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**STANDING COMMITTEE ON DEFENCE  
(2008-2009)**

**(FOURTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

*[Action Taken by the Government on the Recommendations contained in the  
29th Report of the Committee (Fourteenth Lok Sabha) on the Demands for  
Grants of the Ministry of Defence for the year 2008-2009]*

**Thirty Fifth Report**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2009/Phalguna, 1930 (Saka)**

# THIRTY FIFTH REPORT

STANDING COMMITTEE ON DEFENCE  
(2008-2009)

(FOURTEENTH LOK SABHA)

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***[Action Taken by the Government on the Recommendations contained  
in the 29th Report of the Committee (Fourteenth Lok Sabha) on the  
Demands for Grants of the Ministry of Defence for the year 2008-2009]***

*Presented to Lok Sabha on 24.02.2009*

*Laid in Rajya Sabha on 24.02.2009*



LOK SABHA SECRETARIAT  
NEW DELHI

February, 2009/Phalguna, 1930 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2008-09)**

Shri Balasaheb Vikhe Patil - Chairman

**MEMBERS**

***LOK SABHA***

2. Shri Vijay Bahuguna
- \*3. Shri S. Bangarappa
4. Shri Milind Murli Deora
5. Shri Santosh Gangwar
6. Shri Jigajinagi Ramesh Chandappa
7. Shri Suresh Kalmadi
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12. Shri Adhalrao Shivaji Patil
13. Shri Shrinivas Patil
14. Shri Raju Rana
- \*\*15. Dr. H.T. Sangliana
16. Shri Arjun Charan Sethi
17. Prof. Mahadeorao Shiwankar
18. Shri Manavendra Singh
19. Shri Balashowry Vallabhaneni
20. Shri Rajesh Verma
21. Shri Anil Shukla Warsi

***RAJYA SABHA***

22. Shri A. Elavarasan
- \*\*\*23. Dr. Farooq Abdullah
24. Shri Jai Parkash Aggarwal
- \*\*\*\*25. Shri Abu Asim Azmi
26. Smt. Shobhana Bhartia
27. Shri R.K. Dhawan
28. Shri K.B. Shanappa
29. Shri Arun Shourie
30. Smt. Viplove Thakur
31. Shri M.V. Mysura Reddy
32. Shri Munquad Ali

- 
- \* Ceased to be a member of this Committee due to his resignation from Lok Sabha w.e.f. 12.02.2009
- \*\* Consequent upon his disqualification from Lok Sabha w.e.f. 3.10.2008.
- \*\*\* Ceased to be a member of this Committee due to his retirement from Rajya Sabha w.e.f. 29.11.2008.
- \*\*\*\* Ceased to be a member of this Committee due to his retirement from Rajya Sabha w.e.f. 25.11.2008.

(iii)

**SECRETARIAT**

- |    |                     |   |                  |
|----|---------------------|---|------------------|
| 1. | Shri Devender Singh | - | Joint Secretary  |
| 3. | Shri Rajeev Sharma  | - | Director         |
| 4. | Shri D.R. Shekhar   | - | Deputy Secretary |
| 5. | Smt. J.M. Sinha     | - | Under Secretary  |

## INTRODUCTION

I, the Chairman of the Standing Committee on Defence (2008-09) having been authorized by the Committee to present the Report on their behalf, present this Thirty-Fifth Report of the Committee on 'Action Taken by the Government on the recommendations contained in the Twenty-Ninth Report of the Committee (Fourteenth Lok Sabha) on 'Demands for Grants (2008-09) of the Ministry of Defence'.

2. The Twenty-Ninth Report was presented to Lok Sabha and laid in Rajya Sabha on 16.04.2008. It contained 46 recommendations/ observations. The Ministry of Defence have furnished their Action Taken Replies on all the recommendations/observations on 14.10.2008. The Committee took oral evidence of the representatives of the Ministry of Defence on 4 February, 2009 to clarifications on certain issues arising out of the action taken replies.

3. The Draft Action Taken Report was considered and adopted by the Committee at their sitting held on 20 February, 2009.

4. An analysis of action taken by the Government on recommendations contained in the Twenty-Ninth Report of the Standing Committee on Defence (Fourteenth Lok Sabha) is given in Appendix.

**NEW DELHI:**  
**20 February, 2009**  
**01 Phalgun, 1930 (Saka)**

**BALASAHEB VIKHE PATIL,**  
***Chairman,***  
***Standing Committee on Defence.***

## CHAPTER-I

### REPORT

This Report of the Standing Committee on Defence deals with action taken by the Government on the recommendations/observations contained in their Twenty-Ninth Report (14<sup>th</sup> Lok Sabha) on 'Demands for Grants of the Ministry of Defence for the year 2008-09' which was presented to Lok Sabha and laid in Rajya Sabha on 16.04.2008.

2. The Committee's Twenty-Ninth Report (Fourteenth Lok Sabha) contained observations/recommendations on the following aspects: -

Para No.	Subject
1	Application of criteria for security classification
2	Outcome Budget
3	Under utilization of allocation
4	11 <sup>th</sup> Defence Five Year Plan
5	Extent of Indigenisation in Defence Acquisition
6	Provision in DPP relating to transfer of upgraded technology
7	Creation of Non-Lapsable Defence Modernisation Fund
8	Curbing of Wasteful Expenditure
9	Armed Forces Tribunal
10	Liberalised Leave Policy
11	Force Level of Coast Guard
12	Monitoring of disbursement of money for rehabilitation by Defence Estate Officer
13	Lateral entry of Service Personnel in Para Military Forces
14	Registration of retiring servicemen at DGR
15	Uniformity in Disbursement of Cash Grants to Gallantry Award Winners
16	Separate fund under Civil Budget of MOD for providing scholarship to the wards of Armed Forces Personnel
17	Reservation for wards of Ex-servicemen in Educational Institutions



18	Revival and Rejuvenation of Entrepreneurial Schemes
19	Ex-servicemen Contributory Health Scheme (ECHS)
20	Revamping the ECHS
21	Supply of Defective Sleeping Bags
22	Increase the number of Self-Certification firms
23	One Sainik School in each State
24	Critical Review of the working of Sainik Schools
25	Funding pattern of Sainik Schools
26	National Cadet Corps (NCC)
27	Poor Quality of Uniform
28	Maritime Surveillance of Indian Navy
29	Construction of Admiral Gorshkov and ADS
30	Authorized and Existing Force Level of Navy
31	Stealth Frigate Project (P-17) and Destroyer (P-15A) Project
32	Shortages of manpower
33	Upgradation of training curriculum and infrastructure:
34	Lack of authority and power of the Unified command
35	Induction of Armed Forces personnel
36	Depleting Strength of Squadrons in Indian Air Force
37	Acquisition of Medium Multi- Role Combat Aircraft
38	Modernisation of Air-Fields
39	Ordnance Factories
40	Funding for DRDO
41	Providing 100% grant to R&D activities in selected private sector units
42	Restructuring of DRDO
43	Light Combat Aircraft
44	Arjun Tanks
45	Light weight Systems for soldiers
46	Sixth Pay Commission Recommendations

3. Action Taken Replies have been received from the Government in respect of all the recommendations/ observations contained in the Report. These replies have been examined and the same have been categorized as follows: -

(i) Recommendations/observations, which have been accepted by the Government (Please see Chapter II): -

Para Nos. 1, 8, 9, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 26, 27, 28, 30, 31, 33, 37, 38, 40, 43, 44 and 46

(25 Recommendations)

(ii) Recommendations/observations, which the Committee do not desire to pursue in view of the replies of the Government (Please see Chapter III): -

Para Nos. 7, 10, 15, 23, 32, 41, 42

(07 Recommendations)

(iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration (Please see Chapter IV): -

Para Nos. 2, 3, 4, 5, 6, 16, 24, 25, 29, 34, 35, 36, 39 and 45

(14 Recommendations)

(iv) Recommendations/observations in respect of which final replies of the Government are still awaited (Please see Chapter V): -

- Nil-

**4. The Committee desire that the Ministry's response to the comments made by the Committee in Chapter-I of this Report be furnished to them at the earliest and in any case not later than six months of the presentation of this Report.**

5. The Committee will now deal with the action taken by the Government on some of their recommendations in the succeeding paragraphs.

## **A Outcome Budget**

### **Recommendation (Para No. 2)**

6. In their earlier Report, the Committee had observed “even the Ministries exempted from preparation of Outcome Budget have been required to carry out the exercise for internal use and voluntarily deciding to place it in public domain fully or partially”. The Committee had accordingly, expected that the same would be presented by the Ministry of Defence to Parliament every year in terms of the Ministry of Finance guidelines.

7. In their action taken reply, the Ministry of Defence have stated as under:

“Ministry of Finance has exempted all the eight Demands for Grant presented by the Ministry of Defence to the Parliament from the scope of Outcome Budget after careful consideration. Preparation of Outcome Budget presupposes quantification and measurability of Outcomes, which may not be possible in the case of defence expenditure. Preparation of Outcome Budget in respect of the entire defence expenditure also entails the possibility of disclosure of sensitive information through the statements required to be prepared as a part of the exercise. While, therefore, reiterating our view that it would not be possible to prepare Outcome Budget to cover the entire defence related expenditure, efforts are being made to identify the areas and organizations funded from defence budget which could prepare Outcome Budget on a limited scale. This may take some time. As of now, it may also not be possible to present the outcome budget, prepared on a limited scale, to the Parliament as it would take some time before the proposed system stabilizes.”

8. **The Committee had specifically urged the Ministry of Defence to prepare Outcome Budget and expected that the same would be presented to Parliament every year in terms of the guidelines of the Ministry of Finance issued in December, 2006. The Committee are however, constrained to observe that even after lapse of two years of issuance of guidelines, the Ministry of Defence are still in the process of identifying the areas and organisations funded from Defence Budget, which could prepare Outcome Budget on a limited scale and that it would take some time before the system stabilizes. While expressing their serious displeasure over the delay in taking concrete action in this regard, the Committee hope that the Ministry of Defence will at least now take efficacious steps to complete the process of identifying the areas and organisations for which the Outcome Budget can be prepared and make earnest efforts to present the same to the Parliament at least from the year 2009-10 onwards.**

## **B Under-utilization of Allocation**

### **Recommendation (Para No. 3)**

9. In their earlier Report, the Committee had observed from the data furnished by the Ministry of Defence for the years from 2002-03 onwards that the overall budgetary allocation to Defence Services had invariably been revised downwards every year and the Defence Forces could not fully utilize even the reduced allocation. Without going into the causes for the recurring under-utilization, the Committee had pointed out that there was a need to make realistic projections of fund requirements by the Defence Forces keeping in view all relevant factors.

10. In their action taken reply, the Ministry of Defence have stated as under:

“There had generally been no under utilization of funds under the Revenue head. Under Capital head, there had been under-utilization due to a variety of reasons such as slippages in achieving milestones in the procurement process.”

11. **Keeping in view the recurring nature of under-utilisation of funds, the Committee had in their earlier Report recommended for making realistic projections of fund requirements by the Defence Forces. The Committee are anguished to find that the Ministry in their action taken reply have merely stated that there has been under utilisation under Capital Head due to a “variety of reasons” including slippages in achieving milestones in the procurement process and the reply is conspicuously silent on the aspects relating to the steps taken by them for making a realistic projection of requirement of funds. The Committee are not inclined to accept this evasive reply of the Ministry of Defence and they would like to know not only the “variety of reasons” responsible for under utilisation under Capital Head but also the corrective and precise steps taken by the Ministry to ensure realistic projection of funds in future. The Committee would also like the Ministry of Defence to review and simplify their existing procurement procedure to minimise instances of slippages in procurement schedule.**

## **C. 11<sup>th</sup> Defence Five-Year Plan**

### **Recommendation (Para No. 4)**

12. The Committee in their earlier Report had noted that even after lapse of two years after commencement of 11<sup>th</sup> Defence Five Year Plan, the Plan proposals had not been finalized yet. The Committee were given to understand that the Ministry of Defence were not satisfied with the allocation indicated by the Ministry of Finance in March, 2007 and that the matter had been taken up by the Raksha Mantri with Prime Minister and Finance Minister for reconsideration of the plan proposals. The Committee had expressed the hope that the matter would be finalized at the earliest.

13. In their action taken reply, the Ministry of Defence have stated as under:

“The 11<sup>th</sup> Defence Five Year Plan size is still to be approved by the Ministry of Finance and Cabinet Committee on Security. Concerted efforts were being made by the Ministry of Defence towards its early finalization.”

14. During oral evidence on this aspect, the Defence Secretary stated as follows:

“It is still with the Ministry of Finance. There are some differences in the amounts that we have projected and in the figures that they have arrived at. So, for the present, the lower figure may be taken as the sum that is approved. We have asked for more. In any case, it is not much of an issue because we function according to our Annual Plan. We do have an idea of how much money we have. We are working on that. There is a gap. It is around 10 per cent”.

**15. Although the 11<sup>th</sup> Defence Five Year Plan has commenced from April 2007, the Committee are perturbed to find that the Plan size is yet to be approved by the Ministry of Finance and Cabinet Committee on Security. Although the Ministry of Defence are stated to have been carrying out the Modernisation Plan according to their Annual Plan, the Committee are in no doubt that the extant Defence planning lacks foresightedness in the absence of a definite five year plan size. Clearly, managing the proposals on defence acquisitions on a year to year basis is adversely effecting the modernisation programmes of the armed forces. The Committee therefore, wish to reiterate their earlier recommendation and trust that concrete steps would be taken by the Ministry of Defence at the highest level to get the 11<sup>th</sup> Defence Plan finalised at the earliest.**

## **D. Extent of Indigenisation in Defence Acquisition**

### **Recommendation (Para No. 5)**

16. Taking note of the facts that schemes under 'Make' category of Defence Procurement Procedure 2006 remained to be identified and the indigenisation component in Defence Acquisition was yet to be quantified, the Committee desired the Ministry of Defence to undertake an overall assessment under 'Make' category and Raksha Udyog Ratnas (RURs) and apprise the Committee of the same.

17. In their action taken reply, the Ministry of Defence have stated as under:

“In pursuance of the aim of Defence Procurement Procedure (Make), the three Services have identified projects that could be offloaded to Indian industry after conducting feasibility study. However, no project under 'Make' category, of Defence Procurement Procedure had been taken up so far. DPP 2006 has been reviewed based on experience gained in its implementation. 'Make' procedure of DPP have been retained in DPP 2008. Only after some projects under 'Make' procedure have been implemented, its review would be undertaken.”

**18. Considering the fact that the 'Make' category incorporated in the Defence Procurement Procedure 2006 has not yielded any tangible results, the Committee feel that there is an urgent need to fine tune and rationalise the procurement procedures under 'Make' category so as to achieve the goal of self-reliance in real sense. The Committee therefore, desire that an expert committee should be constituted at the earliest to review the existing procurement procedures under 'Make' category so that the capabilities and expertise available with the defence industries in the country can be gainfully utilized.**

## **E. Provision in DPP relating to transfer of upgraded technology**

### **Recommendation (Para No. 6)**

19. In their earlier Report, the Committee had desired that Defence Procurement Procedure should provide for an in-built provision in the agreements with suppliers for automatic transfer of upgraded technology without the liability of additional royalty payments. The Committee had also stressed over the need for similar requirement in the Request for Proposal also.

