

ANNEXURE-I*(Referred to in Paragraph 1.10)***Recovery at the instance of audit**

Sl. No	Unit/formation		Nature of over payment / non recovery	Amount objected (amt in ₹)	Amount accepted (amt in ₹)	Amount recovered (amt in ₹)
1	CO Chennai	i)	Non-recovery of training & living charges from Ministry of External Affairs.	15640800	17404637	17404637
		ii)	Short-Recovery of Training & living charges from Min of External Affairs	2058000	2052000	2052000
2	CSD HO Mumbai	i)	Recoveries from suppliers on account of Excise duty reduction.	---	1797947	1797947
		ii)	Non-recovery of difference in price due to reduction of MRP in market	8243076	7671878	7671878
		iii)	Blockage of Government funds due to delay in raising debit note and back loading the stock to supplier	910000	998018	998018
		iv)	Non recovery of Liquidity Damage (LD) charges.	382625	193455	193455
		v)	Recovery on a/c of irregular payment	---	88334	88334
3	PCDA(O) Pune	i	Recovery on a/c of Irregular payment of Transportation Allowance	607910	635850	628036
		ii	Recovery on a/c of Irregular payment of Qualification Grant.	250500	250500	250500
		iii	Recovery on a/c of irregular payment of Children Education allowance	241110	206883	206883
		iv	Recovery on a/c of encashment of leave/LTC	1704639	1797338	1733141

Sl. No	Unit/formation		Nature of over payment / non recovery	Amount objected (amt in ₹)	Amount accepted (amt in ₹)	Amount recovered (amt in ₹)
		v	Recovery on a/c of field allowance	276235	355866	352919
		vi	Recovery on a/c of other allowances	1879361	3375738	3362587
4.	PCDA SC Pune	i)	Recovery on a/c of overpayment to the Supplier	265000	248788	⁽¹⁴⁾ 248788
		ii)	Non recovery of HBA	150000	150000	150000
		iii)	Recovery on a/c of minus bal GPF/ Overpayment of TA/ under recovery of CGHS/ Others.	865148	387700	387700
5.	VRDE Ahmednagar	i)	Recovery in r/o fixation of Grade Pay of A 4800/- for Tech Officer 'A' in DRDO	-	2115000	2984469
	ARDE Pashan	ii)	-do-	-	1736581	1736581
6.	RCI Hyderabad		Non-recovery of Service Tax	-	1352891	1352891
7.	GE(W) Colaba		Electricity Charges from regimental shop	-	1255267	1255267
8.	AFMSD Mumbai		Recovery towards non-replacement of life expired drugs	526000	526000	552750
9.	DIAT Girinagar	(i)	Recovery of excess Pay & Allowances	-	258193	258193
	JCDA(R&D) Pashan	(ii)	Recovery of computer advance - DIAT	-	59952	59952
10.	ARDE Pashan	(i)	Recovery of	118632	142216	142216
	R&DE(E) Dighi	(ii)	Transportation Allowance	88064	88064	88064
11.	ARDE Pashan		Recovery of Telephone bills	101560	101089	101089
12.	DMRL Hyderabad	(i)	Recovery of rent & allied charges from URC run by DMRL	161978	161978	161978
	EME School Baroda	(ii)	Recovery of rent and allied charges in r/o foreign trained para military force trainees	10040	8990	8990
13.	VRDE Ahmednagar		Recovery on a/c of non-imposition of LD on a firm	-	149610	149610
14.	CCE(R&D) West Pashan		Non-deduction of I-Tax	-	101210	103000

Sl. No	Unit/formation		Nature of over payment / non recovery	Amount objected (amt in ₹)	Amount accepted (amt in ₹)	Amount recovered (amt in ₹)
15.	MGASC Pune		Recovery on account of risk and cost purchases	157126	177426	177426
16.	ASL Hyderabad	(i)	Misc recoveries Excess overhead charges/compensation	-	81875	81875
	HEMRL Pune	(ii)	Recovery of Penal Interest	35568	35568	35568
	CEPZ Pune	(iii)	Railway Warrants	-	3560	3560
	MH Golconda	(iv)	Excess issue of Railway Warrants	7020	7020	7020
	ACC&S Ahmednagar	(v)	Auction money of condemned stores	-	11914	11914
17	PAO GREF Dighi		Recovery on a/c of Transportation and Field allowances		214655	214655
	PAO(ORs) Guards Kamptee			31798	36270	36270
18	PAO(ORs) MIRC Ahmednagar		Recovery on a/c of Other Allowances	0	3375	3375
	PAO(ORs) AOC Secunderabad			117960	1460660	1316660
19	GE Kota		Recovery of electricity and water charges from an Officer Mess	-	-	209712
20	250 Transit Camp		Crediting of AC charges to Regimental Fund instead of Govt. treasury	-	-	38460
	Total			34830150	47704296	48618368

Say ₹ 4.86 crore

ANNEXURE-II

(Referred to in Paragraph 1.10)

Savings at the instance of Audit

Sl No	Unit/formation	Nature of irregularity pointed out by audit	Remedial measures taken by units	Amount involved (₹ in lakh)
1	GE(CME) Dapodi	Unauthorised provision of 04 Type V married accommodation for MES Civilian Officers	A/A cancelled	108.41
2.	HQ MG&G Area Mumbai	Irregular sanction for provision of Single living accommodation for one JCO and two Havs at Baroda	A/A cancelled	12.85
		Irregular sanction for provision of approach road from PT Gate to swimming pool at 3 TTR Margoa	A/A cancelled	5.60
3.	HQ SC Pune	Irregular transfer of public money into regimental fund	Amount Deposited into Govt Treasury	3.00
4.	COD Dehu Road	Over provisioning of an Item	Demand reduced	8.30
5.	MITSD&D	Special Repairs to sewage system OTM accommodation at MINTSD Pune under GE(S) Pune	A/A revised with reduction in work	14.18
6.	HQ Andhra Sub Area	Provision of falls ceiling in bldg No. E2 DD of 161 Med Regt under GE(N) Secunderabad	A/A cancelled	1.91
7.	HQ Pune Sub Area	Special repairs to chain link fencing at ALC under GE(S) Pune (N)	A/A cancelled	14.24
		Provision of wire fencing at INI Pune under GE(CME) Kirkee (D)	A/A cancelled	9.1
		Special repairs to Bldg No. 37 at Aurangabad Cantt under GE(S) Ahmednagar (N)	Reduction of excess Market Variation	0.33
		Provision of Incinerator for destruction of office papers/material at CSD under GE(N) Pune	Reduction of excess Market Variation	0.11
8.	PCDA, SC, Pune	Reduction in the amount of CGEGIS & Encashment of earned leave	Amount restricted	1.89
9.	HQ ACCS, Ahmednagar	Provision of Syntex water tanks along with staging and water connection in OR MdAccn at JK road (Qty 12) (capacity 1000 Ltrs) at ACC&S Ahmednagar	Reduced the work	0.10
10.	Stn HQ Aundh	Provision of Trestle Stores Room for CSD at CME	A/A cancelled	0.82
11.	PCDA(O) Pune	Savings on account of Terminal Gratuity Claims (Through PS)	Claims amended	27.95
		Savings on account of Terminal Gratuity Claims (Through TAOS)	Claims amended	11.05
12.	HQ 21 Mtn. Div	Special repairs to building	A/A cancelled	14.50

