

Circular no 03/ store of 2010-11  
Office of The Principal Controller of Accounts (Fys)  
10-A S K Bose Road, Kolkata-700001

S/I/Misc/Vol-II

Dated 11 06/2010

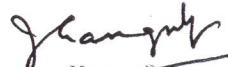
To  
All Group Controllers/ Branch AOs/CIA

-----  
-----  
-----  
-----

A copy of MOD, Dept of Defence production letter no 16(2)/04/D (QA) dated 30.04.2010 regarding the responsibility of quality checks of input materials and quality audit surveillance of input in put materials is circulated herewith for information, guidance and necessary action at your end.

JCA (Fys) has seen.

Encl: As above

  
Asst. Controller of Accounts (Fys)

173  
17.5.2010

43/M(F)  
12/5

195/C08A  
17.5.0.

19/5

U.S.  
17/5  
17/5

No.16(2)/04/D(QA)  
Ministry of Defence  
Department of Defence Production

To be circulated  
12/5

17/5

New Delhi, dated 30<sup>th</sup> April, 2010

ORDER

G.O(S)

~~Member/Fin.~~

En

Member/PRAB  
x 75

file  
13/05

PPS.

Copy:

✓ PCQA(Fys)

Cgf(12)

Cgf(11)

DDG/Fin.

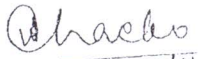
Vide order of even no. dated 31<sup>st</sup> March, 2005 and clarifications issued vide order of even no. dated 15<sup>th</sup> June, 2005, the responsibility for quality checks of input material was transferred to the Ordnance Factories. However, it was provided that the DGQA shall continue to do quality audit and surveillance of input material. It was also provided that selective sampling of critical input material will continue to be done by the DGQA without effecting the production schedule.

2. In pursuance to the directions communicated vide the above orders it has been decided that a review of the identification of critical input material will be made once every two years in the month of April. In the case of difference of opinion in identification of critical input material the matter shall be discussed between DGQA and the Chairman, OFB / concerned Member; and if the issue is still not resolved, it will be referred to the Department, whose decision shall be final..

3. As a part of quality audit and surveillance, the Department will constitute joint teams of officers from time to time to carry out surprise checks of accepted input material available at the consignee end. The teams will be constituted by the Department of Defence Production and these teams shall submit their report to the OFB and the Department.

17/5

4. The orders will be implemented with immediate effect.

  
30/04/10  
(Alice Chacko)

Dy. Secretary to the Government of India.

Copy to:

1. ✓ DGOF/Chairman, OFB, Kolkata
2. DGQA
3. Sr. PPS to Secy (DP)
4. PPS to Spl. Secy (DP)
5. PPS to JS(MS)
6. PPS to JS(LS)

Circular no.02/store of 2010-11

Office of The Principal Controller of Accounts (Fys)  
10-A S K Bose Road, Kolkata 700001

S/L/Misc/Vol-II

Dated 11/06/2010

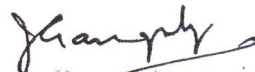
To  
All Group Controllers/ Branch AOs/CIA

-----  
-----  
-----

A copy of MOD, Dept of Defence production letter no 12(2)/2010/D (QA) dated 03.05.2010 regarding transfer of technology and system to audit is circulated herewith for information, guidance and necessary action at your end.

JCA (Fys) has seen.

Encl: As above

  
Asst. Controller of Accounts (Fys)

32/M(A)  
12/5

18  
18/5/10

19/5

No.12(2)/2010/D(QA)  
Government of India  
Ministry of Defence  
Department of Defence Production

New Delhi, dated: 3<sup>rd</sup> May, 2010.

Mem/fin -

ORDER

Copy: marked  
for disk.

13/05

PPS.

In the case of most major defence systems/platforms, the mode of acquisition has been buy and make, wherein after buying some equipment fully formed or in the CKD/SKD mode, the remaining numbers are required to be manufactured within the country. In such cases, the Government pays for the transfer of technology. It has come to the notice of the Government that in spite of paying for the transfer of technology, the full equipment is not being manufactured here and in many cases, 40 to 50 per cent of the components are being imported from the foreign company which was the technology provider. This has the effect of causing an undue loss to the Government and undue gain to the foreign company which continues being benefited with orders for the lifetime of the equipment. Government have taken a serious view of the matter. Government desires that continuous endeavors be made to increase the indigenous content of the equipment for which transfer of technology has been taken.

PCofA (FYS)

2. Government have decided to put in place a system to audit this. The Audit Committee constituted is as follows:-

- (1) An officer of the rank of Major General from the DGQA.
- (2) Two Brigadier level officers from the DGQA.
- (3) One senior Scientist from the DRDO.
- (4) Three Colonel/Lt. Colonel level officers from the DGQA.
- (5) Technicians and other support staff from the DGQA.


3. The Department of Defence Production will list out, in the order of priority, the transfer of technology cases which will be audited by the Audit Committee.

4. The Audit Committee will carry out a detailed inventory of the components being made within the country as a result of the transfer of technology and the components which are still being imported. In respect of the components which are still being imported, it will review the efforts made for indigenous manufacture of these components, and suggest methodologies for moving towards their indigenous manufacture and the time lines for the same.

5. Where the indigenization is not progressing on account of lack of cooperation from the foreign company, this will also be identified and the Audit Committee will review the steps being taken ensuring compliance with the contract.

6. The audit of each transfer of technology case will be completed within the time-frame of 30 days and if any extension is required, this will be sought from the Department of Defence Production.

7. This issues with the approval of Secretary, Defence Production.

  
3.5.2010  
( T. RAMACHANDRU )  
Joint Secretary (Missile System)

Copy to :

1. Chief of Army Staff.
2. Chief of Air Staff.
3. Chief of Naval Staff.
4. Defence Secretary
5. SA to RM.
6. Secretary, Defence Finance.
7. DGQA.
8. DGAQA.
9. DGNAI
10. DQAN
11. All JSs in DDP
12. PPS to Secretary (DP)
13. PPS to Special Secretary (DP)
- ✓ 14. Chairman,  
Ordnance Factory Board.
15. Chairman,  
Hindustan Aeronautics Ltd.
16. Chairman and Managing Director,  
Bharat Earth Movers Ltd. (BEML).
17. Chairman and Managing Director,  
Bharat Dynamics Ltd.
18. Chairman and Managing Director,  
Bharat Electronics Ltd.