20. In their action taken reply, the Ministry of Defence have stated as under:

“The upgrades of Defence equipment involve two main aspects - (a) Cost of the upgrades and its operational necessity at a later point of time. This cannot be assessed during contract negotiation of the equipment, and (b) payment of royalty for making additional equipment/platform. The requirement of additional numbers, required in future, if any, of equipment/platform cannot be foreseen at the time of signing the contract. Upgrades/further modifications, which were not known to buyer at the time of contract negotiation and having a provision in the contract to provide it free of cost by vendors, would compel vendor to hike its initial proposal. There would be many cases where ultimately upgrades may not be of any importance to Services. It would be better to procure upgrades/modified equipment or part thereof at a price later, which can be justified, rather than being an unknown figure at the time of main contract. In view of the above, the recommendation of the Committee has not been taken care of in the Defence Procurement Procedure -2008”

21. **Though the Committee had recommended that there should be an in-built provision in the agreement with suppliers for automatic transfer of upgraded technology without liability of additional royalty payments, the Ministry have tried to justify non-implementation of the recommendations on the grounds that the requirement of additional numbers of equipment/platform cannot be foreseen by the Ministry at the time of signing the contract and that the upgrades in many cases may not be of any importance to Services. The Committee are not inclined to accept this reasoning put forth by the Ministry of Defence and they feel convinced on the basis of past experience that the Ministry/Services have on many occasions faced problems both during acquisition and transfer of hi-tech technology, which ultimately resulted in undue delay in procurement of upgraded equipment at the time of need. Keeping in view the need for keeping pace with fast changing defence technology with utmost economy in meeting national security challenges, the Committee wish to reiterate their earlier recommendation.**

## F. Curbing of Wasteful Expenditure

### Recommendation (Para No. 8)

22. Taking note of the fact that the Headquarter Integrated Defence has identified a number of areas where optimisation of Defence resources could be achieved, the Committee had in their earlier Report desired that action should be taken to curb avoidable duplication of expenditure and quantify the savings so made to assess the outcome exercise. The Committee had also desired that the action taken in this regard be intimated to them.

23. In their action taken reply, the Ministry of Defence have *inter-alia* stated as under:

“(a) At micro level the Services had carried out an in house examination and confirmed that no wasteful expenditure was being incurred on any count. (b) At the macro level, there were a number of areas involving the Defence Services as a whole where wasteful expenditure has been avoided. These related to capital procurements, technology management, R&D, Defence PSUs vis-à-vis private Sector, utilisation of assets / facilities of common interest and so on.....

However, the quantification of such savings in real terms is not possible without a comprehensive study by all agencies involved in carrying out cost benefit analysis.”

24. During evidence on this aspect, the representatives of the Ministry of Defence stated:

“After sending these replies, a Committee has been formed and that has been headed by an ex-Secretary (Defence-Finance), and it has three other members. All these three officers are recently retired officers from the three Services and it has a Member-Secretary and a representative from the Ministry of Defence as Defence (Finance) so, they are looking into all these aspects in great detail and they have been tasked to submit a report within four months. So, we are expecting that this report would come to us by March 2009”.



25. The Committee note that in pursuance of their earlier recommendation, the Ministry of Defence have constituted a committee headed by an ex-Secretary (Defence-Finance), to look into all these aspects in detail within four months. The Committee trust that the Committee set up by the Ministry of Defence would submit the report to the Government within stipulated period of time. The Committee would also like to be apprised of the findings of the committee so constituted by the Ministry along with the action taken on its findings.

#### **G. Armed Forces Tribunal**

##### **Recommendation (Para No. 9)**

26. In their earlier Report, the Committee had expressed the hope that the Armed Forces Tribunal would commence functioning in July 2008 as scheduled and desired to be apprised of the progress made in this regard.

27. In their action taken reply, the Ministry of Defence have stated as under:

“...establishment of the Tribunal has yet to be notified under Section 4 of the Act “.

28. The Ministry of Defence have also elaborated on the preparatory action taken by them to establish and operationalise the Tribunal.

29. While taking due note of the preparatory action taken by the Ministry to establish and operationalise the Armed Forces Tribunal, the Committee are constrained to observe the delay in the establishment of the Tribunal which still remains to be notified under Section 4 of the Act. They, therefore, desire that time bound action should be taken to expedite the matter.

## **H. Scholarships to the wards of Army Personnel**

### **Recommendation (Para No. 16)**

30. In their earlier report, the Committee had noted that Army Welfare Education Society awards scholarships to the wards of Army personnel; PM Merit Scholarship Scheme provides scholarships to wards of Ex-servicemen; and the Education Grant is provided from Raksha Mantri discretionary fund for the wards of Ex-servicemen. The Committee had accordingly, desired that instead of having different sources of funds, the Ministry should consider creating a separate fund under Civil Budget of Ministry of Defence for providing scholarships to all needy children.

31. In their Action taken reply, the Ministry of Defence have stated *inter alia* that “the sources of funds for various scholarships can be different depending upon the scheme which vary in their purpose and content and, therefore, a separate or a single fund for the purpose as recommended is not considered necessary.”

32. Taking note of the fact that a number of schemes having different sources of funding are in vogue for award of scholarships to the wards of ex-servicemen and serving defence personnel, the Committee had recommended that the Ministry of Defence should consider creating a separate fund under Civil Budget of Ministry of Defence for providing such scholarships. In their action taken reply, the Ministry of Defence have, *inter alia*, stated that the “sources of funds for the various scholarships can be different depending upon the schemes which vary in the purpose and content and therefore a separate or a single fund for the purpose as recommended is not considered necessary”. The Committee are not inclined to agree with these reasons adduced by the Ministry for not creating a separate fund for award of scholarship under Civil Budget of the Ministry of Defence and they are rather of considered view that inclusion of such welfare schemes in the defence estimates leads to distorted and inflated figures in the Defence Budget. They, therefore, reiterate their earlier recommendation and urge upon the Ministry to create a separate fund under Civil Budget of Ministry of Defence for the purpose.

# **I. Reservation for wards of Ex-servicemen in Educational Institutions**

## **Recommendation (Para No. 17.)**

33. Taking note of the fact the Ministry of Defence had approached the Ministry of Human Resource Development for providing five per cent exclusive reservation for wards of ex-servicemen in all educational institutions, the Committee had in their earlier Report desired that the Ministry of Human Resource Development should consider the matter without loss of time to enable wards of Ex-Servicemen to avail of proposed benefits.

34. In their action taken reply, the Ministry of Defence have stated as under:

“Ministry of Human Resource Development has been reminded to enhance reservation of seats for getting admission to the wards/dependents of defence personnel in professional colleges/institutions under the Government of India.”

**35. The Committee are distressed to find that the Ministry of Defence have not taken any concrete step in the matter except reminding the Ministry of Human Resource Development to enhance the reservation of seats for getting admission to wards of ex-servicemen in professional colleges/institutions under the Government of India. In the absence of any plausible explanation about the precise action taken by the Ministry of Human Resource Development to implement this specific recommendation, the Committee are in no doubt that nothing has so far been done in the matter. They, therefore, strongly reiterate their earlier recommendation and stress that this issue be taken up at the highest level and follow-up action taken in a time bound manner.**

## **J. Ex-Servicemen Contributory Health Scheme**

### **Recommendation (Para No. 19)**

36. In their earlier Report, the Committee had desired that there should be a polyclinic of ECHS with full complement of staff or one recognized by ECHS at places where at least 500 Ex-Servicemen reside. The Committee had also desired that in areas where there was no polyclinics or recognized hospitals, there should be a provision for covering the area by mobile dispensaries with modern facilities.

37. In their action taken reply, the Ministry of Defence have, *inter-alia*, stated as under:

“There is no decline in the number of empanelled hospitals. The issue of new ECHS rates and empanelment of more hospitals is under consideration. ECHS polyclinics in all districts with ESM population of 1500 and above, ECHS polyclinics in rural and remote districts with ESM population upto 800 and Mobile polyclinics in remote locations with ESM population between 200 and 800 is also under consideration.”

**38. While appreciating that the issues related to extension of adequate facilities under Ex-servicemen Contributory Health Scheme for maximum coverage are under consideration of the Government, the Committee trust that an early action will be taken to put the intended facilities in place expeditiously. They would also like to be apprised of the latest position in this regard.**

## **K. Revamping the ECHS**

### **Recommendation (Para No. 20)**

39. Taking note of the fact that a high level committee headed by the Defence Secretary had been looking into the whole gamut of issues relating to ECHS with a view to revamping the scheme, the Committee had in their earlier Report expressed the hope that the high level committee would complete its task early with a view to providing expeditious relief to ECHS beneficiaries.

40. In their action taken reply, the Ministry of Defence have stated as under:

“Meeting of the High Level Committee is to take place to review the policy issues relating to ECHS.”

41. **The Committee are surprised to find that the meeting of the high level committee on revamping the Ex-servicemen Contributory Health Scheme (ECHS) is yet to take place to review the policy issues relating to ECHS despite lapse of a considerable period of time. The Committee are in no doubt that such inaction sends wrong signals to the beneficiaries under ECHS. While deploring the delay in holding the meeting of high level committee, the Committee strongly feel that the Government should expeditiously take up this matter with the seriousness it deserves.**

**L. Increase the number of Self-Certification firms**

**Recommendation (Para No.22)**

42. Taking note of the supply of defective sleeping bags, the Committee had in their earlier Report observed that there was a need to progressively increase the award of self-certification status to quality conscious firms which have demonstrated consistent product quality.

43. In their action taken reply, the Ministry of Defence have stated as under:

“Supply of imported sleeping bags, which had been rejected, was not made by any self-certified vendor.”

**44. The Committee find it distressing that the Ministry’s reply is conspicuously silent on the aspect relating to the need to progressively increase the award of self-certification status to quality conscious firms, which have demonstrated consistent product quality. The Committee, therefore, desire that they be apprised of the precise steps/action taken in this regard.**

**M. Critical Review of the working of Sainik Schools**

**Recommendation (Para No. 24.)**

45. Taking note of the maladies ailing administration of the Sainik Schools, the Committee had in their earlier Report desired that the entire gamut of these issues should be gone into by a high level committee and remedial steps taken in a time bound manner in order to ensure that Sainik Schools achieve their intended objectives.

46. In their action taken reply, the Ministry of Defence have *inter-alia* stated as under:

“As per the Sainik Schools Society Rules & Regulations, the entire capital expenditure on land, building, furniture and educational equipments required by Sainik Schools and a major portion of the running expenditure was borne by the concerned State Government who were also responsible for maintenance of building, roads and installations and for major replacements. They were also required to release grants in aid sought for additional requirement of building and furniture, transport, laboratory equipment, etc. A majority of Sainik Schools are of 40 years plus vintage and the financial support from the respective State Governments had not been consistent. As a result the physical infrastructure of many schools had been facing a steady decline. In order to address this concern, the Raksha Rajya Mantri (RRM) had convened the first ever Joint States’ Representatives and Principals’ Conferences in April, 2006 to evolve a joint action plan on this issue. The Sainik Schools had an institutionalized fora at various levels to regularly review the functioning of these schools. The latest review on all Sainik Schools was carried out by the RRM during the Review Committee’s meeting on 24<sup>th</sup> March, 2008 and during the Principals’ Conference held from 19<sup>th</sup> to 21<sup>st</sup> May, 2008.”

**47. It is observed from the reply of the Ministry that a review on all Sainik Schools was carried out by the Raksha Rajya Mantri (RRM) during the Review Committee’s meeting on 24 March, 2008 and during the Principals’ Conference held from 19 to 21 May, 2008. While awaiting the outcome of these meetings, the Committee would also like to know about the precise steps taken by the Ministry of Defence in pursuance of the specific recommendation made by the Committee in their earlier Report for examination of the issues ailing the administration of Sainik Schools by a high level committee for taking remedial steps in a time bound manner to achieve their intended objectives.**

## **N. Funding pattern of Sainik Schools**

### **Recommendation (Para No. 25)**

48. In their earlier Report, the Committee had observed that the funding of Sainik Schools should not be left to the mercy of the State Governments and desired that entire funding for all Sainik Schools should be made available by the Central Government on the pattern of Kendriya Vidyalayas.

49. In their action taken reply, the Ministry of Defence have stated as under:

“Upto the year 2007-08, the budget provision of Rs. 16 crore was made for meeting the Central Government’s liability on account of Defence scholarships, subsidies for fee and dietary charges and incentives for cadets joining the National Defence Academy (NDA) and other expenditure on centralized activities such as common entrance exam, Principals’ conference etc. The major initiative on the part of the Central Government for improving the standards of physical and academic infrastructure was providing additional 44 crore @ 2 crore per school towards infrastructure improvement has been made for the first time during the year 2008-09. The Central assistance in the budget towards Sainik Schools is required to be continued in order to achieve the desired level of infrastructure standards of these fully residential public schools. There is no proposal to dilute the role and responsibility of the State Governments in the management of the respective Sainik Schools. The State Governments role is also important since the primary objective of Sainik Schools was to remove the regional imbalances in the officer cadre of the Armed Forces, thereby envisaging a permanent stake of the State Government in the development of the schools. These Sainik Schools are therefore the unique assets of the State Governments as they provide 67 per cent reservation for the boys belonging to the particular state. The comparison of Sainik Schools with Kendriya Vidyalayas, Navodaya Vidyalayas may not be on equal footing since Sainik Schools are fully residential public schools having an all together different role and character and specifically contribute in removing the regional imbalance in the officer cadre of the Armed Forces”.



50. During oral evidence on the subject matter, the Defence Secretary stated as follows:

“Sainik Schools are institutions that should be strengthened. They provide quality education in quite remote places. They are sending people into the Services. They are ensuring better quality of entrants into the Services. We have found that many schools are in poor shape because the State Governments have not made any investment. This is quite common that when you start something on a sharing basis between the Central Government and the State Government, the State Governments tend to fall behind. We should take a practical view of this and increase the Government funding almost to 100 per cent and then we would have to start running these. We should look for a via media and not expect too much from the State Governments”.

**51. Keeping in view the inability of State Governments to provide required funds to the Sainik Schools and consequential decline in infrastructural facilities, the Committee had in their earlier report recommended that entire funding for all Sainik Schools should be made available by the Central Government. During evidence, the Defence Secretary conceded that “many schools are in poor shape because the State Governments have not made any investment”. He also deposed that a practical view on this aspect was needed to be taken to increase Government funding to almost 100 per cent. In the light of the candid statement made by the Ministry in their action taken reply that Sainik Schools “specifically contribute in removing the regional imbalance in the officer cadre of the Armed Forces”, the Committee would like to emphasise that there is an imperative need for proactive follow-up action in addressing the issues related to financial constraints adversely affecting the infrastructural and academic standards of these schools. They, therefore, reiterate their earlier recommendation for entire funding of all Sainik Schools by the Central Government.**

## **O. Construction of Admiral Gorshkov and ADS**

### **Recommendation (Para No. 29)**

52. In their earlier Report, the Committee had observed that in view of delivery schedule of both Gorshkov and Air Defence Ship being 2012 or after, Indian Navy had no alternative but to depend on the ageing INS Viraat for surveillance of the vast coastal area of the country. In the circumstances, keeping in view the future requirements, the need for going in for third aircraft carrier could not be over emphasised. Taking note of the fact that Admiral Gorshkov has also run into time and cost over run due to change in scope of work, the Committee had desired the Ministry of Defence to complete the task of examination of proposed modifications in the deal expeditiously. The Committee had also desired that revised agreement in this regard should have an inbuilt provision for automatic transfer of upgraded technology without the liability of additional royalty payment.

