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**STANDING COMMITTEE
ON DEFENCE
(1998-99)**

TWELFTH LOK SABHA

MINISTRY OF DEFENCE

148
—

**UPGRADATION AND MODERNISATION
OF NAVAL FLEET**

THIRD REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1998/Agrahayana, 1920 (Saka)

THIRD REPORT
STANDING COMMITTEE ON DEFENCE
(1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF DEFENCE

UPGRADATION AND MODERNISATION
OF NAVAL FLEET

*Presented to Lok Sabha on 21 December, 1998
Laid in Rajya Sabha on 21 December, 1998*



LOK SABHA SECRETARIAT
NEW DELHI

December, 1998/Agrahayana, 1920 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE
(1998-99)

Sqn. Ldr. Kamal Chaudhry — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rajendrasinh Ghanshyamsinh Rana
3. Smt. Bhavnaben K. Dave
4. Shri Shanta Kumar
5. Shri Suresh Chandel
6. Shri Gaurishankar Chaturbhuj Bisen
7. Shri Dada Baburao Paranjpe
8. Shri Bachi Singh Rawat
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14. Col. Sona Ram Choudhary
15. Shri Ram Narain Meena
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29. Dr. Subramanian Swamy
30. Shri Sultan Salahuddin Owaisi

Rajya Sabha

31. Shri V.N. Gadgil
32. Shri V. Kishore Chandra S. Deo
33. Shri K.R. Malkani
34. Shri A. Vijaya Raghavan
35. Shri Ish Dutt Yadav
36. Shri Adhik Shirodkar
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38. Sardar Gurcharan Singh Tohra
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42. Shri Pritish Nandy
- *43. Shri Pramod Mahajan
44. Shri S. Sivasubramanian
45. Shri Suresh Kalmadi

SECRETARIAT

- | | | |
|--------------------------|---|-----------------------------|
| 1. Dr. A.K. Pandey | — | <i>Additional Secretary</i> |
| 2. Shri Harnam Singh | — | <i>Joint Secretary</i> |
| 3. Shri R. Kothandaraman | — | <i>Deputy Secretary</i> |
| 4. Shri K.D. Muley | — | <i>Assistant Director</i> |

PREFACE

I, the Chairman, Standing Committee on Defence (1998-99), having been authorised by the Committee to submit the Report on their behalf, present this Third Report on "Upgradation and Modernisation of Naval Fleet".

2. The subject was taken up for examination by the Standing Committee on Defence (1996-97) (Eleventh Lok Sabha) at their sitting held on 24 September, 1996 and by the Standing Committee on Defence (1997-98) (Eleventh Lok Sabha) at their sitting held on 27 August, 1997. Both the Standing Committees formed a Sub-Committee (Sub-Committee-II) with Smt. Sushma Swaraj as the Convenor and Shri T. Nagarathnam as alternate convenor to study the subject. The Standing Committee on Defence (1998-99) re-selected the subject at their sitting held on 25th June, 1998.

3. A list of dates on which the Committee examined the subject is given below:

- (i) 18 December, 1996 : Sitting of the Sub-Committee-II (1996-97) for framing list of points.
- (ii) 14th October, 1997 : Sitting of the Sub-Committee-II (1997-98) to take oral evidence of the representatives of the Ministry of Defence.

4. Besides holding sittings as above, the Committee sought written information from the Ministry of Defence on the subject. The following written information was received from the Ministry of Defence:

- (i) A preliminary background note;
- (ii) A transcript of the briefing received in South Block, Ministry of Defence on 3.2.97;
- (iii) A note pursuant to the oral evidence tendered on 14.10.97;
- (iv) Updated background note received on 22.10.98; and
- (v) Replies to additional list of points received on 3.2.98.

5. The Committee (1998-99) wish to express their thanks to the Ministry of Defence for placing before them information on the subject.

6. The Committee (1998-99) would like to place on record their appreciation for the work done by the Standing Committee on Defence (1996-97) and the Standing Committee on Defence (1997-98) chaired by Shri B.K. Gadhvi for their in-depth examination of the subject. The composition of the Committees and Sub-Committees is given at Appendices I to IV.

