) and SQ No. 116 dated 08.08.2011 regarding 'Cases against Defence Companies' (Sl. No. 3)**

The Committee were informed that the complaint against Shri Sudipto Ghosh, former DGOF and Chairman, Ordnance Factory Board (OFB) was found correct and on that basis a CBI case was registered and disciplinary proceedings were initiated. As regards disciplinary proceedings against Shri Sudipto Ghosh, it was submitted to the UPSC for suitable cut in pension against him. UPSC in its advice disagreed with the view of the Disciplinary Authority for imposition of suitable cut-in-pension against him and advised that the Ministry may first obtain copies of the relevant documents, exhibits or any other evidence and then proceed to enquiry on their basis in the proceedings instituted against Shri Ghosh. The Ministry apprised the Committee that now it has been decided by the competent disciplinary authority *i.e.* Raksha Mantri to wait for the final outcome of CBI cases in the court against Shri Ghosh before proceeding further in the case. The Committee recognising that the Ministry of Defence being a very sensitive department and the matter pertains to the country's protection, directed the Ministry to pursue the matter aggressively and bring more mobility in their functioning and expedite the process. The Committee

further noticed contradictions in the presentation of facts of CBI, the Department of Defence Production and material provided to the Committee and considered it to be a very serious issue. The Committee urged upon the Ministry to look into the matter earnestly and urgently and correct the discrepancy.

### **III. USQ No. 5330 dated 29.04.2013 regarding 'Test of Guns' (Sl. No. 4)**

The Committee were informed that OFB (Ordnance Factory Board) has carried out several internal firing of its in-house developed gun called 'Dhanush'. However when these guns were placed for user exploitation, there were incidents of Muzzle break/muzzle hit. Thereafter, the battery firing was suspended and the matter was referred to the Board of Enquiry for further investigation and to find out the reasons for the occurrence of the problem. The Ministry accepted that the trial of guns has taken a lengthy span of time but added that since it is a development process and one of the very first efforts to develop an indigenous gun, the matter is taking time. The Committee while greeting the Ministry on their first ever initiative to develop an in-house Artillery gun, expressed their apprehension on the inordinate length of time taken in the development of the Gun. Pointing out that matters relating to defence and security, cannot afford such long periods of production and preparations, the Committee expressed the concern that a matter so sensitive in nature has been lingering even after more than 3 years and the investigation into the matter has not yet been completed. Emphasizing that delaying any matter doesn't solve the problem, the Committee urged upon the Ministry to expedite the investigation progress. The Committee further directed the Ministry to furnish a Part Implementation Report in the matter detailing the activities undertaken and efforts made so far to fulfil the Assurance.

### **IV. SQ No. 277 dated 10.02.2014 regarding 'Intermediate Jet Trainer' (Sl. No. 5)**

The Committee were informed that the Assurance relates to a developmental project which involves an indigenously developed jet trainer. Jet Trainer aircraft development has successfully completed all crucial developmental tests except the spin trial and armament testing towards the achievement of operational clearance. Though various efforts were made the issue could not be resolved. Finally, the Hindustan Aeronautics Limited (HAL) has identified M/s. Bihrl Applied Research Inc. (BAR) for external consultancy to resolve this problem. M/s. BAR is expected to take 6-8 months to provide their final recommendations for resolving spin issue. Once the recommendations from M/s. BAR are available, the total spin testing and certification would require around 175 test flights which would entail time-frame of around one year. The Committee were perturbed to find that the Assurance has been kept pending since 2007 and even after 10 years, the Ministry have not been able to fix the problem. The Committee felt that the Ministry have not been serious enough and did not pursue the matter in the right earnest. The Committee further observed that there has been a failure in co-ordination and communication and urge the Secretary, Ministry of Defence (DoDP) to review the matter personally and pursue it intensely so that things do not get stuck up.

**V. USQ No. 3310 dated 12.12.2014 regarding 'Aerospace University' (Sl. No. 6)**

The Committee were informed that two views have come in the matter. The first one came from the Hindustan Aeronautics Limited (HAL) to establish an institute of national importance through an Act of Parliament with full funding from the Government. The proposal of HAL was considered by the Ministry and it was observed that instead of formation of the institute through an Act of Parliament, HAL may consider taking the route of private University. One time funding could be given by the Government initially for starting the university while, sustaining the institute would be the responsibility of HAL and other partners. When the matter was reviewed by HAL, it decided that the company cannot consider setting up of a private University even in collaboration with other organizations. Hence, further policy decision is yet to be taken. The Committee were constrained to find that the Assurance has been pending for the last 3 years and the Ministry or HAL, failed to take a firm decision on the issue. The Committee pointed out that once an Assurance is given by the Minister, it becomes the responsibility of the Ministry/HAL to fulfil it. The Committee further advised the representatives of HAL that if they are facing any issues/problems, they need to bring the same to the notice of the Ministry and find a solution as to how the Assurance needs to be implemented.