53. In their action taken reply, the Ministry of Defence have stated as under:

“The matter relating to revision in the Master Schedule and cost of the Ex-Admiral Gorshkov projected by the Russian side has been taken up for seeking approval of competent authority to enter into negotiations with the Russian side. The matter relating to in-built provision for automatic transfer of upgraded technology without the liability of additional royalty payment can be taken up with the Russian side in due course, though there was no such provision in the existing contract”.

**54. In order to ensure maritime security and future requirements, the Committee had desired the Ministry of Defence to expedite complete examination of the modifications in the deal of Admiral Gorshkov with Russian Government. The Committee are however, concerned to note that the issue is not being taken up with the seriousness and sense of urgency it deserves as is evident from the reply that the matter relating to revision in the master schedule and cost of the Ex-Admiral Gorshkov projected by the Russian side has been taken up for seeking approval of competent authority just to enter into negotiations with the Russian side. The Committee hope that the Government will come to a logical conclusion in this regard at the earliest and also give due consideration to Committee’s earlier recommendation for incorporating a provision in the revised agreement for automatic transfer of upgraded technology without the liability of additional royalty payment.**

## P. Lack of authority and power of the Unified Command

### Recommendation (Para No. 34)

55. Taking note of the fact that the Unified Command is not able to achieve its intended objectives due to lack of authority and power, the Committee had in their earlier Report recommended that the Unified Command should be vested with adequate powers to discharge its responsibilities effectively. The Committee also recommended that the Ministry of Defence should pay attention to the following points:-

- (i) Early finalization of revised LTIPP (2007-22).
- (ii) Evolving of a Joint Services doctrine and issue of joint directive to the Services.
- (iii) Integrated Modernization Plan for the three services and Coast Guard and providing a Joint Budget for the same.

56. In their action taken reply, the Ministry of Defence have stated as under:

- “(a) **Empowering of Unified Command to achieve its Intended Objectives.** The present system is working well with all the joint aspects being coordinated by HQ ANC where staff from all the Services are posted at each branch as per requirement. Respective Component Commanders take instructions from the joint staff of HQ ANC and execute the given task as only they are competent to carry out the Service specific operations and it is not advisable to allow outside interference in their specialized fields/service. Issues regarding procurement for the ANC, are being examined by a tri-service committee for bringing in necessary changes, as envisaged.
- (b) **Early Finalization of LTIPP (2007-2022).** Currently the LTIPP 2002-17 is in vogue. The Hon’ble RM while approving the current LTIPP had directed that New LTIPP 2012-2027 be formulated. The progress on the five steps towards formulation of LTIPP (2012-2027) are as follows:-
  - (i) **Articulation of National Strategy.** The draft National Strategy was prepared by HQ IDS and rendered to the National Security Advisor (NSA) in Jan 2007. Inputs are awaited.
  - (ii) **Formulation of Defence Planning Guidelines.** The finalized Defence Planning Guidelines Document has been received from Headquarters IDS and is presently under consideration in the Ministry of Defence.
  - (iii) **Formulation of Defence Capability Strategy.** The draft Defence Capability Strategy has also been formulated in Aug 2008. The document is under circulation to the respective Service HQrs for their comments.

- (iv) **Preparation of Defence Capability Plan and LTIPP and approval by DAC.** The work on Defence Capability Plan and the LTIPP are under way and both these documents are likely to be ready by end 2009.
- (c) **Evolution of Joint Services Doctrine and Issue of Joint Doctrine to the Services.**
  - (i) **Joint Services Doctrine.** This document has been issued in Apr 2007.
  - (ii) **Joint Doctrine.** The RM's Operational Directive provides the guidelines to the three services to formulate their operational plans.
  - (iii) **Integrated Modernisation Plan for the three Services and Provisioning of Joint Budget.** The LTIPP will enshrine the Integrated Modernisation Plans of all three Services and provide foundation for Joint Budget”.

57. When asked about the existing mechanism to resolve disputes among the three Services and COSC, a representative of the Ministry of Defence during oral evidence stated:

“The present situation is that the plans are discussed by the three Chiefs under the Chairman, COSC, and the plans are finalised/exchanged. Further, each other priorities and plans of action is codified and sent downwards for execution. If there are any differences, then they are resolved at the Chairman, COSC meetings. This is the mechanism. It is done in operational issues also”.

\* \* \* \*

“I think that in all such situations there is a final authority, which can be at the Services-level or at the political-level. Actually, I would say that disagreement within the Services is not a serious issue. It is because by their very nature they are disciplined and conditioned to obedience, and when something is laid-down, it is normally carried out. Therefore, I would not say that it is much of an issue. \*\*\*\*\*I think that there has never been any doubt in this country that it is the decision at the political-level that must prevail. I think that the Services themselves have always been the first to acknowledge this. It has not been questioned”.

58. Keeping in mind the Mumbai Terrorist attack, when asked as to how the Coast Guard should be a part of jointness, the representatives of the Ministry of Defence during oral evidence stated:

“Actually, the Coast Guard has to work more closely with the Navy. It also has to have some coordination with the State Government and particularly in the coastal areas. So, we are trying to put some systems in place for this. At present, there is coordination between the Coast Guard and the Navy. But there are some issues of command, control, sharing of information etc which are providing for through directives from the Ministry of Defence. But very broadly, I think that to ensure coastal security, we will have to double the assets of the Coast Guard

in a short period. The Coast Guard with its present complement of about 70 ships and 45 aircraft is all right for certain roles- humanitarian assistance, search and rescue, disaster relief and so on. But the Mumbai attacks have really now highlighted the need for a stronger security orientation in the Coast Guard. So, we are going to the Cabinet shortly with proposal. In fact, maybe it will come up in the next week or so to provide for this. The increase in equipment, increase in manpower, setting up of more stations, improvement in technology through radar stations, improvement of vessel identification systems will have to be done in coordination with the Ministry of Shipping. So, all these are underway. The Ministry of Home Affairs has also started a scheme for coastal police stations for providing boats to State Governments and so on. So, I think, all these issues are being addressed”.

**59. Expressing their concern over lack of authority and power of Unified Command, the Committee had recommended that the Unified Command be vested with adequate powers to discharge its responsibilities effectively. Although the Ministry have elaborated upon on the present system put in place to carry out the service specific operations and the status of the issues regarding procurement for the headquarters ANC, their reply is completely silent about the steps taken to bestow adequate powers on the Unified Command to enable it to discharge its responsibilities effectively. The Committee would, therefore, like to be apprised of the precise steps contemplated by the Ministry in this regard.**

**Q. Induction of Armed Forces personnel**

**Recommendation (Para No. 35)**

60. In the light of the fact that the Government had sanctioned 12,676 additional posts in Air Force for being filled up over a period of five years, the Committee had desired to be apprised of the extent of actual induction of personnel in 2007 and the prospects for recruitment of the projected level of personnel in 2008. The Committee also desired that steps should be taken to expand the infrastructure for training to accommodate enhanced number of personnel to meet the requirement of Air Force.

61. In their action taken reply, the Ministry of Defence have stated as under:

“Induction against sanctioned 12,676 additional posts is planned in a 5 year period. With regards to training of pilots, it was initially planned to increase the rate of induction so as to make good the additional vacancies within a period of 5 years. However, the existing infrastructure of the training establishments could not accept the capacity without major infrastructure changes and investments. This additional infrastructure if created would have gone waste after 5 years. Hence, it was decided to spread the period of making good the additional vacancies to 7 to 8 years from earlier plan of 5 years. As regards to PBORs the work services for enhancing the infrastructure are underway and this is likely to be completed by end of 2009. As of date the infrastructure is being utilized to its peak capacity”.

**62. The Committee find that instead of expanding the infrastructure for training to accommodate enhanced number of personnel to meet the requirement of personnel in Air Force, the Ministry have decided to spread the period of making good the additional vacancies of manpower to seven to eight years from the earlier plan of five years ostensibly on the ground that the additional training infrastructure if created, would go waste after five years. The Committee are not inclined to agree with this argument adduced by the Ministry against expansion of training infrastructure and they feel convinced that an expanded training infrastructure will be an asset particularly when the Air Force plans to increase its Squadron strength in coming years. The Committee are in no doubt that the Air Force will not be able to meet their requirement of additional personnel within shortest possible time if appropriate action to expand the existing infrastructure of the training establishment is not taken at this stage. They, therefore, reiterate their earlier recommendation to expand the infrastructure for training to accommodate enhanced number of personnel required to be inducted in Air Force to meet the pressing demands of national security.**

## **R. Depleting Strength of Squadrons in Indian Air Force**

### **Recommendation (Para No. 36)**

63. Taking note of the vastly depleting strength as against the authorised strength of Squadrons in Air Force, the Committee had in their earlier Report emphasised over the need to revise the acquisition target so as to meet the authorised strength within the shortest possible time-frame. They also desired to be apprised of the action plan formulated in this regard.

64. In their action taken reply, the Ministry of Defence have stated as under:

“The Force Level Plan had been revised and now IAF would have 35 Sqns by the end of 12<sup>th</sup> Plan. IAF was planning to add Su-30MKI, Light Combat Aircraft (LCA), Medium Multi Role Combat Aircraft (MMRCA) and Fifth Generation Fighter Aircraft (FGFA) to its fighter fleet to replace aircraft phasing out due to completion of calendar life / Total Technical Life. To offset the reduced fighter Sqns (presently 34 Sqns), induction of various force multipliers like Airborne Warning and Control Systems (AWACS), Unmanned Aerial Vehicles etc has been done to ensure sustenance of combat edge. Induction of trainers like Advanced Jet Trainers (AJT) was planned for dual purpose of providing comprehensive stage III training to fighter pilots of IAF to ensure smooth transition from basic aircraft to advanced fighters and utilization of these aircraft for Close Air Support (CAS) role in case of any future requirement.”

**65. Taking note of the depleting strength of Squadrons in Air Force, the Committee had emphasised over the need to revise the acquisition target in Air Force so as to meet the authorised strength within the shortest possible time frame. In their action taken reply, the Ministry of Defence have stated that the force level plan in Air Force has since been revised and IAF will now have 35 Squadrons by the end of 12<sup>th</sup> Plan.**

**While elaborating the status of induction plan of aircraft and its impact on force level, the Ministry's reply is completely silent about the action plan formulated to meet the authorised strength of squadrons within the shortest possible time. The Committee would like to be apprised of the plan drawn in this regard.**

## **S. Ordnance Factories**

### **Recommendation (Para No. 39.)**

66. The Committee were of the view that in order to make Ordnance Factories a vibrant and efficient organization, there was an urgent need to convert them into a company so that they had sufficient autonomy to select vendors and undertake joint ventures and to enhance their decision-making powers in financial and R&D matters. In case any delay was envisaged in corporatising Ordnance Factories, the Committee desired that periodical technical audits and standard accounting system should atleast be introduced forthwith.

67. In their action taken reply, the Ministry of Defence have stated as under:

“(i) OFB has been maintaining accounts in the form of Income and Expenditure Accounts. However, a decision had been taken to convert the existing formats of the accounts of the Ordnance Factories from the one based on the Government Department to a new commercially oriented format, as per requirement of GFR-87 of 2005. The same had been scrutinized/examined by various department of ministry. The proposal for introduction of Commercial Accounting Formats in Ordnance Factory was in advance stages for approval of the Government and Comptroller & Auditor General.

(ii) Regarding Corporatisation of Ordnance Factory, several meeting were held with representatives of various federations of Ordnance Factories to address the concerns related to recommendation of Kelkar Committee. However, in a meeting under the Chairmanship of the then Hon'ble RM with the reps of Federation of the Ordnance Factories held on 18<sup>th</sup> Sep 2006, wherein it was informed that Government has not decided to corporatize Ordnance Factories.



(iii) Greater Autonomy has been given through enhanced financial powers. Full Powers in respect of procurement/import of input materials has been accorded to OFB except Single Vendor Situation. OFB are not facing any constraints for their financial requirement. There has been no provision for technical audit by Independent Agency. However, statutory audit provision has been in place and action is being taken accordingly. Substantial financial powers have been delegated to OFB including full powers for research and development activities in Ordnance Factories.”

**68. In order to make Ordnance Factories a vibrant and efficient organisation, the Committee had specifically emphasised over the need to convert them into a company to enhance their decision-making powers in financial and Research & Development matters. Although the Ministry have stated in their action taken reply that substantial financial powers have been delegated to OFB including full powers in Research and Developmental activities in Ordnance Factories, the reply is completely silent as to the action taken by the Ministry to convert the Ordnance Factories into a company in pursuance of the recommendations made by the Committee in their Report presented in April, 2008. The Committee would like to be apprised of the precise steps taken by the Ministry in this regard.**

**T. Light Weight Systems for soldiers****Recommendation (Para No. 45)**

69. The Committee had observed that a development project to equip soldiers with light weight system submitted by Defence Research and Development Organization to Army a year ago still remained pending clearance. The Committee had, therefore, desired that the project should be examined without any further delay and the outcome communicated to Defence Research and Development Organization.

70. In their action taken reply, the Ministry of Defence have stated as under:

“Pending clearance from Army, DRDO has already initiated the proposal for the development of a few long lead and critical technology areas.”

**71. Although the Committee had specifically desired that the development project to equip soldiers with light weight systems by DRDO should be examined without any further delay, the Committee find it rather strange that the project continues to remain pending with Army despite lapse of almost two years. While stressing the need for early decision on this development project by Army, the Committee would like to know the specific reasons for unduly longer time taken by Army in this matter.**

## CHAPTER – II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Para No. 1)

The Committee had desired Information regarding targets and achievement of projects under implementation and of production performance, which pertain to Ordnance Factories, etc. in connection with examination of their Demands for Grants. The desired information was not forthcoming and no reasons had been advanced for denial of the information. The Committee wonder whether denial of the information was on consideration of national security. The Committee are of the view that disclosure of such information may in no way endanger the national security and cannot fall under the classified category especially when there is a move for corporatisation of the Ordnance Factories. The Committee feel that it is high time that a thorough review is undertaken to see whether the criteria for security classification have been applied properly and with due diligence in all matters handled by the Ministry of Defence and the organizations under its control. This is all the more necessary in the context of accountability to Parliament and in the context of the Right to Information Act. The Committee would like to be apprised of the outcome of the review.