7. The Report was considered and adopted by the Committee (1998-99) at their sitting held on the 15th December, 1998.

8. For facility of reference, the recommendations of the Committee (1998-99) have been printed in thick type in the body of the Report.

NEW DELHI;
December 17, 1998
Agrahayana 26, 1920 (Saka)

SQN. LDR. KAMAL CHAUDHRY,
Chairman,
Standing Committee on Defence.

REPORT

CHAPTER I

UPGRADATION AND MODERNISATION OF NAVAL FLEET—A FACTUAL VIEW*

1. Maritime Interests

The foremost task of the Indian Navy is to safeguard the territorial integrity of the country on the sea front. India's coastline is 7,600 Kms. long and her Exclusive Economic Zone [EEZ] extends to 2.2 million Sq. Kms. in which nearly 1200 islands, 11 major and 164 minor/intermediate ports are located. Her investment in off-shore oil assets at current value stands at Rs. 1,50,000 crores. 65% of domestic oil and 13% of gas is produced in off-shore facilities. Any disruption of flow of oil and any obstruction to the movement of approximately 500 Indian merchant ships sailing around the globe may bring almost all industrial and economic activities to a grinding halt. Smuggling of illegal arms and ammunition, illegal infiltration and violations of Indian fishing rights are some of the constant and continuous challenges thrown to the Indian Navy on the seas. In the face of growing interests of the navies of some of the countries, especially of China and USA, and in the face of the steady pile-up of high-tech military hardware in her neighbourhood, the tasks of the Indian Navy have increased manifold.

2. Threat Perceptions

2. In general, in today's scenario, a large number of countries in South East Asia have become economically stronger than before. The Occidental pressures on these countries for opening up their markets and the consequent trade and market competitions among them may have the potential of precipitating a situation in which their interests may be at conflict with Indian maritime interests. Apart from these, the aggressive manner in which some of India's neighbours are arming their navies is a matter of concern.

*On the basis of facts furnished to the Committee by the Ministry of Defence, Government of India.

3. Pakistan is having an ambitious plan to modernise her Navy. It has signed \$ 1.2 billion deal with France for the purchase of three Agosta 90B submarines with sub-launched missile firing capability. The sub-launched missile firing capability would enable the Pakistan submarines to carry out attacks on merchant ships, warships and installations from very long ranges while themselves remaining submerged. Similarly, under the United States Hank Brown Amendment, Pakistan would acquire three Harpoon missile firing capable P3C Orion MR Aircraft, 28 Air to Surface Harpoon missiles and 42 MK 46 ASW torpedoes.

4. China too has embarked on an ambitious programme of modernisation of her Navy. China's sea based nuclear deterrent in the form of ICBM capability has provided her with unlimited bargaining capacity in the international arena. Her ability to extend her naval reach into the Bay of Bengal poses a serious threat to our maritime interests. China's military relationships and export of military and nuclear technology to Pakistan and similar links with Sri Lanka, Bangladesh and Myanmar are also required to be seen as potential threats to our maritime interests.

5. On the other hand, Indian Naval Development will slightly be under stress in view of the fact that USA is expected to continue to exert pressure on India in the key areas of nuclear and missile technology denial.

3. Force Levels

(i) General

6. The comparative Force Levels of various countries in the Indian Ocean Region and other countries which have a stake in the Indian Ocean Region, as existed during 1995-96, are as under:—

Country	Aircraft carriers	Destroyers/ frigates	Minor warships	Submarines	SSN/ SSBN
1	2	3	4	5	6
Australia	—	10	45	3	—
Bangladesh	—	4	50	—	—

1	2	3	4	5	6
China	—	52	805	41	7
Indonesia	—	17	120	2	—
Iran	—	5	150	2	—
Japan	—	62	84	15	—
Malaysia	—	2	253	—	—
Pakistan	—	11	27	6	—
Sri Lanka	—	—	83	—	—
USA	11	119	116	—	99

SSB/SSBN means sub-surface nuclear and sub-surface ballistic nuclear ships.

