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**STANDING COMMITTEE
ON DEFENCE
(1996-97)**

ELEVENTH LOK SABHA

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (1997-98)

FIFTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1997/Vaisakha, 1919 (Saka)

LC

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FIFTH REPORT

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(ELEVENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (1997-98)

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Presented to Lok Sabha on..... 3.0 APR 1997
Laid in Rajya Sabha on.....

2 MAY 1997



LOK SABHA SECRETARIAT
NEW DELHI

April, 1997/Vaisakha, 1919 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE
(1996-97)

Shri B.K. Gadhvi — *Chairman*

Lok Sabha

2. Shri Jaswant Singh
3. Smt. Sushma Swaraj
4. Shri Banwari Lal Purohit
5. Shri Baburao Paranjpe
6. Lt. Gen. (Shri) Prakash Mani Tripathi
7. Shri Rajendra Agnihotri
8. Dr. Chhatrapal Singh
9. Dr. Vallabhbhai Kathiria
10. Shri Ram Chandra Benda
11. Shri Nihal Chand
12. Col. Sona Ram Choudhury
13. Dr. Mallikarjun
14. Shri Shivraj V. Patil
- *15. Shri Rajesh Pilot
16. Shri P. Upendra
17. Shri P. Namgyal
18. Maj. Gen. Bikram Singh
19. Smt. Nisha Amarsinh Chaudhary
20. Shri H.D. Kumaraswamy
21. Shri Hannan Mollah
22. Shri A. Sampath
23. Shri C. Narasimhan

* Ceased to be Member w.e.f. 8.10.96

24. Shri Pratap Singh
25. Shri T. Nagaratnam
26. Shri Raja Ram Parasram Godse
27. Shri Nitish Kumar
28. Shri Major Singh Uboke
29. Shri Madhavrao Scindia
- *30. Shri Suresh Kalmadi
- **31. Shri Bhanu Prakash Mirdha

Rajya Sabha

32. Shri Sushil Kumar Sambhajirao Shinde
33. Shri Peter S. Alphonse
34. Shri Lachman Singh
35. Shri Satchidananda
36. Shri Surendra Kumar Singh
37. Shri K.R. Malkani
38. Shri Satish Agarwal
39. Shri N. Thangaraj Pandian
40. Shri Adhik Shirodkar
41. Shri Suresh A. Keswani
- **42. Prof. Ram Kapse

SECRETARIAT

- | | |
|------------------------------|------------------------|
| 1. Dr. A.K. Pandey | — Additional Secretary |
| 2. Shri V.N. Gaur | — Director |
| 3. Shri K.D. Muley | — Assistant Director |
| 4. Shri Pawan Kumar | — Committee Officer |
| 5. Shri Kulmohan Singh Arora | — Reporting Officer |

* Nominated w.e.f. 8.10.96.

** Nominated w.e.f. 5.11.96.

*** Nominated w.e.f. 26.2.97.

INTRODUCTION

1, the Chairman, Standing Committee on Defence (1996-97) having been authorised by the Committee to submit the Report on their behalf, present this Fifth Report on Demands for Grants of the Ministry of Defence for the year 1997-98.

2. The Demands for Grants of the Ministry of Defence for the year 1997-98 were laid on the Table of the House on 17th March, 1997.

3. The Committee took evidence of the representatives of the Ministry of Defence on 7th and 8th April, 1997. The Committee considered and adopted the Report at their sitting held on 21st April, 1997.

4. The Committee wish to express their thanks to the officers of the Ministry of Defence for the cooperation extended by them in furnishing information in a very short span of time which they desired in connection with the examination of Demands for Grants of the Ministry for 1997-98 and for sharing with the Committee their views, perceptions concerning security concerns, Defence capability, modernisation/upgradation programmes and re-equipment schemes and resource constraints which came up for discussion during evidence.

5. For reference facility and convenience, the observations/recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI;
21 April, 1997

1 Vaisakha, 1919 (Saka)

B.K. GADHVI,
Chairman,
Standing Committee on Defence.

REPORT

GENERAL

(i) Introductory

The Security environment of the country continues to be a matter of concern. Though our renewed gestures of friendship have received encouraging response, the covert and overt processes of upgradation of armament and other activities and plans in our neighbourhood with long term implications can not be ignored.

2. Despite these developments the Defence preparedness has not received the priority it deserves. The capital acquisitions have lagged far behind the targets visualised in modernisation and re-equipment plans of the Armed Forces. The uncertain and inadequate flow of funds during the last decade when Defence Five year plans could not be finalised or finalised very late due to the inability of the Government to make long term financial commitments betrays the sense of complacency which our country can not afford. The critical Defence related R&D efforts have also stagnated, as in the area of missile development, in the absence of clear positive directions from the Government.

3. The Budget proposals of the Ministry of Defence for the year 1997-98 have been examined in the following paragraphs.

4. The Budget proposals of Ministry of Defence are contained in seven Demands for Grants *i.e.* Demand Nos. 15 to 21. Demand Nos. 15 and 16, known as Civil Demands for Grants of the Ministry of Defence, cater to the requirements for the civil expenditure of the Ministry of Defence and Demand Nos. 17 to 21 to the budgetary requirements of the Defence Services.

5. The budgetary requirements for the Defence Services are included in the following five Demands for Grants presented to Parliament :—

- Demand No. 17, Defence Services —Army
- Demand No. 18, Defence Services — Navy
- Demand No. 19, Defence Services — Air Force
- Demand No. 20, Defence Ordnance Factories
- Demand No. 21, Capital Outlay on Defence Services.

6. The 'running' or 'operating' expenditure of the three Services and other Departments *viz.* Defence Research and Development Organisation (DRDO), Director General of Ordnance Factories (DGOF), Directorate General of Quality Assurance (DGQA), National Cadet Corps (NCC), Directorate General Aeronautical Quality Assurance (DGAQA) and Directorate of Standardisation, are provided under the Demand Nos. 17 to 20, which cater to the Revenue expenditure, while the fifth, *viz.*, Capital Outlay on Defence Services, caters to the expenditure incurred on building or acquiring durable assets. The Demand No. 17 (Defence Services—Army) caters to the Revenue expenditure of Army, NCC, R&D and DGQA.

7. The Revenue expenditure includes expenditure on Pay & Allowances, Transportation, Revenue Stores (like Ordnance stores, rations, petrol, oil and lubricants, spares, etc.) and supplies by Ordnance Factories, Revenue Works (which include maintenance of buildings, water and electricity charges, rents, rates and taxes etc.) and other miscellaneous expenditure. The Capital Expenditure includes expenditure on land, construction works, plant and machinery, equipment, Naval Vessels, Dockyards etc. From 1987-88, expenditure on procurement of Aircraft and Aeroengines is shown as Capital Expenditure. From the same year, expenditure on procurement of Heavy and Medium Vehicles as well as Other Equipment, which have a unit value of Rs. 2 lakhs and above and a life span of 7 years or more is shown as Capital expenditure.

