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**STANDING COMMITTEE ON DEFENCE
(2015-2016)**

(SIXTEENTH LOK SABHA)

MINISTRY OF DEFENCE

[Action taken by the Government on the observations / recommendations contained in the Fourth Report of the Committee (Sixteenth Lok Sabha) on Demands for Grants(2014-15) of the Ministry of Defence on Navy and Air Force(Demand Nos. 23 & 24)]

TWELFTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2015/ Agrahayana, 1937 (Saka)

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Presented to Lok Sabha on 16.12.2015

Laid in Rajya Sabha on 16.12.2015



LOK SABHA SECRETARIAT

NEW DELHI

December, 2015/ Agrahayana, 1937 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2015-16)

Maj Gen B C Khanduri, AVSM (Retd)

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3. Shri Shrirang Appa Barne
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2. T.G. Chandrasekhar - Director
3. Smt. Jyochanamayi Sinha - Additional Director
4. Shri Rahul Singh - Under Secretary
5. Smt. Rekha Sinha - Executive Assistant

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2015-16), having been authorised by the Committee to submit the report on their behalf, present this Twelfth report on 'Action Taken by the Government on the Observations/Recommendations contained in the Fourth Report of the Standing Committee on Defence(16th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2014-15 on Navy and Air Force (Demand Nos. 23 & 24)'.

2. The Fourth Report was presented to Lok Sabha and laid in Rajya Sabha on 22.12.2014. It contained 19 Observations/Recommendations. The Ministry of Defence furnished Action Taken Replies on all the Observations/Recommendations in August 2015.

3. The Report was considered and adopted by the Committee at their Sitting held on 10.12.2015.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold letters in the Report.

5. An analysis of action taken by the Government on the Observations/Recommendations contained in the Fourth Report of Standing Committee on Defence (16th Lok Sabha) is given in Appendix II.

**New Delhi;
11 December, 2015
20 Agrahayana, 1937 (Saka)**

**Maj Gen B C Khanduri, AVSM (Retd),
Chairperson,
Standing Committee on Defence**

CHAPTER – I

REPORT

This report of the Standing Committee on Defence deals with Action Taken by the Government on observations/recommendations contained in the Fourth Report of Standing Committee on Defence (16th Lok Sabha) on 'Demands for Grants of Ministry of Defence for the year 2014-15 on Navy and Air Force (Demand Nos. 23 & 24)' which was presented to Lok Sabha and laid in Rajya Sabha on 22 December, 2014.

2. The Committee's Fourth Report (16th Lok Sabha) contained 19 observations/recommendations on the following aspects :-

Para No./Nos.	Subject
<u>Navy</u>	
1, 2 & 3	Budgetary Provisions for Navy
4 & 5	Force Level
6	Accidents
7 & 8	Manpower and Training
<u>Air force</u>	
9	Capital Budget
10 & 11	Revenue Budget
12 & 13	Squadron Strength
14	Speedy Procurement
15 & 16	Training
17	Serviceability
18	Manpower
19	Modernisation of Air Bases

3. Action Taken Replies have been received from the Government in respect of all the OBSERVATIONS/RECOMMENDATIONS contained in the Report. The replies have been examined and categorised as follows :-

- (a) Observations/recommendations which have been accepted by the Government:

Para Nos. 2, 3, 4, 7,8, 11, 14, 17, 18

(09 Recommendations)

These may be included in Chapter II of the Draft Report.

- (b) Observations/recommendations which have been accepted by the Government and are commented upon:

Para Nos. 1, 5, 6, 10, 12, 13, 15, 16, 19

(09 Recommendations)

These may be included in Chapter II of the Draft Report.

- (ii) Observations/recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para No. Nil

(00 Recommendations)

This may be mentioned in Chapter III of the Draft Report.

- (iii) Observations/recommendations in respect of which replies of Government have not been accepted by the Committee which require reiteration and commented upon:

Para No. 9

(01 Recommendation)

This may be included in Chapter IV of the Draft Report.

- (iv) Observations/recommendations in respect of which Government have furnished interim replies:

Para No. Nil

(00 Recommendation)

This may be mentioned in Chapter V of the Draft Report.

4. The Committee desire that the Ministry's response to their comments made in Chapter 1 of this Report to be furnished to them at the earliest and in any case not later than six months of the presentation of this Report.