#### Reply of the Government

The information on target, achievement and R&D projects as desired by the Standing Committee on Defence during examination of Demands for Grants is as follow:-

#### (A) Targets and achievement of projects as under :-

(VALUE IN Rs. CRORE)

VALUE OF ISSUE	2005-06		2006-07		2007-08	
	BE Projection	Achievement	BE Projection	Achievement	BE Projection	Achievement
Defence Sector	5915	5632	5714	5017	6403	5780
Non- Defence Sector	1325	1245	1486	1180	1195	1164
Total	7240	6877	7200	6197	7598	6944

#### B. R&D Efforts

##### Product successfully developed and trial evaluated

- **Independently with indigenous effort for which orders have been secured**
  - Mine Protected Vehicle (MPV)
  - 30mm Gun on ship with Optronic Pedestal for Navy and Coast Guard.
  - Chaff Launcher CSN 57 'Kavach MOD-I' & MOD-II for Navy 12.7 mm Gun (Prahari)

- 76/62 SRGM Barrel Assembly
- 2 KL Water Browser
- Anti Submarine Rocket RGB-60 with launcher RBU-6000 and fuze YDB-60.
- 140mm RL for Navy
- Anti Material Rifle 'VIDHWANSAK'
- 100-120 Kg Air Bomb
- 155 mm ERFB BB
- 57 mm Air Craft Rocket (Practice)
- 40 mm MGL 'UGRA'
- A 7 Ammunition
- Bullet Proof of Civilian vehicles
- Driver sight for T-72 Tank & BMP-I (ICV)
- Commander sight for T-55 Tank
- Passive Night Vision Device (Long Range)
- Day cum Night Vision Goggles
- Passive Night Vision Monocular-1x
- Reference Telescope for PXE Balasore
- 0.22" Sporting Rifles
- 12 Bore Pump Action Gun
- 0.32" Pistol
- 0.32" Revolver
- **With DRDO**
  - MBT Arjun
  - Combat Improved Ajeya (T-72)
  - PINAKA Rocket
  - Armoured Ambulance

### **New Products and Upgrades Developed & under trial Evaluation**

- **Independently with indigenous effort**
  - T-72 Up-gradation
  - 125 mm FSAPDS ammunition
  - 5.56 mm Carbine 'AMOGH'
- **With DRDO and DPSUs**
  - UBGL Weapon
  - 5.56 mm INSAS Rifle (Side Folding Butt) & LMG (Fixed Butt)
  - L-70 up-gradation with BEL
- Major on-going R&D Projects**
  - Armoured Recovery Vehicle
  - Up-gradation of L-70 Gun System
  - Mounting LFG on BMP ICV
  - Mounting LFG on Vehicle platform
  - 155 mm Bofors Gun up-gradation
  - Futuristic AD Gun 35 mm
  - 105 mm ERFB BB Ammunition
  - 155 mm x 52 Calibre Towed gun
  - Future Infantry Soldier System (FISS)

OFB has supplied in-house developed products worth Rs, 561 crore during 2006-07 and likely to supply worth Rs. 700 crores during 2007-08.

Some of the major products of OFB for capital investment are detailed below:

- Setting up of Bi-modular charge system production unit at Nalanda.
- Setting up of Carbine Production Unit at Korwa. The estimated cost of project is Rs. 408 crores.

This Ministry holds the Committee in highest esteem and the delay in furnishing the information was on account of non-availability of complete information at that point of time and not on account of any consideration of national security.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 8)**

A number of areas involving the Defence Services as a whole where optimization of Defence resources could be achieved has been identified by the Headquarter Integrated Defence Staff in pursuance of the Committee's earlier recommendation. These include Tri Service Institutes, Long-term deals, Transfer of technology, Life long support to major systems, Maintenance of Reserves and Exploitation of IT revolution. The Committee feel that there is scope for optimization in expenditure in other areas such as land acquisition, trial of equipments, joint exercises, closure of Military Farms as per the study of Ministry of Defence and CAG audit report of March, 2005 etc. Now, that the areas for optimization of expenditure have been identified, the Committee desire that action should be taken to curb avoidable duplication of expenditure and quantify the savings so made to assess the outcome of the exercise. The committee desire that the action taken in this regard be intimated to them.

### **Reply of the Government**

1. The comments of this Headquarters regarding tackling this important subject at two levels are as under:-

- (a) At micro level the Services have carried out an in house examination and confirmed that no wasteful expenditure is being incurred on any count.
- (b) At the macro level, there are a number of areas involving the Defence Services as a whole where wasteful expenditure has been avoided. These relate to capital procurements, technology management, R&D, Defence PSUs vis-à-vis private Sector, utilisation of assets / facilities of common interest and so on. Some of these are elaborated below:-

- (i) Long Term Deals. In the present age of exponential growth of technology and obsolescence of the same (major technologies are roughly doubling every five years), a far more focused approach to long term defence planning and weapon systems acquisition is being adopted by way of the formulation of the combined LTIPP, five years plans and periodical reviews in light of new developments and keeping the updated.

(ii) Life Long Support to Major Systems. Major modern weapon systems / platforms are not only capital intensive for initial procurement, there are huge associated costs for upgrades, overhaul, refits and so on during the technical life span of these systems. Adoption of an effective Life Cycle Costing system at the time of contract negotiation is being undertaken to curb wasteful expenditure later in the life cycles of the major system.

(iii) Technology Transfer. Technology transfer for defence systems comes at a very heavy price. Since the aim of such technology transfer is to facilitate indigenous development of the related technology, large funds thus invested go waste when we fail to develop the next generation model in time within the country. However, with the greater involvement and co-ordination between the Services, DRDO, PSUs and the private sector this gap is being reduced.

(iv) Indigenisation of Defence Needs. The indigenisation level of our Defence needs is far from satisfactory as we continue to heavily depend on import for most of our major systems. With bulk of our defence needs continuing to be off loaded to the DRDO and Defence PSU's, we have not been able to tap the immense potential of our private sector the way some of the major producer countries of defence equipment have done. The current efforts being put in by the Services to involve private Sector in meeting their needs for the future is yielding in better indigenisation.

(v) DRDO. The present trend of endless R&D on major weapon systems / platforms without concrete and time bound results leads to huge sunk costs which is highly wasteful. The ten year plan of DRDO formulated in conjunction with Services has resulted in better coordination and results in the future R&D efforts.

(vi) Defence PSUs. Our present policy to somehow keep the Defence PSUs afloat against the principles of economic prudence needs to be finally changed. These PSUs are being made competitive and accountable by going public to meet their financial needs.

(vii) Communication Network. A centrally coordinated common communication network for three Services is not only the operational necessity in the present day context of joint warfare, it would also result in cost savings. Whilst there is adequate compatibility between the individual communication networks of the Services, there are plans for installation of a common Defence Communication Network (DCN) for the Services which is at an advanced stage of procurement.

(viii) Tri-Service Training Establishments. There are a number of common fields where the three Services are running their independent training establishments. Clubbing these has resulted in cost effective and qualitative improvement in training standards.

(ix) Office Automation. The effective utilization of Computers and Networking Systems has enhanced office efficiency. Office automation has enabled a paperless office with better connectivity, thereby resulting in reduction of manpower and stationery.

2. The joint approach adopted with the creation of HQ IDS and the formations under it such as ANC have already resulted in savings by way of sharing of assets, maintenance facilities, logistic support etc pooled in from the three Services. Further, the integration of policy, war fighting, doctrine and procurement would also result in savings.

3. However, the quantification of such savings in real terms is not possible without a comprehensive study by all agencies involved in carrying out cost benefit analysis.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 9)**

An allocation of Rs. 6.09 crore has been made during 2008-2009 for Armed Forces Tribunal, which will reportedly start functioning in the middle of 2008-09. The Committee hope that the Tribunal will commence functioning in July, 2008 as scheduled and render justice to the Service personnel speedily. The Committee would like to be apprised of the progress made by the Government in this regard.

### **Reply of the Government**

It is stated that the Armed Forces Tribunal Act 2007 (55 of 2007) has come into force w.e.f. 15.06.2008 in terms of Section 1(2) of the Act. However, establishment of the Tribunal is yet to be notified under section (4) of the Act.

2. The following preparatory action has been taken to establish and operationalise the Tribunal: -

(i) By way of temporary arrangement, it has been decided to set up the Principal Bench of the Tribunal at West Block-8, R.K Puram, New Delhi. The lay out plan has been finalized in consultation with CPWD and it is expected that the civil works will begin soon. Efforts are on to locate a permanent accommodation for the Principal Bench at Delhi. In the interim period, it has been proposed to provide accommodation for the Chairperson & his personal staff in Sena Bhawan.

(ii) The Cabinet has approved the proposal for creation of 31 posts for Chairperson, Members (Judicial and Administrative) & Principal Registrar in its meeting held on 24.07.2008.

(iii) Justice A.K.Mathur, Retired Judge of the Supreme Court has been appointed as Chairperson of the Tribunal on 1<sup>st</sup> September, 2008.

(iv) A Selection Committee is being constituted for Selection of Members of the Tribunal. Chief Justice of India has nominated the name of one sitting Judge of Supreme Court of India to act as the Chairman of the Selection Committee for appointment of Members of the Armed Forces Tribunal. The other three Members of the Committee will be (i) Chairperson AFT; (ii) Defence Secretary & (iii) Secretary, Law.

(v) A Cabinet proposal has been initiated for seeking approval of Cabinet Committee on Accommodation for residential accommodation for the Chairperson, Members, Officers and other employees of Principal Bench from out of the General Pool.

(vi) It has been decided that apart from the Principal Bench at New Delhi, 08 Regional Benches at Chandigarh, Jaipur, Lucknow, Kolkata, Guwahati, Hyderabad, Chennai and Kochi.

(vii) Service HQrs have been requested to provide suitable office accommodation for Regional Benches.

(viii) Notification in respect of following rules have been issued on 21<sup>st</sup> July, 2008:

a. 'Procedure of Appointment of Vice-Chairperson and Members'

b. 'Procedure for investigation of misbehaviour or incapacity of Chairman, Vice-chairperson and other Members'

(ix) Ministry of Law and Justice have vetted 'Rules of Procedure' and are being sent for publication.

(x) 'Rules of Practice' have also been drafted and the same will be put up for approval of the Chairperson.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 11)**

The Committee note that as against the assessed requirement of 154 ships, 93 boats and 105 aircraft for Coast Guard, the existing strength is just 43 ships, 45 aircraft/helicopter, 18 boats/crafts and 23 non-commissioned boats/crafts in its fleet. It has also been stated that there is capabilities gap in the surface surveillance, shallow water operations and Aerial surveillance. Against this backdrop, the Committee feel that the budgetary allocation for this organization should be enhanced sufficiently at RE stage to enable the Coast Guard to meet its immediate requirements.

### **Reply of the Government**

Requirement of funds projected at the Budget Estimates 2008-09 stage was in consonance with the XIth Plan projections. Based on the progress of various Capital Acquisition schemes during the current fiscal, the requirement of additional funds, if any, will be projected at the Revised Estimates 2008-09 stage.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]



### Recommendation (Para No. 12)

The Committee do not agree with the reply of the Ministry of Defence that Defence Estate Officer (DEO) has no role in controlling the flow of funds, once these are placed at the disposal of the collectors of the concerned districts. Comptroller and Auditor General of India has rightly pointed out that failure of the DEO to monitor the disbursement of compensation to the farmers resulted in mis-utilization of Defence Funds by the State Government. The Committee strongly recommend that a mechanism should be evolved to ensure that the Defence Estate Officer plays an effective and pro-active role in monitoring the funds disbursed to the displaced families. The Committee feel that it is the responsibility of DEO to obtain utilization certificate from State Governments with regard to the funds placed at their disposal.

### Reply of the Government

Instructions have been issued to all the Principal Directors, Defence Estates and the concerned Defence Estate Officers to obtain utilization certificates and payees receipts from the Collector concerned. A copy of these instructions is enclosed as Annexure-I & II.

2 Around Rs.2.46 crores have been refunded by the concerned District Collectors to the DEO Bikaner. A statement reflecting the amount refunded by the concerned District Collectors to DEO, Bikaner is given below:-

	District		
	Sriganganagar	Bikaner	
Sanctioned amount placed with DC (Rs)	87,74,57,763.24	9,85,78,546	97,60,36,309.24
Amount disbursed by DC (Rs)	81,31,68,135	8,69,20,536	90,00,88,671
Undisbursed amount lying with DC (Rs)	6,41,60,630	1,16,58,010	7,58,18,640
Interest on undisbursed amount (Rs)	1,37,25,137	20,75,575	1,58,00,712
Undisbursed amount refunded (Rs)	-	96,50,000	96,50,000
Amount of interest refunded (Rs)	1,35,01,323	15,00,000	1,50,01,323

3 DC, Sriganganagar has informed that the balance amount of Rs. 6,41,60,630 is likely to be disbursed.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 13)**

“There are at present over 20 Lakh ex-servicemen and around 4.67 Lakh widows registered with the Directorate General of Resettlement (DGR). During the year 2007, the DGR could find placement for over 65,000 ex-servicemen. The Committee in this connection note the proposal for lateral shift of Defence Forces personnel to the Central Para Military Organizations. It appears that the Ministry of Home Affairs have some reservations on implementation of the proposal. The Committee note that the concerns of the Ministry of Home Affairs have been addressed by the Sixth Pay Commission in their report submitted recently. The Committee feel that the recommendation made by the Sixth Pay Commission for lateral entry of service personnel in para military forces merits serious consideration. The committees also feel that there is a need to enhance to 25 per cent the quota for Ex-servicemen in all State Police Forces. The Ministry of Home Affairs should examine the matter in consultation with State Governments and apprise the Committee of the outcome.

### **Reply of the Government**

This matter pertains to Ministry of Home Affairs; they were asked for the inputs in this regard. They have informed that the status report on the issue has been submitted to Lok Sabha Secretariat on 26.05.08

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 14)**

The Committee note that about 60,000 personnel retire from Army every year and not all of them registered with Zila/District Sainik Boards due to some reason or other. The Committee suggest that a system should be evolved to ensure that all retiring servicemen automatically registered at DGR so that all ex-servicemen get the benefit of all schemes formulated for them.

### **Reply of the Government**

The suggestion of the Committee is noted. The DGR is directed to work in collaboration with Regimental Centers 3 Services to gather the list of personnel retiring there at to have a centralized data bank of personnel who are to retire in the calendar year to come.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 17)**

The Committee note from the reply of the Government that the Ministry of Defence have approached the Ministry of Human Resource Development for providing 5 per cent exclusive reservation for wards of Ex-Servicemen in all educational institutions. The Committee desire that the Ministry of Human Resource Development should consider this matter without loss of time to enable wards of Ex-Servicemen to avail of proposed benefits.

### **Reply of the Government**

Ministry of Human Resource Development has been reminded to enhance of reservation of seats for getting admission to the wards/dependents of defence personnel in professional colleges/institutions under the Government of India.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 18)**

The Committee learn that revival and rejuvenation of entrepreneurial schemes i.e. SEMFEX II and SEMFEX III which are promoted by National Bank for Agriculture and Rural Development and Khadi and Village Industries is being worked out. The Committee would like to know the specific steps in this regard.