8. Approval of Parliament is taken for the 'gross' expenditure provision under different Demands for Grants. Receipts and Recoveries, which include items like sale proceeds of surplus/obsolete stores, receipts on account of services rendered to State Governments/other Ministries, etc. and other miscellaneous items are deducted from the gross expenditure to arrive at the net expenditure on Defence Services. What is accepted in common parlance as the Defence Budget is the net expenditure thus arrived at for the five Demands, *viz.* Demand Nos. 17 to 21.

(ii) Budget Estimates 1997-98 of Defence Services

9. The Budget Estimates of the Defence Services for the year 1997-98, as compared with the Budget and Revised Estimates for 1996-97 and the actual expenditure during the year 1995-96, are summarised below :

(Rs. in crores)

	Actuals 1995-96	Budget Estimates 1996-97	Revised Estimates 1996-97	Budget Estimates 1997-98
REVENUE EXPENDITURE				
Gross Expenditure : Voted	19924.30	19962.21	22030.61	24123.24 + 3620.00*
Charged	4.99	14.21	18.07	14.02
Total	19929.29	19976.42	22048.68	24137.26 +3620.00*
Receipts & Recoveries				
	1088.05	1121.83	1066.09	1044.26
Net Revenue Expenditure	18841.24	18854.59	20982.59	23093.00 +3620.00*
CAPITAL EXPENDITURE				
Gross Expenditure : Voted	8010.37	8936.75	8506.85	8900.64
Charged	7.31	7.13	9.03	6.36
Total	8017.68	8943.88	8515.88	8907.00

	Actuals 1995-96	Budget Estimates 1996-97	Revised Estimates 1996-97	Budget Estimates 1997-98
Recoveries on Capital Account	2.63	—	—	—
Net Capital Expenditure	8015.05	8443.88	8515.88	8907.00
Net Revenue & Capital Expenditure	26856.29	27798.47	29498.47	3200.00 +3620.00*

* Provision is made for implementation of 5th Pay Commission Report to cover additional expenditure on Pay and Allowances and retirement benefits of Defence Services Personnel including Defence Civilians of all the Services and Departments.

(iii) Civil Estimates of the Ministry of Defence

10. The requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department etc., including share Capital contributions made/loans advanced to Defence Public Sector Undertakings and Defence Pensions, are provided for in two separate Civil Demands i.e. Demand Nos. 15 and 16. These are not included in the overall Defence Allocation of Rs. 35620.00 crores in 1997-98 which includes Rs. 3620 crores earmarked for implementation of 5th Pay Commission Report. With effect from 1.4.96, provision for the Defence Estates Organisation has been made in the Civil Estimates of the Ministry of Defence, which was catered for under the Demand No. 17—Army, earlier.

The requirements of the Coast Guard Organisation and the Border Roads Organisation are provided for by the Department of Revenue and the Ministry of Surface Transport, respectively.

11. The provisions in 1996-97 and 1997-98 under Demand No. 15 are given below :

(Rupees in Crores)

	BE 1996-97	RE 1996-97	BE 1997-98
Gross Revenue	2156.68	2239.12	2391.66
Capital	34.68	34.02	27.34
Gross Expenditure	2191.36	2273.14	2419.00
Receipts (CSD)	(-) 1942.41	(-) 2043.87	(-) 2120.00
Amount met from N.R.F.	(-) 8.00	(-) 8.32	(-) 9.00
Net Expenditure	240.95	220.95	290.00

(Break up given in Annexure VII)

The major components of gross Revenue expenditure in Revised Estimates 1996-97 are CSD (Rs. 1934.35 crores), Defence Accounts Department (Rs. 243.04 crores), Defence Estates Organisation (DEO) (Rs. 25.40 crores) and Ministry of Defence Secretariat (Rs. 21.38 crores).

In the Capital outlay of Rs. 34.02 crores in Revised Estimates 1996-97, the major allocations are for the Capital Outlay on Housing/Office Buildings (Rs. 21.50 crores) and Loans for Water Supply Schemes etc. (Rs. 12.52 crores).

12. The provisions for Defence Pensions and other retirement benefits in 1996-97 and 1997-98 under Demand No. 16 are as under :—

(Rupees in Crores)			
	BE 1996-97	RE 1996-97	BE 1997-98
Pension and other retirement benefits	3300.00	3683.00	3715.00

(Break up given in Annexure VIII)

(iv) Analysis of Defence Services Estimates

13. The main features arising out of an analysis of the Defence Services Estimates for the year 1997-98, in general, are dealt with in the succeeding paragraphs.

Allocations for 1996-97

14. As indicated earlier the provision for Defence Services under Demand Nos. 17 to 21 for 1996-97 in the Budget Estimates (BE) was Rs. 27798.47 crores and that in the Revised Estimates (RE) is Rs. 29498.47 crores, reflecting an increase of Rs. 1700 crores and a percentage increase of 6.11%. Compared to the actuals of 1995-96, (Rs. 26856.28 crores), the RE for 1996-97 shows an increase of Rs. 2642.19 crores and a percentage increase of 9.84%.

The Demand-wise position is as under :

(Rupees in Crores)		
Demand	BE 1996-97	RE 1996-97
1. Army (Revenue expdr. of Army, NCC, R&D and DGQA)	13367.19	14564.91

Demand	BE 1996-97	RE 1996-97
2. Navy (Revenue expdr. of Navy)	1870.46	2090.92
3. Air Force (Revenue expdr. of Air Force)	4057.99	4532.78
4. Defence Ordnance Factories (Revenue expdr. of Ord. Factories)	680.78	860.07
5. Capital Outlay on Defence Services (Capital expdr. of all Services/Deptts.)	8943.88	8515.88
Total Gross Expenditure	28920.30	30564.56
Receipts/Recoveries	(-) 1121.83	(-) 1066.09
Total (Net)	27798.47	29498.47

15. Out of the Revised Estimates of Rs. 29498.47 crores for 1996-97, the provision for Revenue expenditure is Rs. 20982.59 crores, while that for Capital expenditure is Rs. 8515.88 crores. The major components of the net Capital expenditure are Land—Rs. 35.50 crores, Works Rs. 1235.06 crores, Aircraft—Rs. 2850.00 crores, Heavy and Medium Vehicles—Rs. 199.34 crores, Other Equipment—Rs. 2473.71 crores, Naval Fleet—Rs. 1440.75 crores, Machinery and Equipment for Ordnance Factories—Rs. 90.00 crores and other items—Rs. 191.52 crores.