A Budgetary provisions for Navy

Recommendation (Para No. 1)

5. The Committee had recommended as under :-

' The Committee note that although Navy had projected an amount of Rs.19,570.57 crore as budgetary allocation for 2014-15, it has been allocated an amount of Rs. 13,975.79 crore, which amounts to a shortfall of Rs. 5,594.78 crore i.e. nearly 1/3rd of the projected amount. The Committee also note that the Revenue Budget shortfall mainly affects 'Other than Salary' heads where the projection of Navy was to the tune of Rs. 11,662 crore while allocation is made of Rs. 6,921.30 crore, hence only 59% of the money solicited. This is the 6th successive year of lesser allocation under 'Other than Salary' segment. During evidence, the officials of Indian Navy submitted that there is a need for additional funds under Revenue Head to meet day-to-day requirements of Operational Deployments (including Anti-Piracy Patrols) and Coastal Security. In addition, requirement of Stores (Fuel, Weapons, Armament, Spares), Victualling and Rations, Repairs and Refits also needed. Hence, there is an immediate requirement of Rs. 1884 crore. Therefore, the Committee recommend that the requirement of Navy for additional funds under Revenue Head should be looked into and the Committee be informed about the same. '

6. The Ministry in its Action Taken Reply has stated as under :-

'The requirement of additional funds for non-Salary Revenue Expenditure for the Navy during 2014-15 has been submitted to the Ministry of Finance in the RE 2014-15 projections.'

7. The Committee observes that the amount that has been sought from Ministry of Finance for non-salary revenue expenditure of Navy during the year 2014-15 has not been communicated. The Committee would also like to know the additional funds allotted to Navy and whether the amount so received by the Navy at RE stage has been utilised fully or not. This may be informed by the Ministry in their Action Taken Notes.

B. Force Level

Recommendation (Para No. 5)

8. The Committee had recommended as under :-

'According to DAC 2012, the sanctioned strength of vessels for Navy includes submarines, ships, aircraft carriers, etc. Some projects such as P 15 A, P28, Indian Aircraft Carrier (IAC), P75 and P75(I) are streamlined and under progress at various shipyards in the country. However, the Committee are worried about regular delays and cost overruns occurring in different projects. In case of IAC, the original sanctioned cost was Rs. 3,261 crore which has been revised to Rs. 19,341 crore i.e. six times cost escalation. In case of P15A, the cost has been revised to Rs. 11662 crore from Rs. 3,580 crore and dates have been revised from 2009-10 to 2015-16. The Committee feel that there have been long delays and cost overruns in almost all the acquisition activities. Similarly, in case of aircraft carrier 'Vikramaditya', there had been huge cost escalation due to repeated time extensions. These time and cost overruns in almost all the projects is a major cause of concern. For long, country's defence needs have been lying unattended and huge gaps have emerged in Force Level. It's high time that adequate budgetary support is made along with necessary operational reforms at shipyards and other construction sites. The Committee desire that appropriate action be taken by the authorities concerned so that high valued projects should not be affected by time and cost overruns. The measures so initiated be appraised to the Committee.'

9. The Ministry in its Action Taken Reply has stated as under :-

'Modernisation of Indian Navy is an ongoing process based upon assessment of prevailing external strategic environment, threat perception, operational necessity, emerging technologies, capabilities to be achieved and availability of funds. Shipbuilding projects are time-intensive and spread over years. The entire process from design to commissioning entails various stakeholders, with lengthy deliberations. Whilst the specific issues pertaining to time overrun and cost escalations are covered in succeeding paragraphs, major reasons for delay include: -

- (a) Infrastructural constraints of the Shipyards (DPSU).
- (b) Delay in receipt of material/ equipment.
- (c) Design finalization/ change of equipment (vendor specific).
- (d) Increase in material/ equipment cost, besides labour cost and overheads.
- (e) Financial constraints and design expertise limitations of the Private Shipyards.

(ii) **P 15A (M/s MDL)**: The initial delivery of the yards 12701, 12702 and 12703 were March 08, March 09 and March 10 respectively. The revised delivery dates of the ships were May 10, May 11 and May 12 respectively. However, the actual and targeted deliveries are 10 July 14 (INS Kolkata commissioned in August 14), June 15

and December 15. Time overrun is attributable to infrastructural constraints at the shipyard, and delay in supply of steel from Russia. The original cost of Rs 3580 Crore was revised to Rs 11662 Crore. Cost overrun has been mainly due to the increase in equipment cost and Yard material and increase in cost of Labour and Labour overheads and identification of realistic assessment of cost of weapons and sensors.