Sl No	Unit/formation	Nature of irregularity pointed out by audit	Remedial measures taken by units	Amount involved (₹ in lakh)
13.	Station HQ Sukna	Special repairs to boundary wall	A/A cancelled	13.30
14.	HQ 111 Sub area	Provision of Standby Air Handling Units and Cooling Tower and Allied works	A/A cancelled	12.96
		Provision of Aluminium Frame portion wall with glass	A/A cancelled	0.98
15.	HQ 20 Mountain Div.	Provision of Solar Water Heater system for cook house and unit lines	A/A cancelled	10.70
		Comprehensive special repair to building	A/A cancelled	9.73
16.	HQ 417 Engr Bde	Provision of two wheeler Parking stand	A/A cancelled	1.70
17.	Station HQ Barrackpore	Provision of Aluminium partition for LPG offices	A/A cancelled	1.47
18.	Station HQ Vairentage	Provision of vitrified ceramics tiles	A/A cancelled	0.97
19.	Station HQrs, Nabha	Provision of chain link fencing between building No P-124 to building No. P-130 at Military Station, Nabha	A/A cancelled	1.98
20.	-do-	Provision of chain link fencing between Gate No 1 to building No P-124 at Military Station, Nabha	A/A cancelled	1.98
21.	-do-	Provision of chain link fencing between building No. 137 to Gate No. 2 of Armd Wksp at Military	A/A cancelled	1.98
22.	HQ 61 Sub Area	Provn of addition/alteration in auditorium building under zone I area at Jaipur Mil stn	A/A cancelled	14.16
23.	HQ 61 Sub Area	Provn of guard room, stores & ancillaries at Haldighati line at Jaipur Military Station	A/A cancelled	14.98
24.	HQ 61 Sub Area	Provn of extension in of building No. P-803 in Zone I Area at Jaipur Mil Station	A/A cancelled	14.99
25.	15 Inf Div	Admin Approval Cum Released Order for Provn of Four Servant Quarters at 615 EME Bn Officers Mess at Amritsar Cantt.	A/A cancelled	14.44
26.	HQ 71 Sub Area	Provision of store for Clothing and Signal Store.	A/A cancelled	10.60
27.	HQ 135 Works Engr	Excess provision of OR institute amounting to Rs. 20.56	Reduction Statement issued	21.18
28.	HQ 71 Sub Area	Provision of Environment Control System for operationalising E – library portion seen as not in order	A/A cancelled	14.90
29.	HQ 71 Sub Area	Provision of 01x Guard Room (05 persons) with toilet and bathroom in Wksp morh at 14 EME Bn viewed as irregular as guard rooms are not authorized for OR Md Accn	A/A cancelled	14.52

Sl No	Unit/formation	Nature of irregularity pointed out by audit	Remedial measures taken by units	Amount involved (₹ in lakh)
30.	HQ 71 Sub Area	Provision of Main Gate renovation work at HRDC HQ 71 Sub Area under GE (North) Udhampur	A/A cancelled	3.91
31.	HQ NC	Militancy Area charges applied in Adm Approval of provision of road connecting Inf Bn 2 with Inf Bn 3 at Bhalara Station @ 10% instead of 5%	Reduction Station issued by HQrs NC after applying correct charges	14.03
32.	HQ 9 corps	Provision of covered footpath was viewed as irregular by audit as no scale has been laid down for such work	A/A cancelled	14.77
33.	HQ NC	Construction of 01x40 men barrack and Provision of 08x Single Officers living accommodation for 625 EME Bn at Rajouri.	Reduction Statement issued	6.55
34.	HQ 20 Mtn. Div	Comprehensive Spl Repair to Block No 0/54 and 0/55 under GE Binnaguri	A/A cancelled	43.00
35.	HQ 4 Corps	Provision of 01 High Mast security light at JCOs/OR Married Accommodation Complex	A/A cancelled	7.57
36.	HQ 4 Corps	Provision of Rest Room near Building No. P-25 at Station HQ Tezpur	A/A cancelled	6.10
Total				507.79

Say ₹ 5.08 crore

ANNEXURE-III*(Referred to in Paragraph 1.10)***Adjustment in Annual Accounts at the instance of Audit**

Sl No	Unit/formation	Nature of irregularity pointed out by audit		Remedial measures taken by units	Amount involved (₹ in crore)	Net effect of the amount involved (ie. 50%) (₹ in crore)
1.	CSD HO MUMBAI	Saving on a/c of amendment to Annual Accounts for the year 2014-15		Annual Accounts 2014-15 amended accordingly	97.40	48.70
		Under statement of liability towards CST/VAT	2.44 crore			
		Under statement of Sundry Creditors	79.38 crore			
		Non-accounting of expenditure towards completed Deposit Works	2.61 crore			
		Non-accounting of outstanding liabilities	0.99 crore			
		Over statement of value of closing stock in the Annual Accounts for the year 2014-15	5.63 crore			
		Non provision towards Service Charges/VAT	6.35 crore			
		TOTAL	97.40 crore			48.70

Say ₹ 48.70crore

ANNEXURE-IV*(Referred to in Paragraph 1.12)***Position of outstanding ATNs****Ministry of Defence - excluding Ordnance Factory Board****(i) Pending for more than ten years**