7. The inventory of various kinds of vessels in the Indian Navy is of mediocre strength in comparison to the navies of the countries named in the above table. Around 26% of the naval vessel inventory is likely to be decommissioned by the year 2000 which would result in a serious shortfall. A twin track approach of indigenisation and import is being pursued to meet the shortfall. To maintain the requisite force level, at least 6 new ships must be ordered every year. Against this, no major warship orders were placed on our shipyards from 1986 to 1996.

8. Within a short time, there will be no aircraft carrier in service with the Indian Navy. Out of the two India had, one had been decommissioned and another would be shortly sent for repairs at a cost of Rs. 300 crores. The Government abandoned a project for production of a Sea Control Ship in 1987. A decision is yet to be taken to produce a lighter version of it called Air Defence Ship though the proposal was initiated way back in 1986. In contrast, the Chinese are reported to be active in pursuing programmes for construction of Aircraft Carriers in their Dalian Shipyard. A look at the world scene indicates that all carrier operating Navies displayed their determined bid to continue to build and operate these in the 21st Century.

(iii) Submarines

9. Submarines are difficult to detect despite the rapid advances in weapons and sensor technology. This is specifically so in tropical waters, like the Indian Ocean, where the laws of physics so operate that the probability of detection is negligible or very low at the submarine weapon launching range. Indian submarine fleet is short by 30% of the envisaged force level. All the "Foxtrot" class submarines with the Indian Navy would be decommissioned by the Year 2000 thus further truncating the fleet. The refits/repairs of the ageing submarines in the very near future will take 60% of the fleet of the waters thus further thinning the numbers. Some of the projects on anvil for indigeneous production, import and modernisation of submarines will not be sufficient to redeem the loss of edge on account of this fast depleting strength of submarines.

(iv) Destroyers/Frigates

10. The force level of destroyers and frigates with the Indian Navy is just 45% of the force level planned way back in 1964. As the number of frigates under construction will almost equal the number of those that would be decommissioned concurrently, the fleet level would almost remain static and far short of the force level planned in the said year. The projects for indigenous production and for import of frigates are still pending clearance despite the fact that all the leander class frigates are proposed to be decommissioned by 2003 which will sink the force structure to a dangerously low level. The Government are pursuing a twin approach of indigenous production and import from other countries to improve the force level.

(v) Support Aircraft and Force Multipliers

11. The MR aircraft currently in service in the Indian Navy have become obsolescent and may not be capable of taking on the challenges posed by the submarine threat of some of our neighbouring countries. Modernisation of the old aircraft, induction of Advanced MR ASW aircraft and deployment of indigenous avionics on commercial aircraft are some of the options that are being explored. Acquiring AEW Helicopters to counter the threat posed by P3C Orions in the neighbourhood is also in an advanced stage of clearance by the

Government. Trainer aircraft are also sought to be acquired on an urgent basis. The induction of the Advanced Light Helicopter and Light Combat Aircraft into the Navy is also planned in the near future. A large number of state-of-the-art weapon systems to give a cutting edge to the Indian Navy is planned to be inducted in a span of 5 to 6 years.

5. Indigenisation Efforts

12. The Navy's plan for upgradation and modernisation of its force levels is rooted in indigenous capability. This has been amply demonstrated by the Navy's strong commitment to indigenisation since the late sixties when India's first indigenous ship construction programme commenced. Nearly 50% of naval vessel inventory has been built indigenously. While indigenous construction would continue to remain the corner stone, to arrest the immediate downfall in force levels, the two pronged approach of indigenous production and import is sought to be followed. The indigenous construction of warships provides tremendous spin offs to our national economy. Not only does the ship building industry contribute to industrial growth but it also spurs the growth in hi-tech systems in the field of electronics, mechatronics, machinery, communication systems and growth of ancillary industries like refrigeration, air-conditioning, hydraulics and power generation.