Allocations for 1997-98

16. The Budget Estimates for 1997-98 work out to Rs. 33044.26 crores (Gross) and Rs. 32000.00 crores (Net). An additional amount of Rs. 3620 crores has also been provided for implementation of Fifth Pay Commission Report to cover additional expenditure on Pay and Allowances and retirement benefits of Defence Services Personnel including Defence Civilians of all the Services and Departments. This provision has been presently reflected by Ministry of Finance in the Demand for Grants under Army, which would have to be finally re-appropriated to various Demands for Grants after the Government decision on Fifth Pay Commission recommendations.

The Demand-wise position is as under :

(In crores of Rupees)

Demand	RE 1996-97	BE 1997-98
1. Army (Revenue expdr. of Army, NCC, R&D and DGQA)	14564.91	15894.45 (+) 3620.00#
2. Navy (Revenue expdr. of Navy)	2090.92	2301.15
3. Air Force (Revenue expdr. of Air Force)	4532.78	4979.00
4. Defence Ordnance Factories (Revenue expdr. of Ord. Fact.)	860.07	962.66
5. Capital Outlay on Defence (Capital expdr. of all Services/ Depths.)	8515.88	8907.00
Total Gross Expenditure	30564.56	33044.26 (+) 3620.00#
Receipts/Recoveries	(-) 1066.09	(-) 1044.26
Total (Net)	29498.47	32000.00 (+) 3620.00#

17. A comparison of the Service/Department-wise allocations in R.E. 1996-97 and B.E. 1997-98 is given below :

(Rupees in crores)

Service* Deptt.	R.E. 1996-97	%age of Total Budget	B.E. 1997-98	%age of Total Budget	Details Shown in
Army	15742.34	53.37%	16537.05 (+) 3620.00 #	51.68%	Annexure I
Navy	3994.55	13.54%	4156.09	12.99%	Annexure II

Service* Deptt.	R.E. 1996-97	%age of Total Budget	B.E. 1997-98	%age of Total Budget	Details Shown in
Air Force	7551.57	25.60%	8786.15	27.45%	Annexure III
DGOF	547.00	1.85%	624.05	1.95%	Annexure IV
R&D	1457.67	4.94%	1676.00	5.24%	Annexure V
DGQA	205.34	0.70%	220.66	0.69%	Annexure VI
Total	29498.47	100%	32000.00 (+) 3620.00 #	100%	

* Net Revenue plus Capital provision has been shown here.

For implementation of Fifth Pay Commission Report in respect of all Defence Services and Departments.

Category-wise break up

18. The Gross Revenue Expenditure in the Budget Estimates for 1997-98 is 73.05% as compared to 72.14% in the Revised Estimates 1996-97. The Gross Capital Expenditure in the Budget Estimates 1997-98 is 26.95% as against 27.86% in the Revised Estimates 1996-97.

The Net Revenue Expenditure in the Budget Estimates for 1997-98 is 72.17% as compared to 71.13% in the Revised Estimates, 1996-97. The Net Capital Expenditure in the Budget Estimates 1997-98 is 27.83% as against 28.87% in the Revised Estimates 1996-97.

Growth of Defence Expenditure *vis-a-vis* other Economic Parameters

19. The following table shows Defence expenditure as percentage share of the total Central Government expenditure as well as a percentage of GDP.

Year	Def. Exp. as %age of Central Govt. Expdr.	Def. Exp. as %age of GDP
1985-86	16.10	3.05
1986-87	17.55	3.58
1987-88	18.39	3.59
1988-89	17.81	3.37
1989-90	15.52	3.16
1990-91	14.65	2.88
1991-92	14.67	2.65
1992-93	14.34	2.49
1993-94	15.40	2.70
1994-95	14.46	2.44
1995-96	15.06	2.44
1996-97 (RE)	14.58	—
1997-98 (BE)	15.34	—

(v) Projection/Allocation of Funds for Services

20. The Committee were informed that the Ministry of Defence had assessed requirements of funds for various Services/Departments, to the tune of Rs. 36901.26 crores for 1997-98. That, however, did not take into account the effects of Fifth Pay Commission.

21. The Service-wise break-up of funds sought by Defence Services, funds projected by Defence Ministry to the Finance Ministry and funds provided in the Budget by the Ministry of Finance for the year 1997-98 for modernisation/re-equipment plans are as under :—

(Rs. in crores)

Services/ Departments	Projected by Service HQrs	Recommended by MOD	Allocated by MOF
Army	3938.34	2703.98	1708.88
Navy	3103.78	2513.25	1828.99
Air Force	5624.63	4807.67	3817.40
Total :	12666.75	10024.90	7355.27

22. The Ministry of Defence would need a minimum enhancement of Rs. 4901 crores during 1997-98 as per the estimation at the Budget Estimates stage for various Services/Departments. The Finance Minister in his Budget Speech has promised that any additional requirement of Defence for Capital Expenditure will be adequately provided for during the course of the year.

23. The Committee note that the Ministry of Defence had assessed requirements of funds for various Services/Departments, to the tune of Rs. 36901.26 crores for 1997-98 without taking into account the effects of Fifth Pay Commission. The Committee also note that the Defence Budget of Rs. 35,620 crores for the year 1997-98 amounts to Rs. 6,122 crores (20.75%) increase over that of the previous year. If the component of Rs. 3,620 crores for implementation of the Fifth Pay Commission recommendations is excluded, the actual budgetary hike would be Rs. 2,502 crores or 8.5 per cent over Revised Estimates, 1996-97 against the current inflation rate of about 7.8 per cent. Thus, in real terms the hike in the Defence Services Estimates for 1997-98 is only notional. This level of funding when compared with the projected demands of the Services is found to be grossly inadequate to meet the essential requirements including capital acquisitions by the Armed Forces. Continuing with this level of allocations year after year may adversely affect the Defence preparedness of the country.

The Gross Capital Expenditure in the Budget Estimates 1997-98 is 26.95 per cent as against 27.86 per cent in the Revised Estimates 1996-97. In terms of percentage of total Defence Budget there is decrease in the share of Army and Navy in the Defence Budget 1997-98 as compared to the Revised Estimates, 1996-97, while there is slight increase in the share of the Air Force.

24. The Committee note that the Ministry of Defence need enhancement of funds by Rs. 4901 crores over Budget Estimates during 1997-98 for meeting the requirements of various Services/Departments. The Committee are not satisfied with the assurance of Finance Minister about meeting Capital Expenditure as and when required because Defence planning and acquisitions are time consuming processes which can not be based on vague promises.

25. The amount allocated in the Defence Budget, 1997-98 for modernisation/re-equipment plan of Army, Navy and Air Force are approx. 43, 59 and 68 per cent, respectively, of the funds sought by

them for the purpose. The Committee feel that rapid modernisation of the Armed Forces is necessary to keep pace with changing security needs and therefore, recommend that the allocation for Defence Services for the year 1997-98 should be enhanced adequately for meeting the various modernisation/re-equipment plans that have stagnated in the recent years.