Sl. No.	Report No. and Year	Para No.	Subject
1.	No. 2 of 1989	11**	Purchase and licence production of 155mm towed gun system and ammunition
2.	No.12 of 1990	9**	Contract with Bofors for (a) purchase and licence production of 155mm gun system and (b) Counter Trade
3.	No.8 of 1991	13*	Central Ordnance Depot, Agra.
4.	No.8 of 1993	29*	Import of mountaineering equipment and sports items
5.		31*	Avoidable payment of detention charges
6.	No. 7 of 1998	32*	Infructuous expenditure on procurement of substandard cylinders
7.	No. 7 of 2001	15**	Procurement of an incomplete equipment
8.	PA Report No. 7A of 2001	*ATN for 7 out of 42 paras yet to be received even for the 1 st time while one part ATN referred back to Ministry	Review of Procurement for OP VIJAY(Army)
9.	No. 6 of 2003	14*	Irregular recruitment of personnel
10	No. 6 of 2004	3.2*	Recoveries/Savings at the instance of Audit.
11	No. 6 of 2005	3.2*	Recoveries/savings at the instance of Audit
(ii) Pending more than 5 years up to 10 years			
12	Report No. 4 of 2007	3.5*	Recoveries/Savings at the instance of audit
13	PA Report No. PA 4 of 2008	Chapter I**	Supply Chain Management of General Stores and Clothing in the Army
14	Report No. CA 17 of 2008-09	2.7*	Non-renewal of lease of land occupied by Army Golf Club
15		3.5*	Utilisation of Government assets for non-governmental purposes

16	Report No.12 of 2010-11	3.6*	Recoveries/Savings at the instance of audit
17		2.1**	Defective import of SMERCH Multi Barrel Rocket Launcher System
18	PA Report No. 6 of 2010-11	Standalone Report*	Supply Chain Management of Rations in Indian Army
19	PA Report No. 14 of 2010-11	Standalone Report**	Canteen Stores Department
20	PA Report No. 35 of 2010-11	Standalone Report*	Defence Estates Management
21	PA Report No. 11 of 2011-12	Entire Report*	Special report on Adarsh Co-operative Housing Society, Mumbai
(iii) Pending more than 3 years up to 5 years			
22	Report No. 24 of 2011-12	3.1**	Extra expenditure due to acceptance of higher rates
23		3.14*	Recoveries and savings at the instance of Audit
24		5.2**	Non-completion of bridge after twelve years of sanction
25	PA Report No. 18 of 2012-13	3.1,3.2,4.5,5.8,5.9,5.11,5.14 & 7.3**	Performance Audit of the Medical Establishments in Defence Services
(iv) Pending up to 3 years			
26	Report No. 30 of 2013	2.1*	Improper management of Defence land
27		2.5*	Absence of effective controls resulting in non recovery of outstanding dues
28		3.7*	Recoveries, savings and adjustment in accounts at the instance of Audit
29	Report No. 35 of 2014	2.1*	Inordinate delay in indigenization of TATRA vehicles
30		2.2*	Procurement of unacceptable equipment valuing ₹27.32 crore
31		3.1***	Nugatory expenditure of ₹88.39 crore in the procurement of Chemical, Biological, Radiological and Nuclear (CBRN) Equipment
32		3.2*	Extra expenditure of ₹2.33 crore due to failure to accept the tender for procurement of tea within the validity period
33		3.3*	Loss of revenue due to non collection of metal scrap from Field Firing Range

34		3.6**	Recoveries, savings and adjustment in accounts at the instance of Audit
35		7*	Defence Grants-in-Aid Scheme of Defence Research and Development Organization
36	PA Report No. 19 of 2015	Entire Report***	Performance Audit on Ammunition Management in Indian Army
37	Report No. 44 of 2015	2.1*	Working of Cantonment Boards
38		2.2***	Non-availability of Specialized Parachutes
39		2.3*	Short recovery of interest on mobilization advance
40		3.1***	Functioning of Army Aviation Corps
41		3.2***	Shortfall in availability of BMP vehicle in Indian Army
42		3.3*	Unwarranted procurement of image intensifier sight for Commander of Tank T-55
43		3.4*	Excess procurement of stores
44		3.5***	Less deduction of Liquidated Damages
45		3.6*	Non-Installation of Hydraulic Test Benches
46		3.7***	Avoidable expenditure in procurement of Hi-Lo-Beds
47		3.8*	Recoveries, savings and amendment of annual accounts at the instance of Audit
48		4.1***	Loss due to excess payment and short recovery of electricity charges
49		4.2***	Inadequate monitoring of execution of a project
50		4.3***	Non utilization of assets
51		4.4***	Blockage of Government money due to conclusion of contracts without availability of site
52		4.5***	Infructuous expenditure due to procurement of substandard pipes
53		5.1**	Avoidable expenditure due to acceptance of contract at higher rates
54		5.2**	Under recovery of Services Tax from the contractors
55		5.3**	Delay in procurement of Water Truck resulted in extra expenditure
56		6.1*	Project Management in Terminal Ballistic Research Laboratory (TBRL) Chandigarh

57		6.2***	Information Technology Audit of SAP Enterprise Resource Planning System at Research Centre Imarat, Hyderabad
58	PA Report No. 51 of 2015	Entire Report***	PA on Implementation of Ex-servicemen Contributory Health Scheme
59	Report No. 19 of 2016	2.1***	Functioning of Director General Resettlement
60		2.2***	Supply Chain Management of Ration in Indian Army-Follow up Audit
61		2.3***	Procurement of Environmental Control Units found incompatible during exploitation
62		2.4***	Non-deduction of income tax on field allowances granted to Junior Commissioned Officers in the Army
63		2.5***	Short acquisition of land measuring 73.826 acres
64		3.1***	Unwarranted procurement of Radio Sets for trial purposes
65		3.2***	Irregular attachment of service personnel with private institute
66		3.3***	Irregular sanction of an additional laundry facility
67		3.4**	Recoveries, savings and adjustment in accounts at the instance of audit
68		4.1***	Inordinate delay in completion of works sanctioned for operational military requirements
69		4.2***	Non recovery of water charges from Personnel Below Officer Ranks
70		5.1***	Improper selection of sites for bridges
71		5.2***	Procurement of Cranes without proper need assessment
72		6.1*	Avoidable procurement of a mobile Nitrogen Gas Generator Plant
73		6.2*	Infructuous procurement of material

* ATNs examined by Audit but yet to be revised by the Ministry in the light of Audit remarks – 33