### **Reply of the Government**

The SEMFEX-II & III schemes which are promoted by National Banking for Agriculture and Rural Development (NBARD) and Khadi and Village Industries (KVI) was reviewed in the month of July. It was observed that the schemes demonstrated waning as gaining acceptance. The changing economic scenario and means of production have discouraged low volume productions. As an initial step the Ministry has written to the Department of Banking to assist in increased lending under the scheme.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 19)**

“There are issues about the age limit of dependent children availing the benefits of Ex-Servicemen Contributory Health Scheme (ECHS), decline in the number of empanelled hospitals under ECHS due to reduction in rates and inability of vast number of ECHS beneficiaries to have access to hospitals situated at far of places etc. The Committee desire that there should be a polyclinic of ECHS with full complement of staff or one recognized by ECHS at places where at least 500 Ex-Servicemen reside. The Committee also desire that in areas where there is no polyclinics or recognized hospitals, there should be a provision for covering the area by mobile dispensaries with modern facilities.”

### **Reply of the Government**

As per ECHS regulation, the eligibility status for dependent daughter and sons are as under: -

Daughter(s): -

- (i) Her/their details must exist in the service record of the pensioner;
- (ii) Unmarried and unemployed daughters must be dependent on the pensioner
- (iii) Married and or employed daughters are NOT entitled.
- (iv) Widowed daughters who are dependent on the pensioner and whose income from all sources less than Rs. 1500/- per month are entitled
- (v) Daughters with permanent mental or physical disability, irrespective of age/medical condition
- (vi) Divorced daughters are entitled, when solely dependent on the pensioner, and whose income from all sources is less than Rs. 1500/- per month
- (vii) In case where daughter is born after the pensioner's retirement, following documents will be required to enable the child to be declared as a dependent and to become entitled to ECHS

benefits:

- a. Birth Certificate
- b. Submission of application Form to enroll as a dependants sons:
  - (i) His/their details must be included in the pensioners record of service
  - (ii) Unemployed sons upto 25 years
  - (iii) Sons suffering from permanent physical or mental disability irrespective of age limit or medical condition
  - (iv) In case where the son is born after the pensioner's retirement, the following documents will be required as proof of dependency :-
    - (a) Birth Certificate
    - (b) Submission of additional application form to enroll as a dependant.

There is no decline in the number of empanelled hospitals. The issue of new ECHS rates and empanelment of more hospitals is under consideration.

ECHS polyclinics in all districts with ESM population of 1500 and above, ECHS polyclinics in rural and remote districts with ESM population upto 800 and Mobile polyclinics in remote locations with ESM population between 200 and 800 is also under consideration.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 20)**

“A high level committee headed by the Defence Secretary is reportedly looking with the whole gamut of issues relating to ECHS with a view to revamping the scheme. The Committee hope that the high level committee will complete its task early with a view to providing expeditious relief to ECHS beneficiaries.”

**Reply of the Government**

Meeting of the High Level Committee is to take place to review the policy issues relating to ECHS.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 21)**

Admittedly, defective items do reach the Armed Forces, in spite of stringent quality checks by the Directorate General of Quality Assurance (DGQA). The case in point is the supply of defective sleeping bags that came to surface recently. Although the Defence Secretary indicated that DGQA found that samples were faulty, the Committee would like to be apprised whether any consignment had reached the Armed Forces before or after DGQA completed its checks. The Committee hardly need to emphasize that supply of sub-standard items may affect not only the morale of soldiers but may also endanger their lives and security of the nation.

**Reply of the Government**

As per the extant procedure, before an ex-import item is used by the Indian Army, it is checked for quality by the DGQA either in Pre-dispatch Inspection or in Joint Receipt Inspection or both. In the present case, complete quantity of 35,580 Nos of the item bag Sleeping with cover received against Contract placed on M/s Camp Spa, Italy during Nov 2006 to June 2007 was rejected by DGQA as these did not conform to laid down specifications specified in the contract. Since the items having been rejected by DGQA, Army has not taken them as assets. In order to avoid/minimize receipt of unacceptable items, Pre-dispatch Inspection (PDI) is now being resorted to in all cases of import to ensure that only the right items are received. It will also minimize financial loss and arbitration cases.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 22)**

The Committee in this connection note that in respect of 58 manufacturers for whom DGQA have granted product specific self-certification, DGQA restricts itself to process/quality audits. It is not clear whether the supply of defective sleeping bags was from any of the self-certification firms. The Committee desire that the matter should be enquired into with a view to fixing responsibility. The Committee feels that there is a need to progressively increase the award of self-certification status to quality conscious firms, which have demonstrated consistent product quality.

### **Reply of the Government**

Supply of imported sleeping bags, which were rejected, was not made by any self-certified vendor.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 26)**

The Committee are distressed to find that there are as many as 3,470 schools and 1,700 colleges in the waiting list to enroll their students in National Cadet Corps (NCC) due to limited sanctioned strength of 13 lakh cadets. Girl cadets (1.89 lakh) account for just 14.6 percent of the total cadet strength. Considering the significant role played by NCC in providing the youth of the country opportunities for all round development, the Committee strongly recommend that the sanctioned strength of NCC should be sufficiently augmented with adequate funding to enable all schools/colleges in the waiting list and also those who like to enroll their students. It should also be ensured that strength of the girl cadets is raised to 33 per cent, as pleaded by NCC. Further, considering the civil nature of NCC's role, the Committee feel that it would be appropriate, if the expenditure for NCC is accounted for in the Civil budget of the Ministry of Defence rather than in the Defence Budget.

### **Reply of the Government**

With the view to reduce the number of institutions on the waiting list in a phased manner, Ministry of Defence has taken following two major initiatives:-

- (i) Re-structuring of NCC senior division/senior wing curriculum by reducing the enrolment period from 3 years at present to 2 years. This would provide NCC coverage to additional 90,000 cadets by the end of the third year.
- (ii) The Ministry is closely examining the proposal to increase the authorized strength of NCC from the present 13 lakh to 15 lakh cadets. This would also increase the NCC coverage significantly. The important feature of this proposal is the proposed association of ex-servicemen in NCC training.

2. There has been a gradual but steady increase in the strength of girl cadets in NCC as percentage of girl cadets in NCC has increased from 16.4% in the year 2005 to 21.13% in the year 2007. Though there is no quota of reservation for girl cadets in NCC, efforts are being made by the NCC to encourage the enrollment of girl cadets. The various steps taken to increase the number of girl cadets within the overall sanctioned strength of NCC are as under:-

- (i) Enrollment of girl cadets in boys battalions by way of introducing the concept of mixed battalions in NCC units.
- (ii) Publicity through media and conduct of orientation programme in the educational institutions.
- (iii) Increase in participation in community development and social welfare activities.
- (iv) Imparting specialized flying and boating training to girl NCC cadets to make NCC training more attractive.

Regarding the expenditure for NCC activities recommended to be accounted for in the civil budget of the Ministry of Defence rather than in the Defence budget, it is stated that the National Cadet Corps is a uniformed youth organization with one of its principal objective to motivate the youth to join the Armed Forces. Combat oriented training forms an integral part of NCC for which large scale institutional support is provided by the Armed Forces. Also NCC is staffed by officers and men from the Armed Forces as instructors. The curriculum of NCC is well balanced. The activities of NCC are multi-faceted and two sides of the same coin. Whereas one side represents the combat aspects, the other side represents the community development and societal missions. The budgetary requirements of NCC constitute a very small portion of the Defence Services Estimates. Adequate budgetary allocation is made available by the Ministry of Defence for NCC activities.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 27)**

Incidentally, the Committee learn that the pre-stitched uniforms provided to soldiers are often discarded due to size misfit. The Committee desire that this issue be examined with a view to taking suitable corrective steps and the Committee be apprised of the action taken in this regard.

### **Reply of the Government**

It is informed that most of the uniforms have fifteen different sizes to take care of different size requirements of soldiers. No case of discard of uniform due to misfit, has been brought to the notice of Army Headquarters. To further improve the system, a case for issue of fabric for uniform and stitching under the arrangement of the concerned formation, has been taken up.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 28)**

There has been shortage of both short range as well as long range maritime surveillance aircraft of Navy. The Committee note that two post Mid Life Upgrade aircraft have since arrived which would address some of the critical shortages in maritime surveillance and airborne anti-submarine warfare. Consideration by Commercial Negotiation Committee (CNC) is reportedly in progress for acquisition of Long Range Maritime Reconnaissance aircraft. Further, delivery of ten Fast Attack craft is scheduled to commence from 2008 till 2010 for maritime surveillance of Indian Navy. The Committee desire that it should be ensured that the above projects do not suffer any time and cost over run and the Long Range Maritime Reconnaissance aircraft acquired in a time-bound programme. The Committee would like to be apprised of the progress made and details of cost and schedule of delivery of above aircraft.

**Reply of the Government**

The case for acquisition of Medium Range Maritime Reconnaissance aircraft is under progress as per provisions of Defence Procurement Procedure-2006 (DPP-06) and they are planned for induction during the current Plan period. Similarly, the case of procurement of Long Range Maritime Reconnaissance Anti-Submarine Warfare aircraft is also being expeditiously progressed. The Fast Attack Craft project is also being regularly monitored as per the provisions of DPP-2006 to avoid time and cost overrun.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 30)**

Defence Acquisition Council is stated to have directed Navy to maintain 140 ships/submarines as early as in March 2003. The Committee are concerned to note that Navy's strength as on date is much short of the required strength and presently has just 129 ships/submarines. The Committee feel that had there been proper planning and funding, Navy would not have been in a difficult situation as it is today. The Committee would like to know the present acquisition plan of Navy and information as to how soon Navy is expected to attain the required number of fleet.

**Reply of the Government**

At present, there are a number of ships including submarines that are under construction at various Indian as well as foreign shipyards to cater for the shortfall and ships planned for de-commissioning. Action has also been initiated for undertaking new ship/submarine building schemes/projects to achieve the necessary capabilities.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]



### **Recommendation (Para No. 31)**

There is likely to be a delay of three months in the delivery of three Stealth Frigates on account of change in weapon package and finalization of power supply system. There is also likely to be delay in delivery of Destroyer due to late receipt of shafting and propeller system and non receipt of Gun mounting. There would, however, be no cost due to the delay as of now. The Committee desire that efforts should be made to ensure that there is no further delay in the schedules of these projects and there is no cost escalation.

### **Reply of the Government**

#### Project-17:

There is a likely delay of 09 months in the delivery of first ship. The initial issues concerning weapon package and power system have been resolved. The shipyard is trying to cope with the balance work to avoid any further delays.

#### Project-15A:

Delivery of destroyers is likely to be delayed on account of shafting and propeller system. The shipyard has been asked to make all out efforts to minimize the impact of these delays on the shipbuilding programme.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 33)**

The Committee received an impression, having visited the Naval Academy- INS Madavi recently, that there is an imbalance in the curriculum with a load of 64 per cent on academics and 17 per cent on service subjects. The Committee suggest that there should be a fresh look at curriculum to see whether the present scheme is ideal to suit the requirements of Navy.

### **Reply of the Government**

1. There is no imbalance in the curriculum as the minimum academic qualification for an officer to be commissioned in the Navy is Graduate in Science. This enables them to handle technology intensive equipment onboard ships, submarines and aircraft. The trainees joining Naval Academy under the 10+2 (X) Entry Scheme are mandated to undergo a Degree Course (B.Sc.) under the aegis of Goa University, as part of the 3 year training curriculum.

2. The academic syllabus, as stipulated by the Goa University, necessitates 64% of the laid down curriculum to be earmarked for academic subjects. The balance part of the curriculum is judiciously utilized for training in service subjects (17%), outdoor training (16%) and extra curricular activities (3%). This structure is ideally suited to meet the requirement of the Navy. In addition, incremental specialized service training courses, post ab-initio stage for officers, are also undertaken to meet the continuation training requirements of Naval Officers.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 37)**

The Committee have been informed that Indian Air Force has planned to acquire 126 Medium Multi-Role Combat Aircraft (MMRCA) in respect of which Request for Proposal (RFP) is to be submitted by vendors by 28<sup>th</sup> April, 2008. It has been stated that the technical evaluation of MMRCA will be made in the second and third quarters of the year 2008 and the field evaluation trials in the first quarter of 2009. The Committee urge that on successful completion of trials, there should be no delay in acquisition of MMRCA.

### **Reply of the Government**

The directions of Committee have been noted for compliance.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 38)**

The Committee observe that modernization of all the 56 airfields is being taken up in two phases-30 airfields in the first phase and 26 in the second phase. The committee would like to be apprised of the time frame and cost involved in the two phases of modernization and the number of airfields under the management of State Governments who are not able to upkeep them for want of funds. As Air Force requires the airfield from strategic point of view, the Committee stress that expeditious steps be taken to take over these airfields from the State Governments and to modernize them on priority basis. The Committee also stress that modernization of airfields should be undertaken in a time bound manner and the Committee be apprised of the cost estimates of the above-mentioned projects.

### **Reply of the Government**

1. Modernization of all 56 airfields of IAF is being taken up in two phases:-
  - (a) 30 airfields in first phase
  - (b) 26 airfields in second phase
2. 30 airfields in first phase would be completed in a time frame of 4 years from the date of contract signature. The cost of first phase is estimated at Rs.1216.44 Cr. including one Doppler Very High Frequency Omni Range/Distance Measuring Equipment (DVOR/DME) for Indian Navy. The timeframe and cost for the second phase of modernization would be estimated only after the contract is finalized for the first phase.
3. IAF is setting up a separate cell to smoothly implement the first phase of MAFI project in a expeditious and time bound manner.
4. IAF is considering opening of military enclaves at some of the Airport Authority of India civil aerodromes on same lines as those at Palam and Guwahati. Development and dues of State owned airfields for military proposes will be considered as and when required from strategic view point.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 40)**

Adequate funding is a pre-requisite for DRDO to play a significant role in progressive enhancement of self-reliance in critical sphere. The Committee deplore that the Defence R&D has been allocated just three-fourth of the projected demand during 2008-09. As against the projection of Rs. 8523 crore for 2008-09, DRDO has been allocated just Rs. 6487 crore with a shortfall of as much as Rs. 2036 crore (24%). The Committee find that Defence R&D has a record of healthy utilization of budgetary allocation. This is evident from the fact that the enhanced allocation made to Defence R&D at RE stage has almost entirely been utilized during 2005-06 and 2006-07. The Committee, therefore, are of the view that the Ministry of Defence should ensure that fund availability is not a constraint for DRDO to take up all its planned R&D activities. The Committee accordingly recommend that fund that might be demanded by Defence R&D at RE stage should be made available without fail.

**Reply of the Government**

Availability of funds is not a constraint for DRDO to take up planned R&D activities. Additional funds requirement for DRDO are always being considered and allocated.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 43)**

The Light Combat Aircraft project is very crucial to our force levels. Sadly, there have been delays in achieving the initial operation clearance on this aircraft which is now expected by 2010 as against the original anticipation by 2008. Whatever be the reasons for delay, it should be ensured that there is no further slippage in realizing the initial operation clearance of Light Combat Aircraft.