(iii) **P 28 (M/s GRSE)**: The initial delivery of yard 3017, 3018, 3019 and 3020 were 2008, 2009, 2011 and 2012. The revised deliveries are July 14 (INS Kamorta was commissioned on 23 August 14), March 15, March 16 and March 17. The time overrun was attributed to delay in development of steel, delay in development of indigenised weapons and sensors and delay in completion of trials for critical equipment like Diesel Generators, Air Conditioning Plant, etc. The original cost of Rs 3051.2 Crore was revised to Rs 7852.39 Crore. Cost overrun is attributable to the increase in prices due to delay in commencement of construction, increase in costs of developmental Projects, and introduction of new/ state of the art equipment/systems.

(iv) **IAC (M/s CSL)**: The delivery schedule of IAC has been revised from December 10 to December 18. The main reasons for time overrun were due to non- availability of Russian steel, delay in receipt of critical pre-launch equipment such as Gear Box and 3MW Diesel Generators. There had been delays also in getting specialized Russian Aircraft Carrier equipment, due to administrative and procedural delays of Russian Side in obtaining internal clearances from their Government. The original cost of Rs 3261 Crore was revised to Rs 19341 Crore. Over the time, and with the experience of 'Vikramaditya', the 'form & fit' of the vessel has been finalised and many emerging technological advances/ new generation equipment has been incorporated in the IAC. Increased equipment costs, including weapons and sensors, and AFC due to finalisation from generic to specific equipment has further added to the cost overrun.

(v) **Project 75**: The project cost was estimated at Rs. 18797 Crore in 2005 at the time of contract signing. The cost was revised to approx Rs 23558 Crore (2010) primarily due to increase in cost of Mazagaon Dock Limited procured items as compared to earlier indicated cost. The reasons for time overrun include frequent revision in cost estimates by Deputy Chief of Naval Staff, large variations with respect to initial cost estimates and difficulties in absorption of technology by the Shipyard.

(vi). **P 75 (I)**: Defence Acquisition Council has approved construction of six submarines in India, by a single shipyard, with ToT from a foreign collaborator, chosen on competitive basis. A Core Committee has been constituted by the Ministry in December 14, under the Chairmanship of Controller of Warship Production and Acquisition (CWP&A), for identification of suitable Indian shipyards. The Committee is likely to submit its report by March 15.

(vii). **Steps Taken to Reduce Time and Cost Overruns**

Various steps have been taken to reduce time overrun and cost escalation in Shipbuilding projects. These include: -

- (a) All projects are now “fixed cost” projects. Variable cost option is available only where cost of equipment is uncertain.
- (b) Construction of follow on Ships based on same design to reduce build time.
- (c) Provision for nomination of equipment for follow-on Ships to reduce procurement time.
- (d) Regular Project Reviews during Apex Committee Meetings and Steering Committee Meetings, besides regular meetings at different levels in NHQ.
- (e) Integrated Modular Construction for new Projects and shift from Telescopic Design to Frozen Design.
- (f) Capacity building through Modernisation.
- (g) Enterprise Resource Planning through Information Technology management tools.'

10. The Committee note from the Action Taken Reply that one of the reasons common in most of the cases for delay in construction of various projects is delay in receipt of steel from Russia. The Committee may be informed about the alternative steps taken over the years by the Ministry to obtain steel from other sources/countries. The Committee desire that the Ministry of Defence should take cue from the 'Made in India' initiative of the Government and make all efforts to produce the desired quality and quantity of steel in the country in collaboration with Indian public/private sector companies like SAIL, MIDHANI, etc. It is further desired that the regularity of Project Review meetings should also be maintained and the progress made may be intimated to the Committee.

However, the Committee note that some efforts have been made towards containing time & cost overruns in various shipbuilding projects. In its reply, the Ministry has stated that all projects are now 'fixed cost' project. The Committee would like to be informed in detail regarding this clause. The Committee would also like to know in detail about the initiatives such as construction of follow-on ships and provision for nomination of equipment. Besides this, the Committee would also like to know in detail about the differences between Telescopic Design and Frozen Design.

C. **Accidents**

Recommendation (Para No. 6)

11. The Committee had recommended as under :-

'There have been spurt in accidents of naval vessels in the recent past which include INS Sindhurakshak, INS Vipul, INS Talwar, etc. The Committee are highly concerned about the increasing number of accidents in defence vessels. These accidents result not only in material loss but also in irreparable loss of human lives besides, putting a question mark on the level of maintenance and security. The Committee found that in most of these cases, the reasons for mishap is either material failure or human error. The Committee desire that the Ministry of Defence must ensure that these cases be investigated and reach culmination. The Committee would like to be apprised about inquiries, investigations held and judgements executed in case of each and every accident. The Committee also desire that the recommendations, if any, given by any agency and the action taken thereon by the Ministry of Defence as well as naval authorities be apprised to them.'