** ATNs vetted by Audit but finalized ATNs are awaited from Ministry – 14

*** Action Taken Notes not received even for the first time - 26

ANNEXURE-V*(Referred to in Paragraph 3.2.2.1)***Statement showing Availability of ammunition****(A) Ending March 2014**

Sl. No.	Range of days (D)	AFV	ARTY	AD	INF	DEMO	AVN	
01.	D < 10	12	36	11	13	03	02	77
02.	10 =<D <20	02	18	03	05	02	-	30
03.	20 =<D < 30	04	10	02	03	04	-	23
04.	30= <D < 40	03	05	01	07	02	-	18
05.	40=<D	02	03	-	10	11	04	30
Total		23	72	17	38	22	06	178

(B) Ending March 2015

Sl. No.	Range of days (D)	AFV	ARTY	AD	INF	DEMO	AVN	
01.	D < 10	14	22	05	11	03	01	56
02.	10 =<D <20	03	11	-	03	02	-	19
03.	20 =<D < 30	03	12	-	04	05	01	25
04.	30= <D < 40	02	04	01	05	01	02	15
05.	40=<D	01	03	-	10	11	02	27
Total		23	52	06	33	22	06	142

(C) Ending March 2016

Sl. No.	Range of days (D)	AFV	ARTY	AD	INF	DEMO	AVN	
01.	D < 10	14	29	6	12	3	1	65
02.	10 =<D <20	3	13	4	3	2	1	26
03.	20 =<D < 30	5	11	2	5	3	1	27
04.	30= <D < 40	1	4	0	5	2	2	14
05.	40=<D	NIL	5	1	10	12	1	29
Total		23	62	13	35	22	6	161

(D) Ending 30.09.2016

Sl. No.	Range of days (D)	AFV	ARTY	AD	INF	DEMO	AVN	
01.	D < 10	16	26	1	14	3	1	61
02.	10 =<D <20	1	13	3	2	2	1	22
03.	20 =<D < 30	5	12	1	6	2	NIL	26
04.	30= <D < 40	1	2	-	3	4	2	12
05.	40=<D	NIL	6	1	11	11	2	31
Total		23	59	6	36	22	6	152

Authority: Army HQ letter No. A/17974/Audit/2016-17/Vol-I/10/OS-6A
dated. 10.01.2017

ANNEXURE-VI

(Referred to in Paragraph 3.2.2.6)

Item-wise target, issue and shortfall during 2013-14 to 2016-17

Sl. No.	Name of the Ammunition	2013-14				2014-15			
		Target	Issue	Shortfall	% of Shortfall	Target	Issue	Shortfall	% of Shortfall
1	155 mm M 107	45000	37567	7433	17	23275	19883	3392	15
2	155 mm ERFB (BB)	21000	5980	15020	72	8000	1982	6018	75
3	155 mm ERFB(BT)	10000	5824	4176	42	52520	39791	12729	24
4	155 mm ERFB Illg.	0	0	0		2000	0	2000	100
5	130mm FVC	14500	11982	2518	17	20000	17964	2036	10
6	130mm RVC	110000	85811	24189	22	80000	97719	-17719	-22
7	125 mm HE	56000	32647	23353	42	40000	21730	18270	46
8	125 mm HEAT	20000	14407	5593	28	25000	14622	10378	42
9	125mm FSAPDS/T	0	0	0		0	0	0	
10	120 mm HESH	0	0	0		0	0	0	
11	120 mm FSAPDS	4500	650	3850	86	2200	0	2200	100
12	120 mm Mor HE	36000	25815	10185	28	50000	19748	30252	61
13	120mm Mor. Illg.	4000	1960	2040	51	6000	3902	2098	35
14	120mm Smoke PWP	5000	0	5000	100	5000	0	5000	100
15	105 mm TK HESH	0	0	0		0	0	0	
16	105 mm TK FSAPDS/T	0	0	0		0	0	0	
17	105 mm IFG HESH	0	0	0		0	0	0	
18	105mm Smoke (Red)	4000	5000	-1000	-25	6000	7000	-1000	-17
19	105mm Smoke (Orange)	4000	4000	0	0	6000	5997	3	0
20	105mm Smoke (Blue)	5000	5000	0	0	6000	6000	0	0
21	105mm Illg.	5500	7869	-2369	-43	10000	11834	-1834	-18
22	105 mm IFG N/Charge	200000	178118	21882	11	200000	116362	83638	42
23	105 mm IFG S/Charge	12000	11987	13	0	15000	14999	1	0
24	84 mm HE MK-II	30000	4725	25275	84	50000	44789	5211	10
25	84 mm HEAT 551 MK-III	60000	59581	419	1	60000	32715	27285	45
26	84 mm Illg	40000	32126	7874	20	40000	25079	14921	37
27	81 mm Mor. HE	250000	248385	1615	1	250000	244665	5335	2
28	81 mm Smoke PWP	50000	13975	36025	72	50000	47749	2251	5
29	81 mm Mor. Illg	50000	27582	22418	45	50000	35686	14314	29
30	81mm Smoke Grenade3D6	61000	1840	59160	97	50000	27281	22719	45
31	51 mm ILLG	50000	69999	-19999	-40	56000	56000	0	0
32	40 mm L/70/HE/1	170000	142644	27356	16	200000	162812	37188	19
33	30 mm AP/T	502000	108580	393420	78	450000	345953	104047	23
34	30mm HE/I	444800	47537	397263	89	450000	47828	402172	89
35	12.7mm AP/I	874000	726800	147200	17	740000	1050000	-310000	-42
36	12.7mm API/T	190500	91000	99500	52	285000	285000	0	0
37	Cartg SA 9 mm Ball MK 2z	10000000	10000000	0	0	17500000	13500000	4000000	23
38	SWITCH No. 10 TP WHITE	0	0	0		0	0	0	
39	CHG DEMO No. 1	5000	2014	2986	60	10000	0	10000	100
40	BANGALORE TORPEDO	3000	197	2803	93	15672	10563	5109	33
41	Fuze DA 117/M85P13 PD-1 Fuze 117 MK-20	150000	85179	64821	43	250000	228077	21923	9
42	Fuze-213 MK-5 M-2	20000	8360	11640	58	20000	1000	19000	95
43	Fuze B429/PD-2	50000	0	50000	100	50000	0	50000	100
44	Fuze PDM572/PD3A	25000	0	25000	100	50000	0	50000	100
45	PRIMER M 191 A2	125900	78488	47412	38	250000	248352	1648	1
46	Propellant Charge M4A2	15000	13749	1251	8	15000	15000	0	0
47	155 mm Charge M-8	0	0	0		13000	13000	0	0
48	155 mm Charge M-9	0	0	0		26000	4932	21068	81