26. The Committee also feel that for safeguarding the country's strategic interests, Defence spending in the country should be restored to the level of 3 per cent of the G.D.P. as was the case till 1989-90.

27. The efforts made by DRDO in the field of Defence research and developmental programmes, particularly progress made in the Integrated Guided Missile Development Programme, are commendable. The Committee feel that there is a need for stepping up allocations for DRDO to give thrust to its efforts to speed up pace of 10 years self-reliance plan. The Committee reiterate their earlier recommendation made in their Fourth Report (Tenth Lok Sabha) that allocations for DRDO should be progressively increased from the present level of 5.24% of the Defence Budget to about 10 per cent level by the year 2000 so as to fully gear up the DRDO to achieve desired objectives of self-reliance in critical Defence technologies and to meet the requirements of Defence Services.

Ninth Defence Five Year Plan

28. The Ministry of Defence have stated that action to estimate the Defence requirements for the Ninth Defence Five Year Plan period has been initiated. The Draft Defence Plans of each Service have been recently received and are being examined in the Ministry of Defence. The Draft Plans will certainly be finalised before the end of April, 1997. The finalised draft plans will be put up for Cabinet approval once they have been examined and inter-Ministry consultations have been completed.

There has been some delay in finalisation of the Ninth Defence Five Year Plan as it is a follow up of the Eighth Plan which was never finalised and also because it had to wait for direction till the new Union Government had come and taken over.

29. The Committee have been of the view that long term planning is of utmost necessity in case of Defence Projects and acquisitions. The Committee regret that the Eighth Defence Five Year Plan was

never finalised. The Defence Ministry is functioning without any perspective planning. The main reasons for this situation is stated to be the absence of long term financial commitments for Defence planning by the Government. This is a sad state of affairs reflecting poorly on our higher level decision making system which cannot make financial commitments for the critical Defence sector even for a short time span of 5 years.

The Committee had in their Second Report—Eleventh lok Sabha desired that the Ninth Defence Plan for the period 1997—2002 be finalised on time. The Committee are not convinced by the reasons given by the Ministry of Defence for delay in finalisation of the Ninth Plan. The Committee, therefore, desire that the Ninth Defence Five Year Plan be finalised and concluded/approved without further delay with firm commitment of the Government for allocation of resources, so that the prioritised schemes of the Armed Forces could be completed without cost and time overruns.

Recommendations of Fifth Central Pay Commission Regarding Armed Forces Personnel

30. On the issue of a career in the Armed Forces being made attractive, the Ministry informed that due to liberalisation of economy, today, there are various options available to those looking for jobs, some of them with pay and perks much better than a career in the Armed Forces.

The Ministry further informed that the Services Headquarters had made their submissions to the Fifth Central Pay Commission for making a career in the Armed Forces sufficiently remunerative and more attractive. The Armed Forces Personnel are dissatisfied with the Fifth Pay Commission's recommendations for them. The Chiefs of Staff Committee Secretariat has given a note with the approval of the Chiefs of Staff Committee giving Armed Forces' observations on the Fifth Pay Commission's Report which has been forwarded by the Ministry of Defence to the Ministry of Finance for consideration by the Empowered Committee appointed by the Government under the Chairmanship of Secretary (Expenditure), Ministry of Finance to screen the recommendations of the Fifth Pay Commission.

31. The Committee are of the view that a career in the Armed Forces can not be compared with the other services. To make the Armed Forces a preferred career option, the Committee desire that

in the new pay package, pay and allowances and other terms and conditions of service of the Armed Forces personnel should be made sufficiently attractive, and those who work in inhospitable conditions as in submarines, Siachen area etc. should be adequately compensated. The Committee also desire that keeping in view the distinct nature of work of the Armed Forces, the Government should examine the feasibility of appointing a separate pay commission for the Armed Forces personnel. The committee are of the view that in the Empowered Committee appointed by the Government under the Chairmanship of Secretary (Expenditure), Ministry of Finance to screen the recommendations of the Fifth Pay Commission, a representative of the Armed Forces personnel should be included.

AGNI PROJECT

32. In their written replies, the Ministry have stated that 'Agni', a re-entry technology demonstration project, has been successfully completed. The project did not envisage development of a missile system. Further development/flight trial programme will be decided by the Government, based on the threat perception at an appropriate time

33. The Committee consider that missiles have become the key component of modern military machines and an idiom of a country's political and strategic diplomacy. The effective power of missiles has been demonstrated in the Gulf war and during the stand off between China and Taiwan in recent years.

Nearer home, China is a major missile power and is also the main source of missiles and allied technologies for Pakistan. With both these countries we have unsettled boundary disputes and hence is the need for greater attention to this aspect of our Defence preparedness.

34. Capabilities of a country take a long time to build up while the intentions of countries can change overnight. India can not forget that a number of high or low intensity wars were imposed on her during the 50 years since the Independence when she had to defend her territorial integrity. Therefore, India has no option but to continue to develop and upgrade its missile capabilities for deterrence against any adventurist intentions of a hostile country. The Committee reiterate their earlier recommendation made in their Sixth Report-Tenth Lok Sabha that the Government should review their

Technology Demonstrator—Agni Missile Project to take it to its logical conclusion where it can contribute to the defence and deterrence capabilities of the country.

Medium Calibre Self-Propelled Gun

35. Medium calibre self-propelled guns of a particular type was a critical requirement of the Army, that had been prioritised for acquisition/development during the VIIIth Plan. In their written reply the Ministry have informed that various options considered by them in this regard but none of these options could materialise so far. As an interim option import of a lower calibre gun is now being considered which is to be finally upgraded to desired calibre. Technical negotiations are stated to be in progress. In case, this option is not found technically and/or commercially attractive, a fresh exercise for alternative options will have to be carried out.

36. The Committee are concerned over the long delay in acquisition/development of medium calibre self-propelled guns which is a critical requirement of the Army. The Committee desire that the proposal for acquisition/development of this critically required equipment should be expeditiously finalised and adequate funds be made available for its acquisitions.

Armed Forces Hospitals

37. Armed Forces Medical Services (AFMS) have 127 hospitals which include one Army Hospital at Delhi, Seven Command Hospitals, Twenty Zonal Hospitals, Eighteen Medium Hospitals (201 to 400 beds), Eighty Small Hospitals (upto 200 beds) and one specialist Cardiothoracic Centre. The AFMS provide medical and health care for serving personnel of the Armed Forces, ex-Servicemen and their families. The revenue budget for medical stores for Armed Forces is allotted under Major Head 2076, Minor Head 110 (d), Code 421/01 (LP), 421/02 (CP), 421/03 (Customs), 421/04 (Deduct issue) for Medical stores. No separate demand nor allotment is done Hospital/Medical centre-wise. The funds allotted under LP Code (Local Purchase) are however distributed to various Hospitals.