**Reply of the Government**

As per the detailed Plan for LCA, requisite number of flights/trials are likely to be completed for achieving Initial Operational Clearance by 2010. All efforts shall be made so that there is no further slippage in achieving initial operational clearance of LCA.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 44)**

The Committee in their earlier reports had recommended that adequate number of Main Battle Tank – Arjun should be manufactured for induction into Indian Army. The Committee however are startled to hear now from a representative of the Army that Arjun tanks have performed very poorly and a lot of improvements have to be made before the Army is satisfied on the Arjun tank. It is not clear why things went wrong with the Arjun tank. In any case, the causes for failure of Arjun tank should be identified without loss of time and necessary modifications carried out at the earliest so that the tank becomes acceptable to the Army without loss of time. The Committee would like to be apprised of the schedule of manufacturing of Arjun Tank and its induction into the Services.

### **Reply of the Government**

Army HQ had placed indent for 124 MBT Arjun on OFB in Mar 2000. 14 MBT Arjun Tanks, duly modified as required by Army and accepted at Joint Receipt Inspection stage have been issued. Out of 14 tanks, two tanks were selected for Accelerated User Cum Reliability Trials (AUCRT) which commenced from 10<sup>th</sup> Dec 2007. The same was conducted in two phases and have been recently concluded. The trial reports are being reviewed.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 46)**

The Committee learn that in respect of existing PBOR on 01 January 2006 the fitment have been recommended to be at their existing pay. Due to this, the PBOR of same rank of different groups are reportedly getting fixed at different stages in the proposed revised pay band. Further, the pay-scales of Personnel Below Officers Rank (PBOR) as existing today is stated to have been left unchanged by the Sixth Pay Commission. On the other hand, the pay-scales of Central Para-Military Forces (CPMF) have reportedly been upgraded and even after paying Military Service Pay of Rs.1000/-, a new recruit PBOR will get just Re. 1 more in comparison with constable of CPMF. The Committee express their serious concern over the issues arising out of 6<sup>th</sup> Pay Commission recommendations on the Armed Forces Personnel. The Committee understand that Armed Forces personnel are not satisfied with the recommendations of 6<sup>th</sup> Pay Commission and some of the officers have sought release from the services. Keeping in view, shortage of manpower already prevailing in Armed Forces, the Committee desires that Ministry of Finance should take urgent steps to redress the grievances of Armed Forces Personnel.

### **Reply of the Government**

The Personnel Below Officers Rank (PBORs) of Defence Forces traditionally enjoy edge in emoluments over their civilian counterparts including the Central Para Military Forces (CPMF). However, it has been perceived by the Defence Forces that the VI Central Pay Commission (CPC) in its recommendations has diluted this edge by giving higher pay to the CPMF personnel.

2. The representations received from the Chiefs of the Staff Committee were examined in the Ministry in detail and it was recommended to the Committee of Secretaries (COS) and Ministry of Finance to maintain this edge. It has been stated that the terms of conditions of engagement of PBOR of Defence Forces and CPMF are different and, hence, there can not be parity. In view of this, it was recommended, inter-alia, that Military Service Pay (MSP) of PBOR may be enhanced. The Services have also made a presentation before the COS clarifying their position.

3. The decision of the Government have been conveyed to the Services by way of a Resolution which has been notified in the Gazette.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### CHAPTER-III

#### RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLIES

##### Recommendation (Para No. 7)

Keeping in view the large scale surrender of Fund allocated for Capital Acquisition since 2004-05, and the long gestation period for Defence Acquisition, the Committee in their earlier reports on Demands for Grants had recommended that a Non-Lapsable Defence Modernization Fund should be created. The Committee are disappointed to note that the Ministry of Defence have not done anything in this regard. The Committee desire that the question of creation of Defence Modernization Fund should be reconsidered for early action.

##### Reply of the Government

The matter has been re-examined and it has been decided with the approval of Hon'ble Raksha Mantri that as of now there is no need to set up a Non-Lapsable Defence Modernization Fund for the reasons explained below:

- (a) Standing Committee on Defence has been recommending setting up of the Defence Modernization Fund so that the modernization of the Armed Forces does not suffer on account of inadequacy of funds in any particular year and the Services are able to resort to long-term planning for their modernization.
- (b) Availability of funds is not an issue in so far as the modernization effort is concerned, as adequate funds are being made available to the Services every year.
- (c) The Finance Minister has also repeatedly assured that additional funds would be made available, if required.
- (d) Though the Eleventh Defence Plan (2007-12) is yet to be approved, modernization programme is proceeding as envisaged in the Plan.
- (e) Utility of such a Fund would be limited as parliamentary approval would be required for appropriating any sum from the Fund, as stated by the Finance Secretary before the Standing Committee (Recorded in para 1.57 of its 11<sup>th</sup> Report).
- (f) As sufficient funds are anyway being made available every year under the Capital Head for sustaining modernization effort, the sums available under the Defence Modernization Fund may remain unutilized even if suitable changes are made in the Rules to obviate the necessity of seeking parliamentary approval as suggested by the Standing Committee in Para 10 of its 3<sup>rd</sup> Report.
- (g) Considering that adequate funds are being made available under the Capital Head every year, as also the fact that, as of now, the allocated funds are not getting fully utilized, the corpus of the Defence Modernization Fund may keep increasing with transfer of unutilized funds to the proposed Defence Modernization Fund at the end of each financial year.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 10)**

The Committee learn that annual leave available to service personnel get exhausted in performing the accumulated family responsibilities and they do not have time for recreation for their family. One of the reasons for stress among the Jawans is stated to be inadequacy of leave. Therefore, the Committee suggest that desirability of providing additional 15 days leave to Armed Forces Personnel while availing LTC should be examined for implementation.

### **Reply of the Government**

To ensure that grant of leave is more liberal the following guidelines/measures have been undertaken:-

- (a) Leave, as such should not be denied to troops except under exigencies of service or on operational grounds.
- (b) No local restrictions on grant of leave shall be imposed, whatsoever, except with the explicit permission of the competent authority at his HQ.
- (c) Officers are entitled to 20 days casual leave in a calendar year. At present officers can avail casual leave upto 20 days at a time at the discretion of the leave sanctioning authority instead of the earlier provision of 10 days normally and extension upto 14 days in exceptional cases.
- (d) PBORs are entitled to 30 days casual leave in a calendar year. At present PBOR can avail leave upto 30 days at a time at the discretion of the leave sanctioning authority instead of the earlier provision of 10 days normally and extension upto 20 days in exceptional cases.
- (e) At present an officer is entitled to a total of 80 days leave in a year comprising of 60 days Annual leave and 20 days Casual leave. On the other hand, a PBOR is entitled to 90 days leave in a year comprising of 60 days Annual leave and 30 casual leave.
- (f) Annual leave of 60 days can be taken together or in three parts instead of the earlier two.

As per the liberalized leave policy, adequate leave to the extent of 80 and 90 days is already available to Officers and PBORs respectively. Therefore, additional leave of 15 days to Armed Forces personnel while availing LTC is not considered necessary.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 15)**

The Committee are dismayed to learn that there has been wide disparity in cash grants given by the states to the gallantry award winners, which reportedly range from Rs.20,000/- to Rs.20 lakh. The Committee desire that there should be a measure of evenness in such grants and attempts should be made to evolve a policy in this regard in consultation with all State Governments, prescribing a minimum threshold limit for such grants.

### **Reply of the Government**

It is the prerogative of the state governments to honor the gallantry awardees of their respective States by providing them cash grants and other benefits at levels as found to be appropriate by them keeping in view their financial resources etc. This being a state subject, it is not possible for the Central Government to ensure uniformity across all states. However, the state governments have been requested to enhance these amounts in line with the Punjab model and in keeping with prestige and dignity of the awardees. The state Governments have been addressed at the level of Hon'ble Raksha Rajya Mantri on 30<sup>th</sup> April 2008 to take appropriate action (copy enclosed).

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No. 23)**

Though removing regional imbalances in the officers' cadre of the Armed Forces is one of the objectives of establishing Sainik Schools, the Committee find that not all States have a Sainik School. At present, there are 22 Sainik Schools located in 20 States and 3 more have recently been sanctioned to cover 3 more States. The Committee suggest that there should be at least one Sainik School in each State and efforts must be directed towards achieving this.

### **Reply of the Government**

In principle approval has been accorded by the Ministry of Defence for opening of new Sainik Schools in Mizoram, Sikkim, Chhattisgarh and a second school in Haryana. With this, the total number of Sainik Schools would go up to 26 and 23 States would be covered. There are also proposals under consideration for opening of a second Sainik School each in the States of Jharkhand and Andhra Pradesh. The basic prerequisite for starting up a new Sainik School in any state is the receipt of a specific initial proposal from the State Government concerned, offering suitable land for the school along with a commitment for providing funds for the creation / maintenance of physical infrastructure and meeting a portion of the recurring expenditure. The prescribed Memorandum of Agreement is also required to be signed by the State Government. The three Service HQs are also required to give a commitment for sparing suitable service officers for the posts of Principal, Headmaster and Registrar. Under the existing dispensation, there is no provision for the Ministry of Defence to initiate the process of establishment of a new Sainik School.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]



**Recommendation (Para No. 32)**

It is observed from the information furnished by the Ministry of Defence that there is a shortage of 1,403 officers and 3,829 sailors in Navy. In the context of Navy's plan to induct various technologically intensive weapon systems during the 11<sup>th</sup> Defence Plan to address capability gap in maritime surveillance and anti-submarine warfare the Committee stress that there should be special drive to induct adequate manpower to fill up the vacancies. The Committee would like to be apprised of the action taken in this regard. As regards the recruitment of Sailors, the Committee of the view that youth belonging to the coastal areas must be imparted pre-selection training, so as to exploit their potential and natural ability.

**Reply of the Government**

1. Indian Navy presently has a shortage of 1,495 (16.7%) officers and 2,791 sailors (5.4%). The present shortages in sailors are being maintained as a policy to have a 5% planning buffer to cater for contingencies. Presently, no difficulty is being experienced in the recruitment of Sailors.
2. The above gap in the officer's cadre is on account of various reasons. However, there is a continuous effort in filling up of the vacancies and retrain the officers. In this regard, Indian Navy undertakes a number of measure to attract the best youth by creating avenues of the challenging and satisfying career through publicity and campaigns etc. Candidate-friendly recruitment procedures have been adopted. Besides, one additional Services Selection Board (SSB) at Diamond Harbour has been started and new entry schemes for induction of officers have been introduced.
3. Further the recommendation of the 6<sup>th</sup> Central Pay Commission have been received which have been accepted by the government with certain modifications keeping in mind the representations from the Services. This will have a positive impact to attract youth to join Indian Navy.
4. Regarding pre-selection training, it is informed that recruitment to Indian Navy is carried out on All India Basis. Indian Navy is carrying out focused publicity drive in various institutions to attract potential candidates and special recruitment drives were conducted in all Coastal States in March 2007. Recruitment Centers have been activated at places like Dwarka, Jamnagar, Karwar, Goa, Kochi, Tuticorin, Coimbatore, Chennai, Visakhapatnam, Chilka, Kolkata and Port Blair. Also, eight Sainik Schools and 36 NCC units operating in the various coastal states educate the students on procedures of joining the Armed Forces. However, it is not found feasible to accept the recommendation of imparting any pre-selection training.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 41)**

The Committee also desire that there should be an arrangement for providing 100 percent grant to R&D activities in selected private sector units.

**Reply of the Government**

The "Make" procedure in DPP 2006 provides for sharing of development cost with private industry. Where the system configuration is complex, lead time for development is relatively long and technological risks are substantial, the Defence Acquisition Council (DAC) may approve sharing for development cost with developing agency(ies). The sharing of cost would normally be in the ratio of MoD (80%) and Industry (20%) as per DPP-2006.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**Recommendation (Para No. 42)**

The Committee while examining action taken notes received from the Ministry of Defence on recommendations contained in 14<sup>th</sup> Report on DRDO, had noted that an Independent Review Committee, under the Chairmanship of Dr. P. Rama Rao, was studying the issue of restructuring and autonomy for DRDO. The Committee would like to know the findings of the above committee.

**Reply of the Government**

The Independent Review Committee under the chairmanship of Dr. P. Rama Rao has submitted a confidential report to the Government on 5 March 2008. The report of the Committee is under study and analysis by the Government. Sub-committees have been formed to study the various aspects/implementation of the recommendations of the Independent Review Committee. The whole process may take about a year's time from now to come to conclusion.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**CHAPTER-IV****RECOMMENDATIONS/OBSERVATIONS WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE****Recommendation (Para No. 2)**

Outcome budget is presented to Parliament by each Ministry in terms of the guidelines issues by the Ministry of Finance O.M. dated 12<sup>th</sup> December 2006. The outcome budget broadly indicates physical dimension of the financial budgets indicating the actual performance during the preceding year, performance in the first 9 months in the current year and the targeted performance during the succeeding year. The Committee note that the Ministry of Defence have been exempted from presentation of outcome budget. However, even the Ministries exempted from preparation of outcome budget have been required to carry out the exercise for internal use and voluntarily deciding to place it in public domain fully or partially. The Defence Secretary has gone on record in this regard stating that the Defence Ministry has been trying to do it and develop infrastructure ever since the Ministry of Finance issued instructions in this regard. He has also promised to do the outcome budget for certain areas. The Committee would await the outcome budget of the Ministry of Defence and expect that the same is presented to Parliament every year in terms of the Ministry of Finance guidelines.

**Reply of the Government**

Ministry of Finance has exempted all the eight Demands for Grant presented by the Ministry of Defence to the Parliament from the scope of Outcome Budget after careful consideration. Preparation of Outcome Budget presupposes quantification and measurability of Outcomes, which may not be possible in the case of defence expenditure. Preparation of Outcome Budget in respect of the entire defence expenditure also entails the possibility of disclosure of sensitive information through the statements required to be prepared as a part of the exercise. While, therefore, reiterating our view that it would not be possible to prepare Outcome Budget to cover the entire defence related expenditure, efforts are being made to identify the areas and organizations funded from defence budget which could prepare Outcome Budget on a limited scale. This may take some time. As of now, it may also not be possible to present the outcome budget, prepared on a limited scale, to the Parliament as it would take some time before the proposed system stabilizes.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.3)**

It is observed from the data furnished by the Ministry of Defence for the years from 2002-03 onwards that the overall budgetary allocation to Defence Services has invariably been revised downwards every year and the Defence Forces could not fully utilize even the reduced allocation. The shortfall in utilization by the Defence Services ranges from Rs.234 crore to Rs.1151 crore during the period from 2002-03 to 2006-07. Without going into the causes for the recurring under utilization, the Committee feel that there is a need to make realistic projections of fund requirements by the Defence Forces keeping in view all relevant factors.