Sl. No.	Name of the Ammunition	2015-16				2016-17				
		Target	Issue	Shortfall	% of Shortfall	Target	3/4 Target (upto Dec.16)	Issue (upto Dec. 16)	Shortfall	% of Shortfall
1	155 mm M 107	23262	25840	-2578	-11	24000	18000	24426	-6426	-36
2	155 mm ERFB (BB)	8000	3587	4413	55	7760	5820	1923	3897	67
3	155 mm ERFB(BT)	55000	53632	1368	2	55000	41250	27909	13341	32
4	155 mm ERFB Illg.	2000	0	2000	100	4000	3000	0	3000	100
5	130mm FVC	30000	29716	284	1	30000	22500	9525	12975	58
6	130mm RVC	70000	75585	-5585	-8	70000	52500	37148	15352	29
7	125 mm HE	40000	0	40000	100	40000	30000	0	30000	100
8	125 mm HEAT	25000	12629	12371	49	25000	18750	6693	12057	64
9	125mm FSAPDS/T	0	0	0		0	0	0	0	-
10	120 mm HESH	0	0	0		0	0	0	0	-
11	120 mm FSAPDS	2200	0	2200	100	2200	1650	0	1650	100
12	120 mm Mor HE	50000	25669	24331	49	50000	37500	27790	9710	26
13	120mm Mor. Illg.	6000	3776	2224	37	6000	4500	1953	2547	57
14	120mm Smoke PWP	5000	1961	3039	61	5000	3750	0	3750	100
15	105 mm TK HESH	0	0	0		0	0	0	0	-
16	105 mm TK FSAPDS/T	0	0	0		0	0	0	0	-
17	105 mm IFG HESH	0	0	0		0	0	0	0	-
18	105mm Smoke (Red)	6000	6992	-992	-17	6000	4500	0	4500	100
19	105mm Smoke (Orange)	6000	5999	1	0	6000	4500	4999	-499	-11
20	105mm Smoke (Blue)	6000	6991	-991	-17	6000	4500	1983	2517	56
21	105mm Illg.	10000	9805	195	2	10000	7500	0	7500	100
22	105 mm IFG N/Charge	200000	219949	-19949	-10	200000	150000	72499	77501	52
23	105 mm IFG S/Charge	15000	14706	294	2	15000	11250	990	10260	91
24	84 mm HE MK-II	50000	52239	-2239	-4	50000	37500	29010	8490	23
25	84 mm HEAT 551 MK-III	60000	64602	-4602	-8	60000	45000	4854	40146	89
26	84 mm Illg	40000	35410	4590	11	40000	30000	15726	14274	48
27	81 mm Mor. HE	250000	262362	-12362	-5	250000	187500	139080	48420	26
28	81 mm Smoke PWP	50000	32497	17503	35	50000	37500	13584	23916	64
29	81 mm Mor. Illg	50000	24957	25043	50	50000	37500	1399	36101	96
30	81mm Smoke Grenade3D6	50000	23480	26520	53	50000	37500	7920	29580	79
31	51 mm ILLG	56000	55000	1000	2	56000	42000	18500	23500	56
32	40 mm L/70/HE/1	200000	160063	39937	20	200000	150000	47797	102203	68
33	30 mm AP/T	450000	394222	55778	12	450000	337500	254880	82620	24
34	30mm HE/I	450000	46278	403722	90	450000	337500	52872	284628	84
35	12.7mm AP/I	740000	790000	-50000	-7	740000	555000	268000	287000	52
36	12.7mm API/T	285000	325000	-40000	-14	285000	213750	135766	77984	36
37	Cartg SA 9 mm Ball MK 2z	17500000	9500000	8000000	46	17500000	13125000	1949000	11176000	85
38	SWITCH No. 10 TP WHITE	0	0	0		0	0	0	0	
39	CHG DEMO No. 1	10000	297	9703	97	10000	7500	689	6811	91
40	BANGALORE TORPEDO	15500	11549	3951	25	15500	11625	3953	7672	66
41	Fuze DA 117/M85P13 PD-1 Fuze 117 MK-20	300000	235895	64105	21	300000	225000	67347	157653	70
42	Fuze-213 MK-5 M-2	20000	0	20000	100	50000	37500	0	37500	100
43	Fuze B429/PD-2	100000	0	100000	100	100000	75000	0	75000	100
44	Fuze PDM572/PD3A	50000	0	50000	100	50000	37500	0	37500	100
45	PRIMER M 191 A2	250000	268901	-18901	-8	250000	187500	80000	107500	57
46	Propellant Charge M4A2	15000	19212	-4212	-28	15000	11250	7053	4197	37
47	155 mm Charge M-8	13000	13000	0	0	13000	9750	6000	3750	38
48	155 mm Charge M-9	26000	28872	-2872	-11	26000	19500	4807	14693	75

ANNEXURE-VII

(Referred to in Paragraph 3.2.2.7)