6. Naval Expenditure

13. In terms of GDP spending on defence, while India spends 2.5% of its GDP, China spends 5% to 6% of its GDP on defence and Pakistan spends 7% to 8% of its GDP on defence. Thus the Budgetary allocation for total defence is considered inadequate. Navy's budget is highly capital intensive and its share of the total defence budget needs a sustained growth of at least 15% per annum over the next five years and at least 10% thereafter. However, additional outlays will be required exclusively for production and acquisition of Aircraft Carriers/ Air Defence ships. The Committee on Defence Expenditure of the Government had also recommended 16% to 18% share of the defence budget for the Navy. The Tenth Finance Commission in its report submitted in December 1994 had recommended that naval expenditure be increased to 30% of the defence budget in two stages to facilitate Navy to maintain a forceful presence in the Indian Ocean. The Navy's

share of expenditure in the total Defence budget over the past 10 years has been as under:

Year	Total Defence expenditure	Navy's share	
		Amount	Percentage
1988-89	13341.02	1783.00	13.36%
1989-90	14416.17	1944.50	13.49%
1990-91	15426.48	1978.00	12.82%
1991-92	16347.04	2127.00	13.01%
1992-93	17581.79	2016.00	11.47%
1993-94	21844.73	2706.78	12.39%
1994-95	23245.23	2698.80	11.61%
1995-96	26856.29	3797.48	14.14%
1996-97	29498.47	3994.55	13.54%
1997-98	36186.77	4773.96	13.19%
1998-99	41200.00	5976.07	14.51%

It would thus be seen that, on an average, during the past 10 years, the Navy's share of the defence budget stood at around 13.2%. The demand for Navy's expenditure becomes louder due to the astronomical rise in equipment costs which have risen in the last ten years from 50% to 250%, the steep hike in cost of maintenance of hardware and manpower upkeep and the slide of the rupee against the dollar.

7. Naval Development Planning

14. Naval Policy Planning is carried out under the overall direction of the Vice Chief of Naval Staff who is assisted by Assistant Chief of the Naval Staff (Policy and Plans). The Directorate of Naval Plans is nodally responsible for formulating five yearly and fifteen yearly Perspective Plans and it deals with upgradation and modernisation of the naval fleet and assessment of threat perceptions and the attendant budgetary implications. For accoring priority on self-reliance through indigenisation, the post of Controller of Warship Production and Acquisition was created in January 1983 and the Posts of Flag Officer

(Naval Aviation) and Flag Officer (Sea Training) were also created to get vital feed backs from field formations for modifying and updating plans. Financial delegation has been made for certain values up to certain levels of officials in the Naval Headquarters/Field formations and in case the proposal is more than certain value, it is initiated by the concerned Directorate in the Naval Headquarters and sent to the Ministry of Defence for approval. The procedure for defence procurement has been prescribed in detail in a Government Circular issued in 1992. The time involved in processing of the cases depends upon the nature of the time and availability of funds; in case complete details are not made available by the Naval Headquarters or the prescribed procedure has not been correctly followed, processing of the cases may take a longer time. Depending upon the value of the proposal, the approval is granted by the "competent Financial authority". However, uncertainties in time-frame arise due to calling of additional information/clarifications etc. from the agencies concerned. Naval development since the mid-eighties has been very meagre due to inadequate funding support and due to non-sanctioning of any major force level projects from 1986-1996.

8. Recent Upgradation and Modernisation Measures

15. Naval ships have inherent long-lead times for building and face the challenge of early obsolescence. Therefore, various other factors such as remaining life of the vessel/strategic reasons/replacement plans are considered while formulating proposals of modernisation and upgradation of naval fleet. During the period from 1984 to 1996, when the naval development was low, adequate measures were taken for re-prioritising the projects approved, by not taking up some of them, after keeping in view the immediate operational requirement and the availability of funds with the national exchequer. During 1995-1998, projects for construction and import of frigates, acquisition of a tanker, fabrication of support aircraft and Fast Trac Crafts, import of submarines and modernisation of the only Aircraft Carrier have been approved. However, a large number of projects for upgradation of Navy is pending at various stages for clearance which include import and construction of Aircraft Carrier/Air Defence ship, indigenous production of submarines and frigates, options for inducting MR aircraft and AEW Helicopters and systems.