12. The Ministry in its Action Taken Reply has stated as under :-

'As per the laid down procedures, all cases of accidents are investigated by a Board of Inquiry (BoI). The details are as follows:-

Sl. No.	Date	Incident	Cause of Accident	Outcome of Investigation
(a)	08 January 2014	Crack in Sonar Dome of INS Betwa.	Error of Judgment by Crew.	Three officers were found culpable. Disciplinary action against two officers has been taken and against one officer is being processed at HQWNC.
(b)	17 January 2014	Suspended movement of INS Sindhughosh at securing alongside berth.	Crew Error	One officer was found culpable and disciplinary action is being processed at HQWNC.
(c)	23 January 2014	Sea water ingress through a crack/hole in the ship side of INS Vipul	Poor refit and quality control on work-	Board of Inquiry (BoI) has been approved at IHQ MoD (N) on 16 September 2014. 05 officers were found culpable and disciplinary action against

			manship	them is being processed at HQWNC.
(d)	30 January 2014	Damage to Propeller of INS Airavat, whilst entering harbour.	Crew Error	Two officers were found culpable and disciplinary action is being processed at HQENC.
(e)	26 February 2014	Fire onboard INS Sindhuratna	Electrical short circuit in cables	Seven officers were found culpable and disciplinary action is being processed at HQWNC.
(f)	07 March 2014	Accident during trials of engine room fire fighting system onboard Yard 12701 (Kolkata) under construction at MDL.	Material Failure.	No individual or organization was held responsible for the cause of incident, and the incident was treated as an accident. The death of the officer is considered as 'attributable to Service'.
(g)	06 April 2014	Incident of smoldering and thick smoke during hot work on INS Matanga.	Electrical short circuit in cables	Board Proceedings are under examination at IHQ MoD (N).
(h)	28 June 2014	Damage to port propeller of INS Kuthar while coming alongside at Port Blair.	-	Board Proceedings are under examination at IHQ MoD (N).
(i)	02 July 2014	Touching bottom of INS Cheetah while entering Kochi Harbour.	-	Board Proceedings are under examination at IHQ MoD (N).
(j)	31 October 2014	Collision of INS Kora with MV Madeleine Rickmers at Sea.	-	Board Proceedings are under examination at IHQ MoD (N).
(k)	06 November 2014	Sinking of TRV-72.	-	Bol is in progress at HQENC.

Lessons learnt from the report of Bol are implemented appropriately. Corrective steps have been taken by Naval HQs with extensive checks on weapon related safety systems and audit of Standard Operating Procedures on all operational Naval Units.

Safety procedures and professional checks are re-emphasized. Incidents Study and Analysis Cells have been intimated at professional schools wherein lessons learnt are incorporated into professional training. Safety Audits of various units are being regularly conducted.'

13. The Committee note that in case of accidents occurring post April 2014, the Ministry of Defence, in its reply, has stated that Board proceedings are under examination. The ATR has been received on 14 August, 2015 and the Committee opine that time period of one year is sufficient time in our technology driven dispensation to assess the reasons for accidents.

However, in the case of accident occurring on 07 March, 2014, the reason attributed is material failure. The Committee would like to know the reason behind acceptance of sub-standard material and how is it possible that neither the supplier organisation/individual nor any quality check personnel have been held responsible.

In all those cases where the crew is held responsible, the Committee would like to know whether the crew members/officers found guilty were onboard and whether they have survived. Error by the crew is a reflection on the training provided at the training institutions and refresher courses conducted by them. Therefore, the Committee desire that the Ministry should revisit its training curriculum and to obviate lapses in the future. In this matter, all the desired details may be furnished to the Committee in Action Taken Notes.