38. The medical units of Navy and Air Force get the medical stores as payment indentors by a book debit. The allotment for this is shown under Deduct Head (421/04). The projections and allotments of funds for medical stores in respect of Director General, Armed Forces

Medical Services (DGAFMS) for the last five years are tabulated below:—

(Amount in Lakhs of Rupees)

Year	Demanded	Allotted
1992-93	4459.00	4149.00
1993-94	8402.00	5500.00
1994-95	8400.00	7664.00
1995-96	9900.00	9540.00
1996-97	10700.00	9540.00

39. The expenditure for modernisation is done from capital account under Major Head 4076, Minor head 103, Code 908/42 (General Stores). The year-wise projections and allotments for the last five years are tabulated below:—

(Amount in Lakhs of Rupees)

Year	Demanded	Allotted
1992-93	2200.00	220.00
1993-94	2950.00	319.00
1994-95	3400.00	88.00
1995-96	2676.00	533.00
1996-97	4620.00	1269.00

40. In addition to the normal allocation of funds from Defence Budget, Government have approved a scheme for modernisation of 127 Armed Forces hospitals at the cost of Rs. 66.00 crores. Under the scheme specialised medical equipment costing Rs. 66.00 crores have to be procured during next three years for various Armed Forces hospitals. The expenditure is to be shared on 50:50 per cent basis by the Welfare funds of the Services and the national Defence Fund (NDF). NDF contribution of Rs. 33.00 crores has also been sanctioned and made available to Ministry of Defence. The modernisation process has already begun and medical equipment worth Rs. 10.00 crores have already been procured.

41. The Committee note that allotment of funds for meeting revenue/running expenses of AFMS hospitals has been satisfactory but the modernisation of these hospitals has been accorded a very low priority as is evident from the fund allocations for this purpose during the last five years when it has varied from 10% to 27.46% of the projected requirement. As there is rapid obsolescence in medical field, it is necessary that continuous efforts are made to modernise and update the technologies in the hospitals under the AFMS by providing them the state-of-the-art equipment.

42. The Committee recommend that sufficient funds should be allocated for AFMS hospitals so that new constructions and projects and procurement of latest equipment could be taken up in time and proper medical and health care of serving personnel of the Armed Forces, ex-Servicemen and their families could be ensured.

Force Levels of Navy

43. The Indian Navy's crucial responsibilities involve guarding country's long coastline, (numerous) islands, the Exclusive Economic Zone, and ports. Alongwith this, there are a host of sea-borne and mercantile responsibilities including protection of the sea trade and merchant shipping.

44. On the capability side, the Indian Navy's inventory of ships has been on the decline as no order for indigenous construction of ships has been placed since 1986 due to constraints of funds. As regards submarines, the Navy at present has about 70 per cent. of the projected force levels of submarines envisaged in their 15 years perspective plan. This will deteriorate further with the decommissioning of Foxtrot class submarines and scheduled refit/repairs-cum-modernisation of other submarines.

45. In a decade from now the present force levels of ships and submarines would drop considerably even if funds are infused and all priority schemes projected by the Navy are immediately sanctioned. There is a major shortfall in Destroyer frigates category. The air-craft carrier 'INS Vikrant' has been decommissioned without any replacement. The INS 'Viraat' will also be non-operational once the proposal for its modernisation is sanctioned.

46. On the other hand, naval threat has been increasing due to induction of force multipliers in the Navy of Pakistan and other developments.

47. During the last two years, the Government have sanctioned procurement and construction projects for a second-hand ship for training, a fleet tanker, Dornier aircraft & fast attack craft. Recently a proposal for construction of submarines has also been sanctioned.

48. The Committee are extremely concerned to note the declining force levels of Navy due to inadequate allocation of funds. The Committee find that the Government have failed to keep up their commitments to the Defence of the country by not allotting sufficient funds for Naval acquisitions according to the Government's own 15 years perspective plan for the Navy. As a result of this neglect, the Navy has drifted to the present alarming situation. The Committee, therefore, strongly suggest the Government to draw a contingency plan to adequately equip the Navy in shortest possible time so that its force levels do not dwindle below the threshold necessary for the defence of the country.

Naval Academy at Ezhimala and Other Naval Projects

49. During the examination of Demands for Grants of the Ministry of Defence, it came to the notice of the Committee that a large amount of allocated funds were lying unutilised at Revised Estimates stage in respect of certain Naval projects under the Head Capital Expenditure as per details given below:—

		(Rupees in crores)			
Minor Head	Actuals 1995-96	B.E. 1996-97	R.E. 1996-97	B.E. 1997-98	
205 (b) - Dry Dock/ PR Bund	07.7593	22.5000	17.0000	30.0000	
205 (e) - Base Repair Organisation, Cochin	00.0435	00.5000	00.0100	00.5000	
205 (g) - Project Karwar	08.8869	32.0000	08.5000	60.0000	
205 (k) - Naval Academy Ezhimala	04.8139	18.5000	01.1000	04.0000	
205 (m) - INHS ASVINI	13.1602	01.0000	00.6000	05.0000	
205 (o) - SHR Maintenance	—	52.5500	43.0900	40.0000	

50. It also came to the notice of the Committee that in case of some Naval projects, there had been substantial increase in the allocated funds at the Revised Estimates stage as follows:—

		(Rupees in crores)			
Minor Head	Actuals 1995-96	B.E. 1996-97	R.E. 1996-97	B.E. 1997-98	
205 (a) iii - Other works pertaining to Naval Dockyard, Bombay	21.2467	07.0600	32.2100	13.4000	
205 (c) - Naval Projects, Vishakhapatnam	26.2674	20.6000	27.7000	30.0000	
205 (t) - Naval air Station, Arkonam	04.8575	02.0000	10.5000	04.0000	

51. The Committee note that the works on some Naval Projects are not progressing as per schedule and major portion of amounts allocated for these projects could not be utilised due to non-finalisation of contracts/consultancy issues etc. The Committee also note the substantial increase in the allocation at the Revised Estimates stage in case of some Naval projects.

The Committee are not convinced by the arguments advanced by the Ministry of Defence for justifying non-utilisation of the funds. The resources of the country are scarce. The Ministry of Defence and the Navy have been complaining of inadequate allocation of funds and also have been pointing out their inability for taking up various projects due to non-availability of funds.

The Committee, therefore, reiterate their earlier recommendation made in their First Report-Eleventh Lok Sabha that the Ministry of Defence should take suitable steps to ensure proper utilisation of the resources allocated for new naval projects and also to avoid cost and time overruns. The Committee would also like to impress on the Ministry of Defence the necessity of making realistic Budget/ Revised Estimates so that the scarce resources of the country could be properly utilised.

Accidents of IAF Aircraft

52. The Ministry have stated that over the years the number of cases of accidents involving the Indian Air Force (IAF) aircraft have been coming down. The main reasons for the IAF aircraft accidents are human error and technical defects. Some accidents have taken place due to bird strike.