CHAPTER II

COMMITTEE'S CONCLUSIONS AND RECOMMENDATIONS

16. On the basis of the information furnished by the Government on threat perceptions, force level, defence expenditure, defence policy planning and other connected matters on the subject under examination, the Committee are constrained to express their concern over some of the deficiencies in the performance of the Government towards the development of Indian Navy.

17. The Committee regret that the Indian Navy which was built into a 3 dimensional maritime force since Independence commenced a run down from 1984 onwards with no plans or resources for replacements and additions. The operational capability of the fleet had substantially declined due to lack of spares and ageing maritime hardware. This run down of the Indian Navy encouraged other countries who have a stake in the Indian Ocean Region to accelerate their navies with the abatement of some of the industrial powers who are in search of markets. The shift in China's strategic focus since the 1980s from land borders to the sea and the consequent naval bias in her modernisation programmes add a new dimension to the entire security scenario. The Committee, therefore, desire that the efforts at the Indian Naval development must be vigorously redoubled so that the country can face all security threats from the sea from a position of strength.

18. Defence Policy Planning: To a specific question as to how much time is taken on each processes of defence policy planning, the Government have informed that it was not possible to indicate the time taken at each stage because of the uncertainties involved. The Government have informed that the time involved in processing of the cases depends upon the nature of the item and the availability of funds and that in case complete details are not made available by Naval Headquarters or if the prescribed procedure had not been correctly followed, processing of the cases might take longer time. They have further informed that the ships have inherent long-lead times for building and face the challenge of early obsolescence. The

Government invited attention to the procedure for defence procurement prescribed in a circular of the Ministry of Defence. After a perusal of the facts in this regard, the Committee come to the following conclusions:

- (1) Every naval project is being approved/cleared after subjecting it to a multi-agency cum multi-tier decision making apparatus thus leading to inordinate and unaffordable delay;
- (2) such a delay causes time and cost over-runs and sometimes results in technological obsolescence;
- (3) the delay also gives advantage to navies of other countries in the Indian Ocean Region for making leaps in modernisation/acquisitions, thus leaving the gap between the Indian Navy and the other navies further wider;
- (4) sometimes the delay forces the Government to abandon projects after spending a lot of money and employing enormous manpower;
- (5) the morale of the Indian Navy may be adversely affected by such delays;
- (6) sometimes the decision makers vacillate in decision making for want of insulation from frivolous proceedings and unsubstantiated allegations against personal and institutional integrity; such an insulation may facilitate motivation for discharging responsibilities towards the nation;
- (7) there is—
 - (a) absence of trans-national Covenants (bilateral/multi-lateral treaties); and
 - (b) the operation of ineffective domestic laws,

for contemporaneous detection of irregularities, in case these are committed by any of the decision makers while finalising a defence project; and
- (8) lack of functional and financial autonomy for the decision makers.

19. The Committee, therefore, recommend to the Government to urgently restructure the current defence decision making apparatus so that a single integrated Board of Defence Approvals with two modules, one module headed by the Defence Secretary aided by Officers in the Ministry of Defence, the top Servicemen and Technocrats from DRDO and outside, if necessary, and the other module comprising a Cabinet Committee aided by the Cabinet Secretary, is constituted. The time schedule for each process of decision making, the procedure for making decisions, the grant of functional and financial autonomy to the proposed decision making apparatus with a view to insulating it from frivolous allegations, shall have to be firmed up in the form of a Parliamentary law under article 53 of the Constitution; the law may replace the current executive notifications/circulars as these are tremendously flexible.

20. Lull in Defence Planning : The Committee are unhappy over the Government's admission that no major naval acquisition were made during the period 1984 to 1996. The Committee reminisce that the period referred was a period of upheavals in India. The period not only saw the assassinations of one Prime Minister and one ex-Prime Minister, but witnessed widespread incidents of serious internal disturbances sponsored by a neighbouring country. While the Indian economy opened up as a positive phenomenon, on the negative side, key defence programmes including the second series of nuclear tests got postponed. The lull in naval development for more than a decade between 1984 and 1996 is in this context intriguing. The Committee would, therefore, like to recommend to the Government to convincingly explain this inertia in naval development. The Government should take all necessary steps to obviate the recurrence of such ominous decline in national security efforts.