Percentage of RFR of filled ammunition and components

Sl. No.	Factory	Ammunition/ Component	2013-14 Qty inspected Qty RFR (Percentage of RFR)	2014-15 Qty inspected Qty RFR (Percentage of RFR)	2015-16 Qty inspected Qty RFR (Percentage of RFR)	2016-17 Qty inspected Qty RFR (Percentage of RFR)	Reasons
1	OFBL	155mm ERFB (BT)	2539 116 (4.57)	-	-	13807 1967 (14.24)	Filling defects (2013-14) Loose strap binding in packing unit (2016-17)
2		Shell 130mm RVC	-	-	30028 425 (1.42)	-	Filling defect, bottom fiber ring missing, wrong stencilling
3		Shell 125mm HE	36985 1116 (3)	21970 590 (2.69)	-	-	Defects in filling, packing, rusty box, poor application of shellac varnish on explosive level
4		Round 30mm AP/T	-	-	-	138323 4928 (3.56)	Defective wax paper in packing
5		Fuze 117 MK-20	-	-	40174 1989 (4.95)	-	Wrong stencilling
6	OFCH	155mm ERFB (BB)	3999 91 (2.28)	-	-	3701 56 (1.51)	Improper stenciling /painting, incorrect mass zone marking, damage driving band
7		Round 125mm HEAT	13471 353 (2.62)	19316 550 (2.85)	12629 356 (2.82)	6693 167 (2.5)	Improper painting/ stencilling, damaged piezo generator cap, rusty box, rotten strap, high diameter/length
8		Bomb 81mm PWP	75125 2112 (2.81)	71165 1056 (1.48)	98245 2687 (2.73)	58115 1231 (2.12)	Improper painting/ stencilling, leakage, incorrect assembly of fuze/tail unit, broken augmentation cartg., low weight
9		Bomb 120mm Smoke PWP	-	-	4000 89 (2.23)	-	Improper painting/ stencilling/ red ringing, leakage, incorrect assembly of fuze /tail unit, broken augmentation cartg.
10	OFK	30mm AP/T	-	235511 24011 (10.19)	302301 9418 (3.10)	121000 4821 (3.90)	Stencilling defects, mismatch of cartg. case lot, shortage of rounds in box, failure of packed box in vacuum test
11	OFV	12.7mm AP/I	-	9.81 lakh 0.49 lakh (4.99)	-	-	Gauging defects (dimensional variation), failure in M.N. test
12		12.7mm API/T	-	-	4.39 0.24 (5.47)	-	Failure in AT test

ANNEXURE-VIII

(Referred to in Paragraph 3.2.2.7)

Percentage of RFR of empty components

Sl. No.	Ammunition/ Component	2013-14 Qty inspected Qty RFR (Percentage of RFR)	2014-15 Qty inspected Qty RFR (Percentage of RFR)	2015-16 Qty inspected Qty RFR (Percentage of RFR)	2016-17 Qty inspected Qty RFR (Percentage of RFR)	Reasons
	OFAJ					
1	Shell 155mm ERFB	-	49438 1671 (3.38)	61072 3517 (5.76)	-	Rust inside shell, improper phosphating, incorrect weight/length, defect in fuze/base thread,
2	Shell 130mm HE	-	63524 5081 (8)	43242 590 (1.36)	-	Rust inside shell, improper phosphating, incorrect weight/length, defect in fuze/base thread,
3	Fuze B-429 for 130mm Ammunition	-	21500 802 (3.73)	-	-	Defect in gauging
4	Metallic base SCCC for 125mm Ammn.	-	16206 2083 (12.85)	-	4088 1037 (25.37)	Dimensional variation in flange thickness, primer hole, internal thread, wall thickness
5	Fuze B-429E for 125mm Ammunition	-	10780 395 (3.66)	-	17248 2791 (16.18)	Gauging defects, variation in height
6	Fuze 162 MK-9	44968 1412 (3.14)	63364 1765 (2.79)	47012 5350 (11.38)	4088 117 (2.86)	Visual defects
7	84mm CG Cartg.	206142 10417 (5.05)	239169 8904 (3.72)	238090 9823 (4.13)	178037 9748 (5.48)	Gauging defects, variation in length & plate gauge, chamber gauge wrapping
8	Tail unit 1A	-	465635 27545 (5.92)	404900 25722 (6.35)	190303 22807 (12)	Dimensional & Visual defects
9	Fuze 162 MK-8	59276 1685 (2.84)	12264 239 (1.95)	30660 3234 (10.55)	-	Dimensional & Visual defects
	OF Kanpur					
10	Bomb Body 51mm Illg.	123932 16605 (13.4)	85798 21966 (25.6)	58955 5127 (8.7)	58713 5601 (9.54)	Minor line outside burst, rusting, collar dia high, low length/weight/body dia, crack, visual deformities
11	Shell 105mm IFG SMK BE 3A	22727 511 (2.25)	38758 1227 (3.17)	22502 6872 (30.54)	20023 10575 (52.81)	Tool mark, crack, dimensional deviation
12	Shell 130mm HE	68038 23808 (34.99)	28903 12341 (42.7)	47808 31617 (66.13)	17447 9092 (52.11)	Deep tool mark, black spot, bottling defect, dimensional deviation

Sl. No.	Ammunition/ Component	2013-14 Qty inspected Qty RFR (Percentage of RFR)	2014-15 Qty inspected Qty RFR (Percentage of RFR)	2015-16 Qty inspected Qty RFR (Percentage of RFR)	2016-17 Qty inspected Qty RFR (Percentage of RFR)	Reasons
13	Shell 155mm HE M107	26664 19921 (74.71)	30566 14613 (47.81)	24979 10584 (42.37)	25160 12138 (48.24)	Step on internal cavity, deep tool mark, bottling defect, dimensional deviation, improper painting
14	Tail unit 8A	-	30608 6336 (20.7)	-	-	Improper surface finish, dimensional deviation
15	Shell 105mm Illg.	13350 662 (4.96)	10772 459 (4.26)	9696 4872 (50.25)	2607 1976 (75.8)	Tool mark, crack, improper varnishing, dimensional deviations
	GSF					
16	Empty Shell 30mm AP/T	99889 20198 (20.22)	-	-	-	Low hardness, improper copper band fitting, cut mark, excess mineral jelly inside cavity, machining defects
17	Empty Shell 30mm HE/I	55942 14970 (26.76)	5040 5040 (100)	-	-	Improper phosphating/ varnish, machining defects, variation in thickness,
18	Empty Shell 125mm HEAT*	12143 3859 (31.78)	9252 1028 (11.11)	21552 2056 (9.54)	-	Deep tool mark and deposition of black paint inside cavity wall of shell, dimensional and thickness variation at nose end, high hardness, leaks in cone assembly, etc.
19	Fuze B-15 (Detonator Device (DD) & Piezo Generator (PG))	36317* 6055 (16.67) (Combined DD&PG)	DD 14595 14595 (100) PG 13682 9592 (70.11)	DD 18882 14686 (77.78) PG 18522 6174 (33.33)	-	Rust in striker, dimensional deviation in slider, striker, stopper & sleeve, leakage in DD & PG assembly, tool mark, pin hole, corrosion,
	OFK					
20	Cartg. Case for 40mm L/70	82679 4829 (5.84)	66408 6643 (10)	-	-	-
	OF Katni					
21	Cartg. Case 130mm	14245 662 (4.65)	29703 2034 (6.85)	31805 1167 (3.67)	16730 1392 (8.32)	-

* RFR declared in QA stage by SQAE though not mandated.