AIR FORCE

D. Capital Budget

Recommendation (Para No. 9)

14. The Committee had recommended as under :-

While examining the subject, the Committee found that Air Force had projected a requirement of Rs. 62,408.33 crore for Capital Budget while the amount actually allocated is Rs. 33,710.68 crore, which is nearly half of the projections. Further, it was revealed during deliberations that out of total Capital Budget, there was a demand of Rs. 12,395 crore exclusively for 'New Schemes'. However, the actual allocation for

this Head is merely Rs. 2645 crore. Thus, amounting to a shortfall of Rs. 9750 crore in this segment i.e. 80% of the projections. The Committee are baffled at such a meagre allocation as Air Force has a long list of projects planned for induction during the year 2014-15, which include Medium Multi-Role Combat Aircraft (MMRCA), Jaguar Re-engineering, Adde Cheetal Helicopters, MLH Upgrade, Additional Aerostats, Additional Dornier, Addl FRA, Additional Airborne Warning and Control System(AWACS), Additional IACCS Nodes, Attack Helicopters Heavy Lift Helicopters, Modernization of Air Field Infrastructure (MAFI) phase II and VSHORADS. The Committee here feel that this is a state of ad-hocism in planning and budgeting and an apparent case of callousness and non-seriousness. The Committee while deploring this attitude of non-commitment and insincerity, desire that accountability and commitment has to be incorporated in the entire process of planning, budgeting and execution. Only then, one could expect the desired results. In any case, as per Ministry's own submission the impact of shortfall in Capital Budget will lead to slowdown of modernization, delay in induction of new capabilities and resultant asymmetry in capability with respect to threat perception. The fact that on the one hand Air Force has audacious acquisitions and upgradation plans for the coming year and on the other hand the Ministry has made feeble allocation of Rs. 2645 crore. This appears to demonstrate a lackadaisical approach of the Ministry. The Committee strongly recommend that adequate funds should be allocated for 'New Schemes', so that already worsened situation in respect of depleted air fleet, infrastructure and modernisation of Air Force is not further aggravated.

15. The Ministry in its Action Taken Reply has stated as under :-

'The allocation for New Schemes is constantly reviewed based upon progress of approval of New Schemes and additional funds provided as and when required.'

16. **The reply of the Ministry of Defence is vague and intends to conceal the information desired by the Committee. The Committee feel that if a system of getting additional funds provided, as and when required, is in vogue in the Ministry, then there is no need to have separate Heads in the budgetary allocations for the services. If it is not so, then the Committee wish to be intimated in detail about the amount sought from Ministry of Finance under this Head. The Committee feel that proper attention is not given to the fact that adequate funds need to be allocated for 'New Schemes' and the amount, if allocated, may be informed to the Committee for its analysis.**

E. Revenue Budget

Recommendation (Para No. 10)

17. The Committee had recommended as under :-

The Committee found that in case of Revenue Budgeting also, the scenario of deficit budgeting is quite evident. The amount projected by Air Force was Rs. 27,073.40 crore while the actually allocated amount is Rs. 20,506.84 crore. Out of the total Revenue Demands, Rs. 16642 crore was asked for non-salary expenses. However, the amount actually allocated under this Head is Rs. 10877 crore, thus resulting into a shortfall of Rs. 5765 crore. Representatives of Air Force candidly submitted that Revenue Budget constraint will impact procurement of spares and fuel and resultant shortfall in training as older systems require more maintenance. It was also informed that expenditure for disaster relief in Uttrakhand and Jammu and Kashmir as well as in General Elections 2014 has further added pressure on already stretched resources of Air Force. The Committee, observe that there is already a huge shortage of air fleet from the sanctioned strength and any further constraint on spares will lead to shortfall in serviceability and hence impact availability adversely. The Committee are perturbed to find that the entire scenario is dismal and recommend that adequate budget should be allocated against Revenue Head so as to ensure that spares and serviceability do not suffer any further.

18. The Ministry in its Action Taken Reply has stated as under :-

'The requirement for additional funds under the revenue budget has been projected to the Ministry of Finance.'

19. The Committee wish to be informed in detail about the solicitation of additional funds under various revenue heads. Besides this, adequate funding for fuel and spares should also be provided, as scarcity for fuel and spares will adversely affect training facilities. The Committee may be provided the desired information at the earliest as they feel concerned that any compromise in training will be detrimental to the safety of our pilots.

F. Squadrons Strength

Recommendation (Para Nos. 12 & 13)

20. The Committee had recommended as under :-

'The Committee were informed by the representatives of Indian Air Force that IAF today requires at least 45 fighter squadrons to counter a two front collusive threat but the Government has authorized a strength of 42 squadrons for this purpose. This revelation is astonishing as on the one hand Indian Air Force (IAF) had made a submission that they would require at least 45 squadrons while on the other hand Ministry is sanctioning 42 squadrons. The Committee feel that this paradox needs to be rectified at the earliest.