21. Approved and pending projects : The Committee, after being informed of the status of projects approved and projects pending clearance, recommend to the Government to urgently translate the approved projects into reality and to urgently hold the sittings of appropriate bodies for clearing the projects that have been kept pending. All projects from proposal to execution stages should be concurrently subjected to periodic achievement audits to obviate delay. The Committee note with pain the monumental wastage of national resources blocked in shipyards which are not adequately loaded with orders. The Committee feel that due to the lethargic and snail-paced responses of the Government, the construction programmes

of frigates/ships/submarines have been severely affected thus starving the Indian Navy of its planned strength. The Committee while deploring the tardy progress made by the Government in this regard, recommend the constitution of a Special Task Force to monitor the indigenous construction of frigates/submarines/ships in our shipyards as well as to monitor the acquisition of these from other countries on priority basis.

22. **Aircraft Carriers:** The Committee note with concern the inappropriate time schedule being adhered to for modernising INS Viraat. The Committee feel that the modernisation of INS Viraat should have been completed well before the decommissioning of INS Vikrant in January 1997 especially when they had abandoned the Sea Control Ship programme and they were yet to commence the production of Air Defence Ship. Due to this bad planning, within a short time, the Indian Navy will be shorn of its Aircraft carrier and this situation will continue until INS Viraat, after modernisation, joins Navy. The Committee deplore the Government for failing to assess the magnitude of threat perceptions to the country in the North Arabian sea which have the potential of disrupting oil flow, communications and other essential supplies. The Committee also deplore the Government for failing to realise that such threat perceptions can be countered only by possessing a floating airfield hundreds of miles into the sea in the form of aircraft carrier with necessary support, since an aircraft carrier is the only maritime hardware that will tilt the balance against our adversaries. To keep the flag of Indian Navy high, the Committee strongly urge upon the Government to clear and commence production of the Air Defence Ship Project without any further delay; the Committee further urges the Government to urgently complete the processes for acquiring at least one more Aircraft Carrier.

23. **Support Aircraft:** The Committee were informed that the options of (i) modernisation of old support aircraft (ii) induction of advanced MR ASW aircraft and (iii) deployment of indigenous avionics on commercial aircraft, were being explored. The Committee were also informed that acquisition of AEW Helicopters was also in an advanced stage of clearance. The Committee feel that extraordinary urgency should be exhibited in finalising these, so that the Indian Navy is not handicapped for want of support aircraft especially at a juncture when it is exposed to the serious threat from P3C Orions of Pakistan and when in modern warfare, a navy's punch is dependent upon air support in combat as well as reconnaissance areas.

24. Nuclear submarines : In the face of the presence of sub-surface nuclear submarines and sub-surface ballistic nuclear submarines of China and the United States in the Indian Ocean in which India has a vital stake, the Committee recommend to the Government to review and accelerate its Nuclear Policy for fabricating or for acquiring nuclear submarines to add to the deterrent potential of the Indian Navy.

25. Induction of advanced technology : The Committee after noting the fast technological advances made by India in satellite communication, recommend to the Government to harness appropriately the energies available in this area and to tap the potential of the scientists and technocrats of DRDO and other agencies to insulate the Indian Navy's movements, operations and other secrets from the eyes and ears of military satellites of other nations by developing suitable jamming techniques. The Committee note that the satellites, missiles, communication systems and informatics envelope of India give her an edge over other nations in the Indian Ocean Region and recommend to the Government to take all steps to resolutely promote this technology environment. The steps may also include involvement of private entrepreneurs, domestic and from abroad, wherever possible, to meet all defence needs requiring advanced design and manufacture capabilities so as to employ joint technological combat power against focused elements of the critical vulnerability of adversaries.