ANNEXURE-IX

(Referred to in Paragraph 3.2.2.8)

Details of rejection of filled ammunition/components by SQAE/CQA(A)

Year	Items	Factory involved	No. of Lots/ Quantity rejected	Cost of rejection (₹ in cr.)	Reasons of rejection
	155mm				
2016-17	M 107	OFBL	2/4008	12.62	Partial detonation (Fuze function only) and shell blind
2014-15	ERFB (BT)	OFCH	1/2023	8.60	Deviation in the ZD line higher than specified
		OFBL	1/2013	8.83	
2015-16	ERFB (BT)	OFBL	1/2013	9.36	
2016-17	ERFB (BT)	OFCH	1/2023	9.10	
				48.51	
	130 mm				
2013-14	RVC	OFBL	1/2004	3.97	Premature functioning of round in front of muzzle
2015-16	Shell 130mm filled	OFCH	2/4010	6.34	Non-achievement of target range and damage in muzzle brake of weapon
				10.31	
	125 mm				
2015-16	HEAT	OFCH	1/1010	5.44	Deposition of copper slug in hole of the round, failure of round in penetration proof
	120 mm				
2014-15	MOR HE	OFCH	1/2008	3.45	Round recorded misfire
	84mm				
2016-17	HE MK-II	OFK	2/1939	3.27	Ground burst and misfire: lots under investigation by OFK
2016-17	ILLG	OFK	1/959	1.67	Low bursting time: lot under investigation by OFK
				4.94	
	81mm				
2013-14	81mm Mor. HE	OFCH	2/4026	2.78	Round recorded complete detonation
2014-15		OFCH	4/8052	6.22	Round recorded complete detonation, short-ranging
		AFK	1/1969	1.45	High SD, Bomb Blind
2015-16		OFCH	2/4026	3.27	Round recorded complete detonation, bomb blind
		AFK	5/10063	9.04	High Standard Deviation, blind and misfire
2016-17		OFCH	5/10025	8.15	Round recorded complete detonation
		AFK	8/16039	12.78	High Standard Deviation
2014-15		81mm SMK PWP	OFCH	1/2005	1.59
2015-16	OFCH		3/6015	4.95	Round recorded short ranging, ground burst, no/less smoke
2016-17	OFCH		1/2005	1.65	Round recorded ground burst

Year	Items	Factory involved	No. of Lots/ Quantity rejected	Cost of rejection (₹ in cr.)	Reasons of rejection
2013-14	81mm illuminating	OFDR	8/8000	6.34	Parachute failure, ground burst, non-opening of para, Fast descent causing ground burning, detachment of candle from para, misfire,
2014-15		OFDR	3/3000	2.68	
2015-16		OFDR	4/4000	4.05	
				64.95	
	51mm				
2013-14	51mm Illuminating	OFDR	1/2000	0.65	Premature
2014-15		OFDR	1/2000	0.86	Premature, non-opening of para
2016-17		OFDR	2/4000	1.69	Blind and premature
				3.2	
	30mm				
2013-14	30 mm AP/T	OFBL	2/9920	3.87	Misfire in dynamic proof
2015-16		OFBL	2/9912	4.18	Misfire and individual pressure of round more than specified
		OFK	2/9558	4.56	Low tracer time and high pressure
2016-17		OFBL	2/9804	5.00	Individual pressure of round more than specified
		OFK	1/4829	2.30	High pressure
2014-15	30mm HE/I	OFK	1/4720	3.90	Misfire
				23.81	
	9 mm				
2013-14	Cartg. 9mm Ball	AFK	5/2450000	5.10	Failed in functioning, casualty and velocity proof
2016-17	Primer 191 A2	AFK	3/30000	1.77	Failed in static and dynamic proof
2015-16	Fuze 117 MK-20 (filled)	OFCH	1/2013	0.54	Round recorded blind in filled functioning proof
2014-15	Fuze B429 (filled)	OFCH	1/2080	1.51	Round recorded blind in proof due to failure of fuze in transmitting detonation wave to shell
2015-16	155mm Charge M-9	OFI	1/1000	3.69	High average copper gauge pressure
2014-15	Fuze B-15 (filled) for 125mm HEAT	OFCH	1/2040	1.21	Round recorded blind in functioning proof
2016-17		OFCH	2/4080	1.79	
				3.00	
2016-17	Fuze B-429E (filled) for 125mm HE	OFCH	1/2120	0.76	Delay distance of rounds recorded less than specified
2013-14	125mm Semi combustible cartg case (filled)	OFCH	3/6024	8.10	Flame observed in fighting compartments in rounds during filled proof
2014-15		OFCH	1/2008	2.70	
				10.80	

Grand Total 191.78

ANNEXURE-X

(Referred to in Paragraph 3.2.2.8)

Details of rejection of empty components by SQAE/CQA(A)

Year	Items	Factory involved	No. of Lots/ Quantity rejected	Cost of rejection (₹ in cr.)	Reasons of rejection	
	Empty Shell 155mm					
2015-16	M 107	OF Kanpur	1/1997	3.14		
2014-15	ERFB (BB/BT)	OFAJ	1/2000	8.11	Land engraving on shell body above driving band	
2015-16			3/6000	21.09		
2016-17			2/4000	14.06		
						46.40
	130 mm					
2013-14	Cartg. Case	OFK	1/2225	2.80	Failure in proof	
	125 mm					
2014-15	HEAT (empty shell)	GSF	1/1010	4.11	Failure in VTC proof i.e. horizontal and vertically probable error beyond specified limit, Joint investigation (April 2015) recommended replacement of defective grub screw	
	51mm					
2013-14	51mm Bomb Body	OF Kanpur	1/2028	0.09	Set up/down beyond permissible limits & Bomb body laterally pressed to rib	
2014-15			2/4056	0.21		
2015-16			9/18258	1.03		Bomb body laterally pressed to rib/towards Tail Unit
2016-17			2/4056	0.23		Bomb body laterally pressed towards Tail Unit
				1.56		
	30mm (Empty Shell)					
2013-14	30 mm AP/T	GSF	4/20000	2.00	Failure in penetration proof: higher/lower size of copper band diameter, deviation in concentricity aspect resulting in unsteadiness in flight	
2014-15			2/10000	1.02	lateral dispersion more than specified	
2015-16			5/25000	3.66	Non-penetration of round	
2016-17			6/30000	4.39	Non-penetration of round	
2014-15	30 mm AP/T	OFK	1/5000	0.23	Non-penetration of round	
2015-16			3/14990	0.67	Non-penetration of round	
2016-17			5/24936	1.11	Non-penetration of round	
				13.08		
2013-14	30mm HE/I	OF Kanpur	2/9786	0.84	Standard deviation higher than specified	
		GSF	8/40000	4.71	Failed in accuracy proof	