53. According to the Ministry, the accidents due to human error have gone down and total elimination of human error related accidents is not possible in any Air Force. However, these accidents can only be reduced to the minimum by ensuring an efficient training system. In the absence of an Advanced Jet Trainer, there is no other option but to train pilots on the Mig-21 aircraft. This is stated to be a sub-optimal solution.

54. The technical defects accounting for accidents of the Air Force aircraft are stated to be mainly relating to design deficiency, manufacturing, overhauling and material failure. An expert Committee under the Chairmanship of Dr. A.P.J. Abdul Kalam, Scientific Adviser to Raksha Mantri, has been constituted on 24.2.97 to analyse comparative aircraft accident data in India and abroad, examine practices and procedures for maintenance, training and certification and recommend appropriate remedial measures. There are representatives of our major resource centres for aviation technology and expertise as well as of IAF, including retired Indian Air Force officers on the Committee. The Committee is likely to submit its report by May, 1997.

55. An inter-ministerial Joint Sub-Committee suggested schemes to sanitize 10 Kms area around 10 priority-I bird infested airfields. The plan aims at denying food and habitat to birds, thus causing them to move away to other areas. The cost for undertaking sanitation work was estimated at approx. Rs. 22.98 crores.

56. The Committee hold the view that loss of precious lives of our pilots and aircraft due to IAF aircraft accidents is unfortunate and must be avoided. Over the years though the number of cases of accidents involving IAF aircraft have been coming down, the Committee desire that no effort need be spared to eliminate the causes of such accidents. The Committee are of the firm opinion that in order to improve training of IAF pilots so as to minimise the aircraft accidents due to human error, the Government should take

steps for induction of Advanced Jet Trainer urgently and in a time bound manner, taking into consideration all the available options. The Committee hope that the expert Committee set up to recommend appropriate remedial measures for minimising aircraft accidents would submit its report on time and its recommendations would be implemented.

The Committee desire that the Ministry of Defence/Union Government should take some effective steps in co-operation with all concerned agencies to sanitize 10 KMs area around all IAF airports in the country, This would ensure that the birds which pose serious environmental hazard to the flying aircraft causing damage to them and in some cases even loss of aircraft risking the precious life of pilots, move away to other areas.

Store Budget and Issue Budget

57. The Committee were informed that in Demand No. 20 for Ordnance Factories two aspects of financial allocations need to be considered for enhancement. These are store budget and issue budget of the Army. Store budget is for procurement of raw materials and components and on this depends the size of the manufacturing effort. Issue budget is the budget available with the Army for procurement. On this depends the size of the orders received by the Ordnance Factories. Store budget in the previous years upto 1995-96 had been adequate and the items to be level of issue budget have generally been issued. In Demand No. 20 the proposed store budget of Rs. 1583.23 crores (excluding direct debit) and Rs. 1813.80 crores including direct debit for 1997-98 and the issue budget of Rs. 2636 crores (including direct debit) are not adequate to meet the projected production targets for the Army.

58. According to the Ministry of Defence, the issue budget for the Ordnance Factories and the store budget needs to be increased by Rs. 500 crores with corresponding provisions in the Services' budget, otherwise, it will have a cascading effect on physical turn over, productivity and the prices of the items.

59. The Committee are of the view that in order to keep the Ordnance Factories production capacity at its optimum level, the store budget of the Ordnance Factories and issue budget of the Armed Forces specially Army should be enhanced commensurate with the priority requirement of items projected by the Defence Forces.

The Committee, apart from stressing the optimum utilisation of available resources, would also like the Ministry of Defence to impress upon the Ministry of Finance to ensure allocation adequate enough to maintain the chain of production in the Ordnance Factories so that the projected production targets for the Armed Forces could be met.

NEW DELHI;
21 April, 1997

1 Vaisakha, 1919 (Saka)

B.K. GADHVI,
Chairman,
Standing Committee on Defence.

ANNEXURE-I

(Please see Para 17)

ARMY

	(Rs. in crores)	
Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
101 — P&A — ARMY	508.70	6353.67
5th Pay Commission component		3620.00*
103 — P&A — AUX. FORCES	66.45	73.15
104 — P&A — CIVILIANS	760.82	836.90
105 — TRANSPORTATION	364.86	401.35
106 — MILITARY FARMS	83.00	91.20
110 — STORES	4797.72	5229.55
111 — WORKS	996.12	1052.98
112 — RASHTRIYA RIFLES	180.86	192.07
113 — NATIONAL CADET CORPS	138.41	152.25
800 — OTHER EXPDR.	280.92	309.00
TOTAL GROSS	13477.86	14692.12 3620.00*
RECEIPTS/RECOVERIES	400.00	300.00
TOTAL NET	13077.86	14392.12 3620.00*

* For implementation of 5th Pay Commission Report to cover additional expenditure on Pay & Allowances and retirement benefits of Defence Service Personnel including Defence Civilians of all the Services/Depts.

Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
Capital		
LAND	31.50	23.35
WORKS	410.87	401.70
AIRCRAFT	80.00	77.68
VEHICLES	193.54	120.35
OTHER EQPT.	1934.97	1510.85
MILY. FARMS	2.50	2.50
ROLLING STOCK	7.38	8.00
RASHTRIYA RIFLES	0.00	0.00
NATIONAL CADET CORPS	3.72	0.50
STOCK SUSPENSE	0.00	0.00
OTHER EXPDR.	0.00	0.00
TOTAL CAPITAL	2664.48	2144.93
TOTAL REVENUE/CAPITAL	15742.34	16537.05 3620.00*

* For implementation of 5th Pay Commission Report to cover additional expenditure on Pay & Allowances and retirement benefits of Defence Service Personnel including Defence Civilians of all the Services/Depts.

ANNEXURE-II
(Please see Para 17)

NAVY

(Rs. in crores)

Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
101 — P&A — NAVY	377.14	412.20
102 — P&A — RESERVISTS	0.00	0.00
104 — P&A — CIVILIANS	288.65	312.21
105 — TRANSPORTATION	49.00	53.90
110 — STORES	899.91	990.00
111 — WORKS	170.02	180.98
800 — OTHER EXPDR.	306.20	351.86
TOTAL GROSS	2090.92	2301.15
RECEIPTS/RECOVERIES	36.22	42.15
TOTAL NET	2054.70	2259.00
Capital		
LAND	2.00	2.00
WORKS	66.100	66.10
AIRCRAFT	220.00	224.97
VEHICLES	4.00	8.00
OTHER EQPT.	63.00	96.06
FLEET	1440.75	1307.81
DOCKYARDS	144.00	192.15
TOTAL CAPITAL	1939.85	1897.09
TOTAL REVENUE/CAPITAL	3994.55	4156.09

ANNEXURE-III

(Please see Para 17)

AIR FORCE

(Rs. in crores)

Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
101 — P&A — AIR FORCE	973.83	1071.21
104 — P &A — CIVILIANS	176.98	194.68
105 — TRANSPORTATION	84.00	92.40
110 — STORES	2963.86	3253.18
111 — WORKS	251.26	276.39
200 — SPL. PROJECTS	7.25	7.98
800 — OTHER EXPDR.	75.60	83.16
TOTAL GROSS	4532.78	4979.00
RECEIPTS/RECOVERIES	156.50	165.00
TOTAL NET	4376.28	4814.00
Capital		
LAND	2.00	4.00
WORKS	117.83	127.83
AIRCRAFT	2550.00	3426.29
VEHICLES	1.80	7.00
OTHER EQPT.	475.74	384.11
SPL. PROJECTS	27.92	22.92
TOTAL CAPITAL	3175.29	3972.15
TOTAL REVENUE/CAPITAL	7551.57	8786.15

ANNEXURE-IV
(Please see Para 17)

DEFENCE ORDNANCE FACTORIES

(Rs. in crores)

Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
001 — DIRECTION & ADMIN.	22.33	24.56
004 — RESEARCH	4.50	4.95
053 — MAINT. — MACH. & EQPT.	6.00	9.40
054 — MANUFACTURE	1110.30	1221.30
105 — TRANSPORTATION	30.00	32.45
110 — STORES	1649.10	1814.00
111 — WORKS	30.11	33.00
106 — RENEWAL & REPLACEMENT	70.00	80.00
797 — TRANSFER TO R/R FUND	80.00	100.00
800 — OTHER EXPDR.	254.29	279.00
SUPPLIES TO SERVICES*	2396.56	2636.00
TOTAL GROSS	860.07	962.66
RECEIPTS/RECOVERIES	464.07	527.66
TOTAL NET	396.00	435.00
Capital		
MACH. & EQPT.	90.00	125.00
WORKS	55.00	45.10
SUSPENSE	6.00	18.95
TOTAL CAPITAL	151.00	189.05
TOTAL REVENUE/CAPITAL	547.00	624.05

* BREAK UP'S AS UNDER :

	RE 96-97	BE 97-98
ARMY :	2210.56	2432.00
NAVY :	44.00	48.00
AIR FORCE :	102.00	112.00
OTHERS :	40.00	44.00

ANNEXURE-IV**(Please see Para 17)****R&D****(Rs. in crores)**

Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
1. PAY & ALLCES.	251.10	276.57
2. MISCELLANEOUS	22.33	23.73
3. TRANSPORTATION	21.41	22.95
4. GRANT OF FELLOWSHIPS	0.60	0.70
5. GRANTS-IN-AID	40.50	85.30
6. TRAINING OF PERSONNEL	0.15	0.20
7. STORES	467.74	486.83
8. WORKS	77.84	85.42
9. EDUCATIONAL FACILITIES	2.80	3.10
10. AMENITY GRANTS	0.14	0.15
11. DEPTL. CANTEENS	0.05	0.05
TOTAL GROSS	884.66	985.00
RECEIPTS/RECOVERIES	(-) 7.00	(-) 7.00
TOTAL NET	877.66	978.00
CAPITAL	580.01	698.00
TOTAL REVENUE/CAPITAL	1457.67	1676.00

ANNEXURE-VI**(Please see Para 17)****D G Q A**

	(Rs. in crores)	
Minor Head (Revenue)	R.E. 96-97	B.E. 97-98
1. PAY & ALLCES.	139.25	153.27
2. MISCELLANEOUS	9.85	6.00
3. TRANSPORTATION	4.00	4.40
4. STORES	36.50	38.45
5. WORKS	12.60	15.00
6. DEPTL. CANTEENS	0.19	0.21
TOTAL GROSS	202.39	217.33
RECEIPTS/RECOVERIES	(-) 2.30	2.45
TOTAL NET	200.09	214.88
CAPITAL	5.25	5.78
TOTAL REVENUE/CAPITAL	205.34	220.66

ANNEXURE-VII

(Please see Para 17)

MINISTRY OF DEFENCE

(Rs. in crores)

	R.E.96-97	B.E. 97-98
REVENUE SECTION		
1. DEPTT. OF DEFENCE	17.55	19.84
2. DEPTT. OF DEFENCE PRODUCTION & SUPPLIES	3.54	4.03
3. DEPTT. OF DEFENCE RESEARCH AND DEVELOPMENT	0.29	0.32
4. DEFENCE ACCOUNTS DEPARTMENT	243.04	272.62
5. DEFENCE ESTATE ORGANISATION TOTAL SECTT GENERAL SERVICES	25.40 289.82	30.37 327.18
6. CANTEEN STORES DEPARTMENT	1934.35	2048.33
7. MAINTENANCE--DAD OFFICES	1.65	2.17
8. MAINTENANCE--DAD HOUSING	4.01	4.16
9. ARMY PURCHASE ORGANISATION	0.97	0.82
10. SUBSIDY IN LIEU OF INTEREST --MDL	—	—
10. GRANT FOR V.R.S. TO		
(A) BHARAT EARTH MOVERS LTD (BEML)	4.00	4.00
(B) MAZAGAON DOCK LTD	3.00	3.00
(C) GARDEN REACH SHIPBUILDERS & ENGINEERS (GRSE)	1.32	2.00
TOTAL REVENUE SECTION	2399.12	2391.66

	R.E.96-97	B.E. 97-98
LESS RECEIPTS GENERATED BY CSD	(-) 2043.87	(-) 2120.00
LESS AMOUNT MET FROM NATIONAL RENEWAL FUND	(-) 8.32	(-) 9.00
NET REVENUE BUDGET	186.93	262.66
CAPITAL SECTION		
1. CONSTRUCTION—DAD OFFICES	10.02	10.07
2. CONSTRUCTION—CSD OFFICES	2.20	2.20
3. CONSTRUCTION—DAD HOUSING	8.88	10.58
4. CONSTRUCTION—CSD HOUSING	0.40	0.40
5. INVESTMENT IN PSUS	—	—
6. LOANS TO PSUS	—	—
7. LOANS FOR WATER SUPPLY SCHEMES AND MISCELLANEOUS	12.52	4.09
TOTAL CAPITAL SECTION	34.02	27.34

ANNEXURE-VIII**(Please see Para 12)****DEFENCE PENSIONS**

(Rs. in crores)		
	R.E.96-97	B.E. 97-98
1. PENSIONS AND OTHER RETIREMENT BENETTIS		
ARMY	3442.50	3472.44
NAVY	67.90	68.49
AIR FORCE	169.08	170.55
2. REWARDS-ARMY, NAVY & AIR FORCE	3.52	3.52
TOTAL GROSS	3683.00	3715.00

MINUTES OF THE NINTH SITTING OF THE STANDING
COMMITTEE ON DEFENCE
(1996-97)

The Committee sat on Monday, the 7th April, 1997 from
1500 hours to 1800 hours.