26. Defence Expenditure : As regards the heavy demands of funds for Navy's urgent special requirements, the Committee appreciate the difficulties involved in Budget making and also the need for augmenting the Union Government's resource base for supporting the heavy capital intensive budget of the Navy. In order to provide continued fund support to major naval projects, the Committee recommend to the Government :

(i) to explore the possibilities of reducing establishment charges by adopting some quick techniques including downsizing of the workforce, if necessary; and

(ii) re-prioritising the works in hand and in pipeline,

so that adequate funds are mobilised in addition to increase allocations as per the recommendations of the Government Committee

on Defence Expenditure. Besides, the Committee would strongly urge upon the Government to heed to the recommendations of the Tenth Finance Commission for increasing the Navy's share of the defence budget to 30% in two stages.

Doctrine of deterrence : Keeping in view the effectiveness of the doctrine of deterrence in the defence of the country and keeping in view the deleterious damage, though temporary, that may be caused by any adversary if he chooses to indulge in a "First Strike" against the nation in case he underestimates the robustness of our preparedness, the Committee would counsel the Government to move away from the conservative concept of keeping everything behind the veil of secrecy and actively disseminate information on our preparedness to send the message to all on appropriate occasions, in appropriate form and fora within the framework of good inter-country relations.

NEW DELHI;
 December 17, 1998

 Agrahayana 26, 1920 (Saka)

SQN. I.DR. KAMAL CHAUDHRY,
 Chairman,
 Standing Committee on Defence.

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE-II
(UPGRADATION & MODERNISATION OF NAVAL FLEET) OF
THE STANDING COMMITTEE ON DEFENCE (1996-97)

The Committee sat on Wednesday, the 18th December, 1996 from 1500 hrs. to 1600 hrs.

PRESENT

Smt. Sushma Swaraj — *Convenor*

MEMBERS

2. Shri T. Nagarajnam
3. Shri A. Sampath
4. Shri Lachman Singh
5. Shri Satish Agarwal
6. Shri Adhik Shirodkar
7. Shri Shivraj V. Patil

SECRETARIAT

Shri V.N. Gaur — *Director*

2. At the outset, the Convenor welcomed the Members of the Sub-Committee-II (Upgradation & Modernisation of Naval Fleet) to the first sitting of the Sub-Committee.

3. The Sub-Committee took up for consideration the Draft List of Points for obtaining written replies on the subject 'Upgradation & Modernisation of Naval Fleet' from the Ministry of Defence. It was decided that at the first instance the Sub-Committee may have a presentation on the subject by the Chief of Naval Staff. The Sub-Committee also desired that the officers of the Department of Defence, Defence Production and Supplies and Defence Research & Development may also kindly be asked to be present during the presentation to reply to the queries of the Members of the Sub-Committee. The next meeting of the Sub-Committee was fixed on 20-21 January, 1997.

The Sub-Committee then adjourned.

MINUTES OF THE FIRST SITTING OF THE SUB-COMMITTEE-II
OF THE STANDING COMMITTEE ON DEFENCE (1997-98)

The Sub-Committee sat on Tuesday the 14th October, 1997 from 1100 hrs. to 1230 hrs. for examination of the subject "Upgradation and Modernisation of Naval Fleet".

PRESENT

Smt. Sushma Swaraj — *Convenor*

MEMBERS

Lok Sabha

2. Shri T. Nagaratnam
3. Shri A. Sampath
4. Shri C. Narasimhan

Rajya Sabha

5. Shri Adhik Shirodkar

SECRETARIAT

Shri V.N. Gaur — *Director*

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

1. Shri Ajit Kumar — *Defence Secretary*
2. Vice Admiral Sushil Kumar — *VCNS*
3. Shri R.P. Bagai — *Joint Secretary (N)*
4. Ms. Somi Tandon — *Addl. Financial Advisor (T)*
5. Rear Admiral J.S. Bedi — *ACNS (P&P)*
6. Shri Kailash Patil — *Director (Navy)*

2. At the outset, the Convenor welcomed the representatives of the Ministry of Defence to the Sitting of the Sub-Committee and invited their attention to the provisions contained in directions 55 and 58 of the Directions by the Speaker, Lok Sabha.