### **Reply of the Government**

There has generally been no under utilization of funds under the Revenue heads. Under Capital head there has been under-utilization due to a variety of reasons such as slippages in achieving milestones in the procurement process.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.4)**

The Committee regret to note that even after lapse of two years after commencement of 11<sup>th</sup> Defence Five Year Plan, the Plan proposals have not been finalized yet. The Committee are given to understand that the Ministry of Defence are not satisfied with the allocation indicated by the Ministry of Finance in March, 2007. It has been stated that the matter has been taken up by the Raksha Mantri with Prime Minister and Finance Minister for reconsideration of the plan proposals. The Committee hope that the matter will be finalized at the earliest to enable the Ministry of Defence to plan their finance and acquisition without any further delay

### **Reply of the Government**

The Ministry of Defence has taken up the matter with Ministry of Finance as regards finalization of the 11<sup>th</sup> Defence Five Year Plan at the highest level. The Xith Defence Plan size is still to be approved by Ministry of Finance and CCS. Concerted efforts are being made by Ministry of Defence towards its early finalization.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.5)**

The Committee are distressed to note that even two years after implementation of Defence Procurement Policy, 2006, the schemes under “Make” category of DPP are yet to be fully identified and the indigenisation components in Defence Acquisition yet to be quantified. The Committee urge that the task be completed expeditiously and the Committee be informed of the extent of indigenisation in Defence Acquisition after implementation of DPP. It appears from the information furnished by the Ministry of Defence that no assessment has so far been made to see whether DPP-2006 has achieved its intended objectives after its introduction in July, 2006. The Committee would like the Ministry to undertake an overall assessment under “Make” category and Raksha Udyog Ratnas and the Committee be apprised of the assessment.

### **Reply of the Government**

The aim of the Defence Procurement Procedure (Make) is to optimally utilise the potential of Indian Industry to meet the requirements of Armed Forces in the prescribed time frame.

In pursuance to the aim of Defence Procurement Procedure (Make) the three Services have identified projects that could be offloaded to Indian Industry after conducting feasibility study. However, no project under ‘Make’ category of Defence Procurement Procedure has been taken up so far.

Defence Procurement Procedure (DPP)-2006 has been reviewed based on experience gained in its implementation. ‘Make’ procedure of DPP has been retained as existing in DPP-2008. Only after some projects under ‘Make’ procedure have been implemented, its review would be undertaken.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.6)**

The Committee desire that DPP should provide for an in-built provision in the agreement with suppliers for automatic transfer of upgraded technology without the liability of additional royalty payments. There should be similar requirement in the Request for Proposals also.

### **Reply of the Government**

The upgrades of Defence equipment involve two main aspects - (a) Cost of the upgrades and its operational necessity at a later point of time. This cannot be assessed during contract negotiation of the equipment, and (b) payment of royalty for making additional equipment/platform. The requirement of additional numbers, required in future, if any, of equipment/platform cannot be foreseen at the time of signing the contract.

In this context, the following points need to be considered:-

- i) In any acquisition case vendors assign costs to each and every input of RFP to arrive at a final cost, which has to be kept valid till 18 months from the date of offer. Moreover, after conclusion of Contract, vendors are obliged under option clause, to provide fresh quantity of equipment at the earlier contracted cost, for next one or two years, as the case may be.
- ii) Upgrades/further modifications, which are not known to buyer at the time of contract negotiation, and having a provision in the contract to provide it free of cost by vendors, would compel vendor to hike its initial proposal. There would be many cases where ultimately upgrades may not be of any importance to Services.
- iii) It would be better to procure upgrades/modified equipment or part thereof at a price later which can be justified rather than being an unknown figure at the time of main contract.

In view of above considerations, automatic transfer of upgraded technology without the liability of additional royalty payment has not been included in the Defence Procurement Procedure-2008.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.16)**

The Committee note that Army Welfare Education Society awards scholarships to the wards of Army personnel through regimental funds and does not receive any funds from the Defence Budget. The Committee also note that PM Merit Scholarship Scheme was started in academic year 2006-07 and 4000 scholarships are available every year for the wards of Ex-servicemen. The Education Grant was also provided by Raksha Mantri Discretionary Fund for the wards of Ex-servicemen. Considering the fact that approximately 60,000 service personnel retire every year, the Committee feel that the number of scholarships for just 4000 children is obviously inadequate. The Committee desire that instead of having different source of funds, the Ministry should consider creating a separate fund under Civil Budget of Ministry of Defence for providing scholarships to all needy children.

### **Reply of the Government**

The Prime Minister Scholarship Scheme introduced from the academic year 2006-07 is a specific scheme for the wards/dependants of ex-servicemen for pursuing professional degree courses in engineering, medicine, MCA etc. whereas education grant out of RMDF is meant for school education which may go up to the first degree level course. Out of 4000 scholarships for the year 2006-07 under the PM scholarship scheme, 3861 candidates were actually granted scholarships. For the year 2007-08, 4000 candidates have been selected. It is seen that a very high percentage of the applications received have been successful in getting a scholarship. In fact for the year 2007-08 the deadline to receive applications was extended upto 31 October, 2007 to attract an adequate number of applications. The number of 4000 scholarships per year which would in fact mean around 16000 to 18000 beneficiaries at any time (when the scheme matures in the fourth and subsequent years) is found to be adequate. The sources of funds for the various scholarships can be different depending upon the schemes which vary in their purpose and content and therefore a separate or a single fund for the purpose as recommended is not considered necessary.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.24)**

The Committee are concerned by the rate of attrition at the officer level in the Defence Forces. Sainik Schools have played a unique role as a recruiting and training ground of future leaders of the Defence Forces. The data presented to the Committee reveal that Sainik Schools have contributed only 25 per cent of NDA intake during the last three years. The Committee received an impression after hearing some of the Senior officers of the Armed Forces that no efforts have been made to improve the administration of Sainik Schools which ail from a variety of maladies. The problems faced by these schools reportedly include poor quality of Principals / teachers, shortcomings in curriculum, inadequacies in infrastructure, deficiencies in administration, mismatch in selection criteria, shortage of funds, lack of authority of the Central Government. All this calls for a critical review of the working of Sainik Schools. The Committee desire that the entire gamut of these issues should be gone into by a high level Committee and remedial steps taken in a time bound manner in order to ensure that Sainik Schools achieve their intended objectives.

### **Reply of the Government**

So far as the academic results of the Sainik Schools are concerned, the Class X Board pass results have consistently been 100% in recent years. The pass percentage in Class XII Board results has also been consistently above the 90% mark. The pass percentage for 2008 Board examinations have been 99.87 for Class X and 92.05 for Class XII. The National Defence Academy (NDA) intake from Sainik Schools has gone up from 102 in 2003 to 162 in 2007. This reflects an increase of 60%. In percentage terms, the Sainik Schools' share of the NDA cadets in the present composition constitutes a sizeable 25% as this contribution is essentially from 18 Sainik Schools, which have classes upto class XII. If we take into account the Sainik School boys who join the Armed Forces through the Technical Entry Scheme or after graduation through the Indian Military Academy / Officers' Training Academy / Naval Academy / Air Force Academy route, the representation of Sainik Schools in the Officer Cadre would be much higher.

A decision has already been taken to post only Select rank of Colonels or equivalents from the Education branches of the three services as Principals. With this measure, a more experienced and professionally competent leadership would be provided to these schools. The Principals are regularly being deputed for various training programmes and workshops in order to help them keep abreast with the current teaching methodologies and best practices. An elaborate programme of in-service training of all teaching and administrative staff of Sainik Schools has been institutionalised. Various professional bodies like National University of Educational Planning and Administration (NUEPA), National Council of Educational Research and Training (NCERT) and similar State run bodies are being actively associated in this endeavour. Every year, at least one Sainik School teacher in Post Graduate / Graduate Categories is selected for the National Award conferred by the President on teacher's day. Last year, two teachers, one each from Sainik School, Rewa and Sainik School, Satara have been conferred the National Award.

The Sainik Schools follow the All India CBSE Pattern of curriculum. However, for classes XI and XII, only the science stream is offered. In keeping with the specific aim of these schools, various specific initiatives have been taken to ensure the development of a well-rounded personality to give the cadet the necessary competitive edge. These are hobby classes, communication skills development programme, extensive outdoor games and sports exposure, co-curricular activities in literary / dramatics fields and extensive IT exposure. Additionally, Services Selection Board (SSB) oriented training is provided using professional resource personnel.

As per the Sainik Schools Society Rules & Regulations, the entire capital expenditure on land, building, furniture and educational equipments required by Sainik Schools and a major portion of the running expenditure is borne by the concerned State Government who are also responsible for maintenance of building, roads and installations and for major replacements. They are also required to release grants in aid sought for additional requirement of building and furniture, transport, laboratory equipment, etc. A majority of Sainik Schools are of 40 years plus vintage and the financial support from the respective State Governments has not been consistent. As a result the physical infrastructure of many schools has been facing a steady decline. In order to address this concern, the Raksha Rajya Mantri (RRM) convened the first ever Joint States' Representatives and Principals' Conferences in April, 2006 to evolve a joint action plan on this issue. Consequently, a Memorandum of Agreement (MoA) clearly defining the responsibilities of the major stake holders of the running of Sainik Schools, was circulated to all States. Three State Governments namely Bihar, Jharkhand and Karnataka have already signed the MoA and the process is in advanced stage with respect to other states. The signing of the MoA is an essential requirement for sustaining these unique institutions on a long term basis. The Sainik Schools have an institutionalized fora at various levels to regularly review the functioning of these schools. The latest review on all Sainik Schools was carried out by the RRM during the Review Committee's meeting on 24<sup>th</sup> March, 2008 and during the Principals' Conference held from 19<sup>th</sup> to 21<sup>st</sup> May, 2008.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.25)**

The Committee feel that the funding of Sainik Schools should not be left to the mercy of the State Governments and desire that entire funding for all Sainik Schools should be made available by the Central Government on the pattern of Kendriya Vidyalayas.

### **Reply of the Government**

Upto the year 2007-08, the budget provision of Rs. 16 crore was made for meeting the Central Government's liability on account of Defence scholarships, subsidies for fee and dietary charges and incentives for cadets joining the National Defence Academy (NDA) and other expenditure on centralized activities such as common entrance exam, Principals' conference etc. In the Union budget for the year 2008-09, an additional provision of Rs. 44 crore @ Rs. 2 crore for each school towards infrastructure improvement



has been made for the first time. This is a major initiative on the part of the Central Government for improving the standards of physical and academic infrastructure. The Central assistance in the budget towards Sainik Schools is required to be continued in order to achieve the desired level of infrastructure standards of these fully residential public schools.

Notwithstanding the above, there is no proposal to dilute the role and responsibility of the State Governments in the management of the respective Sainik Schools. Since the State Governments are providing the much needed scholarships to the cadets belonging to their state at varying rates, there is also a constant effort to persuade the State Governments to enhance the scholarship amount and redefine the various income slabs in order to benefit the maximum number of cadets. The State Governments role is also important since the primary objective of Sainik Schools was to remove the regional imbalances in the officer cadre of the Armed Forces, thereby envisaging a permanent stake of the State Government in the development of the schools. These Sainik Schools are therefore the unique assets of the State Governments as they provide 67% reservation for the boys belonging to the particular state. The comparison of Sainik Schools with Kendriya Vidyalayas, Navodaya Vidyalayas may not be on equal footing since Sainik Schools are fully residential public schools having an all together different role and character and specifically contribute in removing the regional imbalance in the officer cadre of the Armed Forces.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.29)**

The Standing Committee on Defence had observed in one of their earlier reports that there was a need for minimum three aircraft carriers-one each for the Eastern and Western Coast and the third one to address the maintenance/repair needs of the other two carriers. The Committee regret to note that the only aircraft carrier with the Navy is the ageing INS Viraat, which was expected to be decommissioned in 2008. The Committee have now been informed that INS Viraat would be operational till the induction of Ex-Admiral Gorshkov from Russia whose delivery was initially scheduled for 2008, which is now expected in 2012. There is another ship under construction viz. Air Defence Ship (ADS) at Cochin Shipyard limited, delivery of which is likely after 2012. It appears that in view of delivery schedule of both Gorshkov and Air Defence Ship being 2012 or after, Indian Navy has no alternative but to depend on the ageing INS Viraat for surveillance of the vast coastal area of the country. In the circumstances, keeping in view the future requirements, the need for going in for third aircraft carrier cannot be over emphasised.

Admiral Gorshkov has run into time and cost over run due to change in scope of work. The initial cost of the Gorshkov is stated to be Rs. 4,882 Crores. The deal appears to have become fait accompli with little scope for effecting economy. The Committee desire the Ministry of Defence which is presently examining the proposed modifications in the deal to complete the task of examination expeditiously under intimation to the Committee. The Committee desire that revised agreement in this regard should have an inbuilt provision for automatic transfer of upgraded technology without the liability of additional royalty payment.

### Reply of the Government

The Navy's Maritime Capability Perspective Plan caters for induction of third aircraft carrier during the XIII Plan Period. Construction of the same can commence only after adequate progress has been made in the construction of Indigenous Aircraft Carrier being currently undertaken at Cochin Shipyard Limited.

The matter relating to revision in the Master Schedule and cost of the Ex-Admiral Gorshkov projected by the Russian side has been taken up for seeking approval of competent authority to enter into negotiations with the Russian side. The matter relating to in-built provision for automatic transfer of upgraded technology without the liability of additional royalty payment can be taken up with the Russian side in due course, though there was no such provision in the existing contract.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### Recommendation (Para No.34)

It appears that due to lack of authority and power, the Unified Command is not very effective and is not able to achieve its intended objectives. All decision making on important issues like acquisition of land, accommodation etc. are reportedly vested with the respective service headquarters. The Committee, therefore, recommend that the Unified Command be vested with adequate powers to discharge its responsibilities effectively. The Committee further recommend that the Ministry of Defence should pay attention to the following points:-

- (i) Early finalization of revised LTIPP (2007-22).
- (ii) Evolving of a Joint Services doctrine and issue of joint directive to the Services.
- (iii) Integrated Modernization Plan for the three services and Coast Guard and providing a Joint Budget for the same.

### Reply of the Government

- (a) Empowering of Unified Command to achieve its Intended Objectives. The present system is working well with all the joint aspects being coordinated by HQ ANC where staff from all the Services are posted at each branch as per requirement. Respective Component Commanders take instructions from the joint staff of HQ ANC and execute the given task as only they are competent to carry out the Service specific operations and it is not advisable to allow outside interference in their specialized fields/service. Issues regarding procurement for the ANC, are being examined by a tri-service committee for bringing in necessary changes, as envisaged.
- (b) Early Finalization of LTIPP (2007-2022). Currently the LTIPP 2002-17 is in vogue. The Hon'ble RM while approving the current LTIPP had directed that New LTIPP 2012-2027 be formulated. The progress on the five steps towards formulation of LTIPP (2012-2027) are as follows:-

- (i) Articulation of National Strategy. The draft National Strategy was prepared by HQ IDS and rendered to the National Security Advisor (NSA) in Jan 2007. Inputs are awaited.
  - (ii) Formulation of Defence Planning Guidelines. The finalized Defence Planning Guidelines Document has been received from Headquarters IDS and is presently under consideration in the Ministry of Defence.
  - (iii) Formulation of Defence Capability Strategy. The draft Defence Capability Strategy has also been formulated in Aug 2008. The document is under circulation to the respective Service HQrs for their comments.
  - (iv) Preparation of Defence Capability Plan and LTIPP and approval by DAC. The work on Defence Capability Plan and the LTIPP are under way and both these documents are likely to be ready by end 2009.
- (c) Evolution of Joint Services Doctrine and Issue of Joint Doctrine to the Services.
- (i) Joint Services Doctrine. This document has been issued in Apr 2007.
  - (ii) Joint Doctrine. The RM's Operational Directive provides the guidelines to the three services to formulate their operational plans.
  - (iii) Integrated Modernisation Plan for the three Services and Provisioning of Joint Budget. The LTIPP will enshrine the Integrated Modernisation Plans of all three Services and provide foundation for Joint Budget.
- [MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.35)**

In October, 2006, the government had sanctioned for Air Force 12,676 additional posts at different levels against accumulated cadre shortage which were to be filled up over a five year period. According to induction plan, 2149 personnel were to be recruited in the year 2007 and 3250 personnel in 2008. The Committee would like to know the extent of actual Induction of personnel in 2007 and the prospects for recruitment of the projected level of personnel in 2008. It should be ensured that there is no let up in sustaining combat force level. The Committee desire that steps should also be taken to expand the infrastructure for training to accommodate enhanced number of personnel to meet the requirement of Air Force.