**VI. SQ No. 384 dated 19.12.2014 regarding 'Naval Vessels' (Supplementary by Shri Narasimham Thota, MP) (Sl. No. 7)**

The Committee were informed that when the matter of final restructuring of Hindustan Shipyard was taken up, it was a loss incurring company. When the issue of its restructuring was examined it was found that no amount of financial restructuring is going to make the company financially viable. However, with the support of the Department and Hindustan Shipyard Limited (HSL) self initiatives, various orders were awarded to it which included nomination of the yard for 02 Nos. Special operation vessel (approx. values Rs. 5,000 crore), 05 Nos. Fleet Support Ship (approx. value 10,000 crore) and Rs. 625 crore contract for refit of submarine Sindhuvir which is in progress. The Ministry further informed the Committee that HSL has now started posting profits. The Committee noted that the circumstances under which financial and HR restructuring of HSL was proposed have changed considerably and the HSL is no more a loss incurring company. The Committee felt that the Assurance has been completed and urged the Ministry to send the Implementation Report to the Ministry of Parliamentary Affairs so that it can be laid on the Table of the House in the ensuing Session.

**VII. USQ No. 5269 dated 24.04.2015 regarding 'Achievements of HAL' (Sl. No. 8)**

The Committee were informed that both the projects Fifth Generation Fighter Aircraft (FGFA) and Multirole Transport Aircraft (MTA) for which Assurance was given are futuristic projects. The duration of FGFA is about 10-15 years. The project is being executed in 2 phases : Preliminary Design Phase and Detailed Design and Development. Preliminary phase has been completed and as regards the Design and Development phase, negotiations with the Russian side concluded in 2016. To

address some of the issues raised by IAF, the Government constituted a Committee. The report of the Committee was shared with IAF and it was felt that there was a need to improve upon the features of the Aircraft. Hence, the final decision in this regard has not yet been taken. The Committee were dismayed to note that the Assurance given in the year 2015 has been delayed for more than 2 years with no conclusion in sight. Observing that situations keep on changing and new technologies and innovations keep coming, the Committee implored the Ministry to Prepare a plan suitably and if latest technologies are not available with them, they should not waste time and decide the matter accordingly in a time bound manner. Otherwise, the cost of the projects would keep on escalating making it more difficult to adopt new technologies. The Committee recommended the Ministry to take appropriate actions at the earliest to fulfil the Assurance.

**VIII. USQ No. 3261 dated 18.12.2015 regarding 'Financial Loss in Ordnance Factory' (Sl. No. 9)**

The Committee were informed that investigation in the case has been completed. The investigation report shows that there was indeed a lapse. However, the Committee were further informed that the mistake may be viewed as a case of misinterpretation and not a *malafide*. Moreover, the Ministry said that nobody took any benefit from the illegal gratification and it made no difference in the price bid. The Ministry admitted that there is a need for comprehensive system improvement so that such lapses do not happen in future. For that purpose, instructions have already been issued and the Chairman, OFB is taking further action in this regard. The Committee observed that there was indeed a negligence on the part of the Department to qualify M/s. W.B. Jaipuriya as technically compliant in the tender. The Committee expressed their view that although the mistakes were caught well in advance of price bidding and there were no financial implications, the Department should have been more serious and careful in their approach. The Committee desired that in future the Department need to be more vigilant in its approach and ensure that such lapses do not occur in future.

**IX. USQ No. 3296 dated 18.12.2015 regarding 'Supply of Sub-Standard Material to Ordnance Factory' (Sl. No. 10)**

The Ministry informed the Committee that the investigation/inquiry to look into the complaint of anomaly in inspection and acceptance of ammunition container has been completed. For further action, advice of the Central Vigilance Commission (CVC) was obtained. CVC advised for counselling to 3 officials and issuing recordable warning to 22 officials. The Ministry further informed the Committee that as advised by CVC, the Counselling Memo and Warning Memo have been served to the officials concerned. The Committee were dismayed to find that persons involved in such serious frauds *i.e.* providing sub-standard materials to the Government Ordnance Factories were let off by giving such a modest penalty. The Committee were informed that counselling or warning seems to be simple punishments in general but in Defence system these are considered very crucial as these things affect an official's promotion and career opportunities. The Committee were further

apprised that the sub-standard material was related to ammunition boxes which are used for packing purpose only. However, punishments have been awarded to the guilty persons to set an example for all others. The Ministry requested the Committee to drop the Assurance as everything has been done in the matter. The Committee, while acceding to the request of the Ministry, noted that such type of incidents are very disturbing as they can pose a danger or risk to the country as a whole and directed the Ministry to take appropriate steps to ensure that such incidents do not occur in future.