3. The representatives of the Ministry of Defence, thereafter, briefed the Sub-Committee on 'Upgradation and Modernisation of Naval Fleet'. The Sub-Committee sought several clarifications on the subject and the representatives of the Ministry of Defence gave the necessary replies and assured to send further information, as desired by the Sub-Committee.

4. A verbatim record of the evidence was kept.

The sitting of the Sub-Committee then adjourned.

**MINUTES OF THE TWELFTH SITTING OF THE STANDING
COMMITTEE ON DEFENCE (1998-99)**

The Committee sat on Tuesday, the 15th December, 1998 from 1500 hours to 1600 hours for consideration/adoption of the draft report on 'Upgradation and Modernisation of Naval Fleet'.

PRESENT

Sqn. Ldr. Kamal Chaudhry — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rajendrasinh Ghanshyamsinh Rana
3. Smt. Bhavnaben K. Dave
4. Shri Shanta Kumar
5. Shri Suresh Chandel
6. Shri Gaurishankar Chaturbhuj Bisen
7. Shri Dada Baburao Paranjpe
8. Shri Bachi Singh Rawat
9. Shri Sohanveer Singh
10. Shri Parvathaneni Upendra
11. Shri Gajendra Singh Rajukhedi
12. Shri Indrajit Gupta
13. Shri Madhukar Sirpotdar
14. Shri Promotes Mukherjee
15. Dr. Subramanian Swamy

Rajya Sabha

16. Shri V. Kishore Chandra S. Deo
17. Shri Adhik Shirodkar
18. Dr. Raja Ramanna
19. Shri S. Sivasubramanian

SECRETARIAT

1. Dr. A.K. Pandey — *Additional Secretary*
2. Shri Harnam Singh — *Joint Secretary*
3. Shri R. Kothandaraman — *Deputy Secretary*
4. Shri K.D. Muley — *Assistant Director*

2. The Committee considered the draft Report on the subject 'Upgradation & Modernisation of Naval Fleet'. 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.

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 draft Report was then adopted.

5. The Committee then took up Memorandum No. 2 on the selection of the subject 'Hindustan Aeronautics Limited' (HAL) for discussion. The Committee decided that the subject may be continued to be examined and the scope of the subject be broadened with a new title 'Modernisation of the Indian Air Force'.

The Committee then adjourned.

APPENDIX I

COMPOSITION OF STANDING COMMITTEE ON DEFENCE 1996-97

Shri B.K. Gadhvi — *Chairman*

MEMBERS

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

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

22. Shri A. Sampath
23. Shri C. Narasimhan
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

* Nominated w.e.f.8.10.96

** Nominated w.e.f. 26.2.97.

*** Nominated w.e.f. 5.11.96

APPENDIX II

COMPOSITION OF SUB-COMMITTEE-II OF STANDING COMMITTEE ON DEFENCE 1996-97

Smt. Sushma Swaraj — *Convener*

Shri T. Nagaratnam — *Alternate Convener*

MEMBERS

3. Dr. Mallikarjun
4. Shri Jaswant Singh
5. Shri A. Sampath
6. Shri C. Narasimhan
7. Shri Lachman Singh
8. Shri Satish Agarwal
9. Shri Adhik Shirodkar
10. Shri Shivraj V. Patil

APPENDIX III

COMPOSITION OF STANDING COMMITTEE ON DEFENCE 1997-98

Shri B.K. Gadhvi — *Chairman*

MEMBERS

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 Suresh Kalmadi
16. Shri P. Uperidra
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

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 Bhanu Prakash Mirdha

Rajya Sabha

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

* Ceased to be Member w.e.f. 9.9.97.

** Expired on 10.9.97.

APPENDIX IV

COMPOSITION OF SUB-COMMITTEE-II OF STANDING COMMITTEE ON DEFENCE 1997-98

Smt. Sushma Swaraj — *Convenor*

Shri T. Nagaratnam — *Alternate Convenor*

MEMBERS

3. Dr. Mallikarjun
4. Shri Jaswant Singh
5. Shri A. Sampath
6. Shri C. Narasimhan
7. Shri Adhik Shirodkar
8. Shri Shivraj V. Patil