### **Reply of the Government**

A Shortage of manpower in IAF was existing even before the sanction of 12,676 additional posts in Oct 06. Hence, these 12,676 personnel would be in addition to the shortages that were already in existence, to make good the overall deficiency. Induction against sanctioned 12,676 additional posts is planned in a 5 year period. Accordingly, 2149 and 3250 personnel were planned for induction from these 12,676 posts in 2007 and 2008 respectively. Induction is planned to make good the overall deficiency of personnel over a period of time.

In 2007, a total of 595 officers and 8229 PBOR were to be inducted against which a total of 485 officers and 8227 PBOR were inducted. A total 1800 airmen were inducted as on 31 March for the year 2008, where the annual intake figure is 7200. Officers would get commissioned in Jun 08 and hence, the induction figure for 2008 would be available only then.

With regards to training of pilots, it was initially planned to increase the rate of induction so as to make good the additional vacancies within a period of 5 years. However, the existing infrastructure of the training establishments could not accept the capacity without major infrastructure changes and investments. This additional infrastructure if created would have gone waste after 5 years. Hence, it was decided to spread the period of making good the additional vacancies to 7 to 8 years from earlier plan of 5 years. The induction figure thus created per year has now been absorbed at the flying training establishments by increasing the capacity without major infrastructure changes. The first batch of enhanced number of inductees has already joined AF Academy in Jan 2008. The infrastructure available for training of ground duty officers (Tech/Non Tech) is not being utilized fully at Air Force Academy and Air Force Technical College in view of very low turn out. As of date the domestic and technical capacity utilization is only to the extent of 50%. As regards to PBORs the work services for enhancing the infrastructure are underway and this is likely to be completed by end of 2009. As of date the infrastructure is being utilized to its peak capacity.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.36)**

The Committee are seriously concerned to note the vastly depleted strength of squadrons in Air Force. As against the authorized strength of 39.5 squadrons, there are at present just 32 squadrons. Although two more squadrons are reported to have been formed in the beginning of April, 2008, there will also be concurrent phase outs. What irks the Committee most is that the strength of the squadrons is not expected to meet the authorized level even by the end of the 12<sup>th</sup> plan, not to speak of the 11<sup>th</sup> plan. The target is just 35.5 squadrons by the end of the 11<sup>th</sup> plan and 37.5 squadrons by the end of the 12<sup>th</sup> plan. Needless to point out that depleted Air Force is a serious risk to the National security. There is an imperative need to revise the acquisition target so as to meet the authorized strength at the shortest possible time frame. The Committee would await an action plan in this regard.

### **Reply of the Government**

1. The Force Level Plan has been revised and now IAF will have 35 Sqns by the end of 12<sup>th</sup> Plan. IAF is planning to add Su-30MKI, Light Combat Aircraft (LCA), Medium Multi Role Combat Aircraft (MMRCA) and Fifth Generation Fighter Aircraft (FGFA) to its fighter fleet to replace aircraft phasing out due to completion of calendar life / Total Technical Life. The status of induction plan to these aircraft and its impact on Force Level is as follows:-

- (a) IAF has already contracted for Su-30 MKI aircraft. Total of 11 Sqns of Su-30 MKI will be operational by 2015.
- (b) First Sqn of Light Combat Aircraft (LCA) is expected to be inducted in 2010-11 and this will be followed by additional five Sqns. However, the serial production of Light Combat Aircraft (LCA) will commence only after it meets the requisite performance parameters.
- (c) The responses of vendors in the scheme of Medium Multi Role Combat Aircraft (MMRCA) has been received and Technical evaluation is in progress.
- (d) An Inter-Governmental Agreement has been signed with Russia for joint development of Fifth Generation Fighter Aircraft (FGFA). On completion of development program expected in 2016-17 production facilities will be set up and this is likely to facilitate timely replacement of fighter aircraft phasing out.

2. To offset the reduced fighter Sqns (presently 34 Sqns), induction of various force multipliers like Airborne Warning and Control Systems (AWACS), Unmanned Aerial Vehicles etc has been done to ensure sustenance of combat edge. Induction of trainers like Advanced Jet Trainers (AJT) was planned for dual purpose of providing comprehensive stage III training to fighter pilots of IAF to ensure smooth transition from basic aircraft to advanced fighters and utilization of these aircraft for Close Air Support (CAS) role in case of any future requirement.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.39)**

The Committee in their Seventh and Twentieth Reports had, inter-alia, recommended that there should be greater autonomy and flexibility to Ordnance Factory Board in their functioning and management. The Committee had also recommended that gradually Ordnance Factories may be converted into DPSUs, so that they may have access to finances from market etc. The Committee are distressed to note that even two years after presentation of Seventh Report, Standard accounting system and technical audit by an independent agency have not been introduced in Ordnance Factories. The expenditure Secretary has conveyed that they have no objection in making Ordnance Factory a corporate body. It appears that the Ministry of Defence have not initiated any step in this regard. The Committee are of the view that in order to make Ordnance Factories a vibrant and efficient organization, there is an urgent need to convert them into a company so that they have sufficient autonomy to select vendors and undertake joint ventures and to enhance their decision making powers in financial and R&D matters. In case any delay is envisaged in corporatising Ordnance Factories, the Committee desire that periodical technical audits and standard accounting system should atleast be introduced forthwith.

### **Reply of the Government**

#### **Comments**

(i) OFB is maintaining accounts in the form of Income and Expenditure Accounts. However, a decision has been taken to convert the existing formats of the accounts of the Ordnance Factories from the one based on the Government Department to a new commercially oriented format, as per requirement of GFR-87 of 2005. The same has been scrutinized/examined by various department of ministry. The proposal for introduction of Commercial Accounting Formats in Ordnance Factory is in advance stages for approval of the Government and Comptroller & Auditor General.

(ii) Regarding Corporatisation of Ordnance Factory, several meeting were held with representatives of various federations of Ordnance Factories to address the concerns related to recommendation of Kelkar Committee. However, in a meeting under the Chairmanship of the then Hon'ble RM with the reps of Federation of the Ordnance Factories held on 18<sup>th</sup> Sep 2006, wherein it was informed that Government has not decided to corporatize Ordnance Factories.

(iii) Greater Autonomy has been given through enhanced financial powers. Full Powers in respect of procurement/import of input materials has been accorded to OFB except Single Vendor Situation. OFB are not facing any constraints for their financial requirement. There is no provision for technical audit by Independent Agency. However, statutory audit provision is in place and action is being taken accordingly. Substantial financial powers have been delegated to OFB including full powers for research and development activities in Ordnance Factories.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

### **Recommendation (Para No.45)**

The Committee observe from the information furnished by the Ministry of Defence that a development project submitted by Defence Research and Development Organization to Army a year ago still remains pending clearance. The project is to equip soldiers with light weight systems in future. The Committee wonder why there is delay in this regard. The Committee desire that the project should be examined without any further delay and the outcome communicated to Defence Research and Development Organization.

### **Reply of the Government**

Pending clearance from Army, DRDO has already initiated the proposal for the development of a few long lead and critical technology areas.

[MoD OM No. H-11013/12/2008/D(Parl) dated 14.10.2008]

**CHAPTER-V**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL  
REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

- NIL-

New Delhi;  
20 February, 2009  
01 Phalguna, 1930(Saka)

**BALASAHEB VIKHE PATIL,**  
Chairman,  
Standing Committee on Defence

## **MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING COMMITTEE ON DEFENCE (2008-09)**

The Committee sat on Wednesday, the 4<sup>th</sup> February 2009 from 1100 to 1215 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

### **PRESENT**

Shri Balasaheb Vikhe Patil                      -                      Chairman

### **MEMBERS**

#### **LOK SABHA**

2. Shri Santosh Gangwar
3. Dr. K.S. Manoj
4. Shri Asaduddin Owaisi
5. Shri Arjun Charan Sethi

#### **RAJYA SABHA**

6. Shri Jai Parkash Aggarwal
7. Shri R.K. Dhawan
8. Shri K. B. Shanappa
9. Smt. Viplove Thakur

### **SECRETARIAT**

- |    |                     |   |                  |
|----|---------------------|---|------------------|
| 1. | Shri Devender Singh | - | Joint Secretary  |
| 2. | Shri Rajeew Sharma  | - | Director         |
| 2. | Shri D.R. Shekhar   | - | Deputy Secretary |
| 3. | Smt. J.M. Sinha     | - | Under Secretary  |

### **REPRESENTATIVES OF THE MINISTRY OF DEFENCE**

- |     |                         |   |                    |
|-----|-------------------------|---|--------------------|
| 1.  | Shri Vijay Singh        | - | Defence Secretary  |
| 2.  | Shri M. Natarajan       | - | SA to RM           |
| 3.  | Shri S.M. Acharya       | - | Secretary (ESW)    |
| 4.  | Smt. H.K. Pannu         | - | FA(DS)             |
| 5.  | Smt. Neelam Nath        | - | Spl. Secretary (N) |
| 6.  | Shri S.K. Sharma        | - | DG (Acquisition)   |
| 7.  | Shri Shekhar Agarwal    | - | FA (Acquisition)   |
| 8.  | Shri R.K. Mathur        | - | Addl. Secy(M)      |
| 9.  | Shri Bimal Julka        | - | JS (G/Air)         |
| 10. | Shri Sanjeeva Kumar     | - | JS (ESW)           |
| 11. | Shri Ajay Tirkey        | - | JS (E)             |
| 12. | Shri S.N. Misra         | - | JS(Aero)           |
| 13. | Shri Amit Cowshish      | - | Addl. FA(A)        |
| 14. | Shri V. Somasundaran    | - | JS (OF)            |
| 15. | Shri T Ramachandru      | - | JS(S)              |
| 16. | Shri Mukesh Kumar Sinha | - | Dir. (Fin/Bud).    |



## ARMED FORCES HEADQUARTERS

1.	Air Mshl S.C. Mukul	-	CISC
2.	Lt. Gen N. Thamburaj	-	VCOAS
3.	Vice Adml Raman P Suthan	-	VCNS
4.	Air Mshl T.S. Randhawa	-	DG(I&S)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Defence to the sitting of the Committee and drew their attention to the Direction 58 of the Directions by the Speaker, Lok Sabha. The Chairman then requested the representatives of the Ministry of Defence to brief the Committee on the subjects 'Status of implementation of Unified Command for Armed Forces' and Action Taken Replies on the observations/recommendations contained in the 29<sup>th</sup> Report of the Committee on 'Demands for Grants of the Ministry of Defence for the year 2008-09'.

3. The representatives of the Ministry of Defence then briefed the Committee first on various issues pertaining to the subject 'Status of implementation of Unified Command for Armed Forces' *viz.*, Mechanism to sort out differences among the services, provision of Joint Training at all levels in the armed forces, vertical & horizontal aspects of integration as identified by the HQ IDS, status of Indian National Defence University (INDU) and the linkages between the DRDO and HQ IDS, etc.

4. The Committee then took the oral evidence of the representatives of the Ministry of Defence on Action Taken Replies on the observations/recommendations contained in the 29<sup>th</sup> Report of the Committee on 'Demands for Grants of the Ministry for the year 2008-09'. The Ministry of Defence briefed the Committee on status of trial and supply of Arjun Tanks, findings of the Rama Rao Committee on the working of DRDO, present status of Eleventh Plan, liberalized leave policy, self-certification of firms and issue pertaining to the light-weight systems for soldiers, etc.

5. The representatives of the Ministry then responded to the issues raised by the members. As regards, the points on which the representatives could not readily respond, the committee desired them to furnish written information at the earliest.

6. The copy of verbatim record of the proceedings has been kept.

**The Committee then adjourned.**

## **MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON DEFENCE (2008- 09)**

The Committee sat on Friday, the 20<sup>th</sup> February 2009 from 1000 to 1025 hrs. in Committee Room `C`, Parliament House Annexe, New Delhi.

### **PRESENT**

Shri Balasaheb Vikhe Patil - Chairman

### **MEMBERS**

#### **LOK SABHA**

2. Shri Milind Murli Deora
3. Shri Santosh Gangwar
4. Shri Jigajinagi Ramesh Chandappa
5. Shri Suresh Kalmadi

#### **RAJYA SABHA**

6. Shri Jai Parkash Aggarwal
7. Shri R.K. Dhawan
8. Shri A. Elavarasan
9. Shri M.V. Mysura Reddy
10. Smt. Viplove Thakur

### **SECRETARIAT**

- |    |                     |   |                  |
|----|---------------------|---|------------------|
| 1. | Shri Devender Singh | - | Joint Secretary  |
| 2. | Shri Rajeev Sharma  | - | Director         |
| 3. | Shri D.R. Shekhar   | - | Deputy Secretary |
| 4. | Smt. J.M. Sinha     | - | Under Secretary  |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee, thereafter, took up for consideration the following draft reports:

- (i) Action taken by the Government on the recommendations/observations contained in the Twenty-Ninth Report of the Committee on Demands for Grants of the Ministry of Defence for the year 2008-09; and
- (ii) Status of implementation of Unified Command for Armed Forces.

3. The Committee adopted both the aforesaid draft reports without any modification.

4. The Committee then authorized the Chairman to make verbal and consequential changes, if any, in the reports and present the same to the Parliament.

**The Committee then adjourned.**

## APPENDIX

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS / OBSERVATIONS CONTAINED IN THE 29<sup>th</sup> REPORT OF THE STANDING COMMITTEE ON 'DEMANDS FOR GRANTS OF THE MINISTRY OF DEFENCE FOR THE YEAR 2008-09'**

		Percentage of Total
1.	<b>Total number of recommendations</b>	46
2.	<b>Recommendations / Observations which have been accepted by Government</b>	25
	Para No. 1, 8, 9, 11, 12, 13, 14, 17, 18, 19, 20, 21, 22, 26, 27, 28, 30, 31, 33, 37, 38, 40, 43, 44 and 46	54
3.	Recommendations / Observations which the Committee do not desire to pursue in view of Government's replies	7
	Para No. 7, 10, 15, 23, 32, 41, 42	15
4.	Recommendations / Observations in respect of which replies of Government have not been accepted by the Committee	14
	Para No. 2, 3, 4, 5, 6, 16, 24, 25, 29, 34, 35, 36, 39 and 45	31
5.	Recommendations / Observations in respect of which final replies of Government are still awaited	NIL
		0