PRESENT

Shri P. Upendra — *In the Chair*

MEMBERS

Lok Sabha

2. Smt. Sushma Swaraj
3. Shri Banwari Lal Purohit
4. Shri Baburao Paranjpe
5. Lt. Gen. Shri Prakash Mani Tripathi
6. Dr. Chhatrapal Singh
7. Shri Ram Chandra Benda
8. Col. Sona Ram Choudhury
9. Shri P. Namgyal
10. Maj. Gen. Bikram Singh
11. Shri Hannan Mollah
12. Shri A. Sampath
13. Shri C. Narasimhan
14. Shri Pratap Singh
15. Shri Nitish Kumar
16. Shri Major Singh Uboke

Rajya Sabha

17. Shri Sushil Kumar Sambhajirao Shinde
18. Shri Satchidananda
19. Shri Surendra Kumar Singh
20. Shri K.R. Malkani
21. Shri Satish Agarwal

22. Shri Suresh A. Keswani
23. Prof. Ram Kapse

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri V.N. Gaur — *Director*

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

1. Shri T.K. Banerji — *Defence Secretary*
2. Shri T.S. Vijayaraghavan — *Secretary (DP&S)*
3. Dr. A.P.J. Abdul Kalam — *Secretary (DR&D)*
4. Shri P.R. Sivasubramanian — *FA (DS)*
5. Shri Ashok Kumar — *Addl. Secretary (A)*
6. Shri P.M. Nair — *Addl. Secretary (N)*
7. Shri D. Basu — *Addl. Secretary (DP&S)*
8. Shri K. Santhanam — *Chief Adviser (Technologies)*

2. In the absence of the Chairman, the Committee chose Shri P. Upendra, under Rule 258 (3) of the Rules of the Procedure and Conduct of Business in Lok Sabha, to act as Chairman for the sittings of the Committee relating to examination of Demands for Grants, 1997-98 of the Ministry of Defence.

3. The Chairman welcomed the Defence Secretary and his colleagues to the sitting of the Committee and invited their attention to the provisions contained in Directions 55 and 58 of the Directions by the Speaker.

4. The Committee then took evidence of the representatives of the Ministry of Defence on various points arising out of the Demands for Grants (1997-98) of the Ministry of Defence and also written replies furnished by the Ministry to the List of Points thereon.

The representatives of the Ministry explained and elaborated on the queries from the Members. The evidence was not concluded.

5. A Verbatim record of the proceedings was kept.

6. The Committee decided to take further evidence of the representatives of the Ministry of Defence on the Demands for Grants (1997-98) of the Ministry on the 8th April, 1997.

(The witness then withdrew)

The Committee then adjourned.

MINUTES OF THE TENTH SITTING OF THE STANDING
COMMITTEE ON DEFENCE
(1996-97)

The Committee sat on Tuesday, the 8th April, 1997 from 1100 hrs.
to 1300 hrs. and from 1500 hours to 1700 hours.

PRESENT

Shri P. Upendra — *In the Chair*

MEMBERS

Lok Sabha

2. Smt. Sushma Swaraj
3. Shri Banwari Lal Purohit
4. Shri Baburao Paranjpe
5. Lt. Gen. Shri Prakash Mani Tripathi
6. Shri Rajendra Agnihotri
7. Dr. Chhatrapal Singh
8. Shri Ram Chandra Benda
9. Col. Sona Ram Choudhury
10. Dr. Mallikarjun
11. Shri P. Namgyal
12. Maj. Gen. Bikram Singh
13. Shri Hannan Mollah
14. Shri A. Sampath
15. Shri C. Narasimhan
16. Shri Pratap Singh
17. Shri Nitish Kumar
18. Shri Major Singh Uboke

Rajya Sabha

19. Shri Sushil Kumar Sambhajirao Shinde
20. Shri Peter S. Alphonse
21. Shri Satchidananda
22. Shri Surendra Kumar Singh
23. Shri K.R. Malkani
24. Shri Satish Agarwal
25. Shri Suresh A. Keswani
26. Prof. Ram Kapse

SECRETARIAT

Shri V.N. Gaur — *Director*

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

- | | | | |
|----|---------------------------|---|-------------------------------------|
| 1. | Shri T.K. Banerji | — | <i>Defence Secretary</i> |
| 2. | Shri T.S. Vijayaraghavan | — | <i>Secretary (DP&S)</i> |
| 3. | Dr. A.P.J. Abdul Kalam | — | <i>Secretary (DR&D)</i> |
| 4. | Shri P.R. Sivasubramanian | — | <i>FA (DS)</i> |
| 5. | Shri Ashok Kumar | — | <i>Addl. Secretary (A)</i> |
| 6. | Shri P.M. Nair | — | <i>Addl. Secretary (N)</i> |
| 7. | Shri D. Basu | — | <i>Addl. Secretary (DP&S)</i> |
| 8. | Shri K. Santhanam | — | <i>Chief Adviser (Technologies)</i> |

2. The Committee resumed evidence of the representatives of the Ministry of Defence on the various points arising out of the Demands for Grants of the Ministry of Defence for the year 1997-98.

The representatives of the Ministry explained and elaborated on the relevant queries from the Members. The evidence was concluded.

3. A verbatim record of the proceedings was kept.

(The witnesses then withdrew)

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The Committee then adjourned.

MINUTES OF THE ELEVENTH SITTING OF THE STANDING
COMMITTEE ON DEFENCE
(1996-97)

The Committee sat on Monday the 21st April, 1997 from
1500 hours to 1600 hours.

PRESENT

Shri B.K. Gadhvi — *Chairman*

Lok Sabha

2. Dr. Chhatrapal Singh
3. Dr. Vallabhbai Kathiria
4. Col. Sona Ram Choudhury
5. Shri P. Upendra
6. Shri P. Namgyal
7. Maj. Gen. Bikram Singh
8. Shri Hannan Mollah
9. Shri A. Sampath
10. Shri Major Singh Uboke
11. Shri Bhanu Prakash Mirdha

Rajya Sabha

12. Shri Surendra Kumar Singh
13. Shri K.R. Malkani
14. Shri N. Thangaraj Pandian
15. Shri Adhik Shirodkar
16. Prof. Ram Kapse

SECRETARIAT

1. Shri V.N. Gaur — Director
2. Shri K. D. Muley — Assistant Director

2. The Committee considered the Draft Report on Demands for Grants of the Ministry of Defence for the year 1997-98. The Chairman invited Members to offer their suggestions for incorporation in the Draft Report.

3. The Members suggested certain additions/modifications/amendments and desired that those be suitably incorporated into the body of the Report. The Draft Report was then adopted.

4. The Committee authorised the Chairman to finalise the Report in the light of verbal and consequential changes and for presentation of the Report to Parliament.

The Committee then adjourned.