**5. The representatives of the Ministry of Defence (Department of Defence Production) then withdrew.**

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

*The Committee then adjourned.*

*ANNEXURE II*STATEMENT OF PENDING ASSURANCES OF THE MINISTRY OF DEFENCE  
(DEPARTMENT OF DEFENCE PRODUCTION) (2ND SESSION OF  
15TH LOK SABHA TO 6TH SESSION OF 16TH LOK SABHA)

Sl. No.	SQ/USQ No. dated	Subject
1.	SQ No. 222 dated 20.07.2009 (Supplementary by Shri Lalu Prasad Yadav, M.P.)	Provisions of Quality Materials to Soldiers
2.	SQ No. 476 dated 13.12.2010 (Supplementary by Shri Hukum Dev Narayan Yadav, M.P.)	Defence Deal
3.	SQ No. 116 dated 08.08.2011 (Supplementary by Shri Hukum Dev Narayan Yadav, M.P.)	Cases Against Defence Companies
4.	USQ No. 5330 dated 29.04.2013	Test of Guns
5.	SQ No. 277 dated 10.02.2014 (Supplementary by Shri Uday Singh, M.P.)	Intermediate Jet Trainer
6.	USQ No. 3310 dated 12.12.2014	Aerospace University
7.	SQ No. 384 dated 19.12.2014 (Supplementary by Shri Narasimham Thota, M.P.)	Naval Vessels
8.	USQ No. 5269 dated 24.04.2015	Achievements of HAL

Sl. No.	SQ/USQ No. dated	Subject
9.	USQ No. 3261 dated 18.12.2015	Financial Loss in Ordnance Factory
10.	USQ No. 3296 dated 18.12.2015	Supply of Sub-Standard Material to Ordnance Factory

**MINUTES**  
**COMMITTEE ON GOVERNMENT ASSURANCES**  
(2018-2019)  
**(SIXTEENTH LOK SABHA)**  
**THIRD SITTING**  
**(04.01.2019)**

The Committee sat from 1030 hours to 1050 hours in Chairman's Chamber, Room 133, Parliament House Annexe, New Delhi.

**PRESENT**

Dr. Ramesh Pokhriyal 'Nishank' — *Chairperson*

**MEMBERS**

2. Shri Rajendra Agrawal
3. Shri Anto Antony
4. Shri E.T. Mohammad Basheer
5. Shri Naranbhai Kachhadiya
6. Shri Bahadur Singh Koli
7. Shri C.R. Patil
8. Shri K.C. Venugopal

**SECRETARIAT**

1. Shri P.C. Tripathy — *Director*
2. Shri S.L. Singh — *Deputy Secretary*

At the outset, the Chairperson welcomed the Members to the sitting of the Committee and apprised them regarding the day's agenda. Thereafter, the Committee considered and adopted the following Eight (08) draft Reports without any amendments:—

- (i) Draft Eighty-Third Report (16th Lok Sabha) regarding requests for dropping of Assurances (Acceded to)
- (ii) Draft Eighty-Fourth Report (16th Lok Sabha) regarding requests for dropping of Assurances (Not Acceded to)

- (iii) Draft Eighty-Fifth Report (16th Lok Sabha) regarding requests for dropping of Assurances (Acceded to)
- (iv) Draft Eighty-Sixth Report (16th Lok Sabha) regarding requests for dropping of Assurances (Not Acceded to)
- (v) Draft Eighty-Seventh Report (16th Lok Sabha) regarding review of pending Assurances pertaining to the Ministry of Mines
- (vi) Draft Eighty-Eighth Report (16th Lok Sabha) regarding review of pending Assurances pertaining to the Ministry of Micro, Small and Medium Enterprises
- (vii) Draft Eighty-Ninth Report (16th Lok Sabha) regarding review of pending Assurances pertaining to the Ministry of Defence (Department of Defence Production)
- (viii) Draft Ninetieth Report (16th Lok Sabha) regarding review of pending Assurances pertaining to the Ministry of Human Resource Development (Department of School Education and Literacy)

2. The Committee also authorized the Chairperson to present the Reports during the current session of the Lok Sabha.

*The Committee then adjourned.*

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