Year	Items	Factory involved	No. of Lots/ Quantity rejected	Cost of rejection (₹ in cr.)	Reasons of rejection
2015-16		OF Kanpur	1/4892	0.56	Vertical and lateral dispersion higher than specified
2016-17		GSF	1/5000	0.56	Dispersion more than specified and shell broken in flight
				6.67	
2014-15	Fuze B429 (empty) for 130mm Ammn.	OFAJ	8/16000	5.68	Blind, premature functioning, partial detonation and delay
2013-14	Fuze A670M for 30mm HE/I	GSF	3/15000	1.71	Blind, fuze functioned on butt,
2014-15			5/25000	3.17	Blind, fuze functioned on butt, safety lock Assy. malfunctioning,
2015-16			3/15000	2.50	Blind, igniter/safety lock malfunctioning,
2016-17			4/20000	3.33	Blind, fuze functioned on butt
2013-14	Fuze A670M for 30mm HE/I	OFK	1/5095	1.25	Fuze not functioned on hitting the target
2014-15			4/20500	5.49	
2015-16			3/15299	4.15	
				21.6	
2014-15	Fuze B-15 (empty) for 125mm HEAT	GSF	2/4080	0.68	Blind, premature functioning
2015-16		GSF	2/4080	0.92	Blind
				1.6	
2013-14	Fuze 162 MK-9 (empty) for Bomb 120mm HE	OFAJ	1/2000	0.25	Rounds showed blind at Charge-7
2015-16		OFAJ	1/2000	0.25	
				0.5	
2013-14	Fuze 162 MK-8 (empty) for Bomb 81mm HE	OFAJ	2/4000	0.6	Rounds showed blind at Charge-1 and 8
2014-15		GSF	5/10090	1.50	Blind and complete detonation
			2/4036	0.65	
2015-16		GSF	4/8072	1.25	Lead segregation near blow hole, crack observed in fuze body and blind
				4.00	
2013-14	Tail unit 1A for 81mm Bomb	OFAJ	10/40000	2.28	High standard deviation and short mean range
2014-15		OFAJ	1/4000	0.30	
2015-16		OFAJ	10/40000	2.57	
				5.15	
2015-16	Tail unit 2A for 120mm Bomb	OF Kanpur	1/2008	0.85	Standard deviation higher than high
2016-17		OF Kanpur	4/8032	3.39	
				4.24	
2013-14	Tail unit 8A for 51mm HE	OF Kanpur	2/8114	0.46	Mean range less than specified
2015-16		OF Kanpur	3/12210	1.42	
				1.88	

Grand total

119.27

ANNEXURE-XI

(Referred to in Paragraph 7.1.2.6)

Details of Cost of Production and Value of Issues

(₹ in crore)

	M&C	WV&E	A&E	AV	OEF	Total
Cost of Production						
2011-12	2,074.90	3,812.50	5,266.51	3,818.35	961.17	15,933.43
2012-13	2,363.68	3,693.91	5,285.98	3,515.71	1,113.16	15,972.44
2013-14	2,286.95	3,655.37	5,517.54	2,930.54	1,246.27	15,636.67
2014-15	2,518.20	4,084.51	6,017.46	2,536.31	1,319.25	16,475.73
2015-16	2,740.60	3,897.10	6,844.32	3,294.47	1,517.58	18,294.07
Value of Issue						
2011-12	2,321.00	4,176.00	5,662.00	4,239.00	875.00	17,273.00
2012-13	2,516.28	4,109.93	5,540.77	3,836.42	1,115.90	17,119.30
2013-14	2,382.40	3,966.44	5,584.44	2,926.91	1,261.91	16,122.10
2014-15	2,676.65	3,937.18	6,128.84	2,519.04	1,402.66	16,664.37
2015-16	2,896.31	3,953.51	6,961.70	2,949.83	1,862.59	18,623.95
Breakup of cost of 2015-16 (with % of COP)						
Material	1,310.14	1,891.32	4,519.26	2,176.39	657.46	10,554.57
	(47.81%)	(48.53%)	(66.03%)	(66.06%)	(43.32%)	(57.69%)
Labour	329.59	491.25	541.29	285.67	392.35	2,040.15
	(12.03%)	(12.61%)	(7.91%)	(8.67%)	(25.85%)	(11.15%)
Direct Expense	132.25	49.12	60.86	49.36	6.21	297.80
	(4.83%)	(1.26%)	(0.89%)	(1.50%)	(0.41%)	(1.63%)
FOH	708.59	1018.71	1430.49	578.98	354.22	4,090.99
	(25.86%)	(26.14%)	(20.90%)	(17.57%)	(23.34%)	(22.36%)
VOH	260.02	446.7	292.43	204.07	107.34	1,310.56
	(9.49%)	(11.46%)	(4.27%)	(6.19%)	(7.07%)	(7.16%)
Total	2,740.59	3,897.10	6,844.33	3,294.47	1,517.58	18,294.07
Inventory position						
Stores in hand	643.23	1,256.41	2,507.31	2,142.32	189.41	6,738.68
WIP	417.54	1,091.69	1,132.13	1,438.04	66.95	4,146.35
Finished Stock	349.07	344.42	244.02	575.92	21.50	1,534.93
Stores in transit	66.94	188.5	620.47	111.59	0.88	988.38
Total	1,476.78	2,881.02	4,503.93	4,267.87	278.74	13,408.34
<i>Source : Annual Accounts of the Ordnance Factories for the year 2011-12 to 2015-16</i>						

ANNEXURE-XII

(Referred to in Paragraph 7.4.2)

Year-wise break-up of outstanding warrants as of 31 March 2015

Year of Issue	No. of Outstanding Warrants
1999-00	2
2004-05	8
2005-06	3
2006-07	3
2007-08	8
2008-09	17
2009-10	27
2010-11	51
2011-12	53
2012-13	186
2013-14	3490
2014-15	20858
Total	24706