With regard to existing squadron strength, it is learnt that we are down to 25 squadrons today even though authorization is for 42 combat squadrons. Thus our capability has already come down. In a candid submission, it was admitted by the representatives of Air Force that our capability vis-à-vis our neighbours is fast eroding. Further, it was also found that Air Force today has only 25 active fighter squadrons. Moreover, 14 of these squadrons are equipped with MiG-21 and MiG - 27 which will retire between 2015 - 2024. Thus the strength will be reduced to just 11 squadrons by 2024. The Committee came to know that this widening gap occur because the rate at which fighter aircraft are retiring after completion of their total technical life exceeds the rate at which their replacements are being inducted into the IAF. In this regard, the Committee further enquired about the initiatives being taken in order to mitigate these gaps in the squadron strength and found that Air Force has contracted for 272 Su-30 MKI fighter aircraft to form 13 Squadrons and the delivery of these aircraft is likely to be completed by 2020. This means that Air Force will be able to add 13 squadrons in its kitty only by 2020. However, the strength will be raised to the extent of 24 squadrons. Further, the series production of Light Combat Aircraft (LCA) by Hindustan Aeronautics Limited (HAL) is also awaited, to form the first LCA squadron in IAF. The Medium Multi-Role Combat Aircraft (MMRCA) project is at Contract Negotiation Committee (CNC) stage. It is needless to say that an early induction of additional aircraft is crucial for arresting the downward trend in the strength of fighter squadrons. The Committee find the situation to be very grim and it is quintessential for the Ministry to ensure smooth and adequate flow of funds and providing easier induction procedure for attaining the requisite squadron strength. More distressing is the fact that only Rs. 2645 crore has been allocated for 'New Schemes' in this Budget. The Committee are constrained to observe that country's security requirements are being compromised by ignoring consistently widening gap between sanctioned and existing strengths. The Committee desire that concrete and prompt steps be initiated expeditiously to induct sufficient number of functional platforms and a status report in this regard be submitted to the Committee.

21. The Ministry in its Action Taken Reply to para nos. 12 & 13 has stated as under :-

The Indian Air Force (IAF) has projected the requirement of 45 fighter squadrons to counter a two front collusive threat. However, the IAF today has 35 active fighter squadrons as against a Government authorised strength of 42 squadrons.

IAF has contracted 272 Su-30 MKI fighter aircraft to form 13 Squadrons. The delivery of Su-30 MKI will continue till 2030, resulting in equipping 3 more squadrons in the next 4 to 5 years. In addition, as per the India-France Joint Statement issued by the two countries during the Prime Minister's visit to France, Government of India conveyed to the Government of France that in view of the critical operational necessity for Multirole Combat Aircraft, Indian Air Force will acquire 36 Rafale jets in fly-away condition as quickly as possible. The two leaders agreed to conclude an Inter-Government agreement for supply of the aircraft on terms that would be better than conveyed by Dasault Aviation as part of a separate process underway; the delivery would be in time-frame that would be compatible with the operation requirement of IAF and that the aircraft and associated systems and weapons would be delivered on the same configuration as had been tested and approved by IAF; and with a longer maintenance responsibility by France. Further, IAF has accepted the first Series Production LCA on 17.01.2015. In addition, design / development of Fifth Generation Fighter Aircraft is under progress. If all procurements fructify as planned, the IAF is likely to achieve the Government authorised strength of 42 Sqns by the end of 15th Plan period.

22. **The Committee have been expressing their concern about the fast depleting squadron strength of IAF during the last few years. The Committee take note of the efforts being made and desire that tangible outcome are attained. They would like to be informed about the induction of squadrons during the last seven years, i.e. 2008 onwards. The Committee would also like to be informed in detail about the contracted 272 Su-30 MKI fighter aircraft such as contract dates, delivery schedules, cost and company. Moreover, the Committee desire to know the present status of acquisition of Rafale, the maintenance terms and the problems surrounding the Light-Combat Aircraft. The Committee would also like to know the time-framework decided for design/development of Fifth Generation Fighter Aircraft.**

G. Training

Recommendation (Para Nos. 15 & 16)

23. The Committee had recommended as under :-

On the issue of trainer aircraft, the Committee has found that IAF is currently holding trainer aircrafts under its inventory which include Basic Trainer Aircraft (BTA), Intermediate Jet Trainer (IJT) consisting of Kiran Mk-I/IA and Kiran Mk-II, and Advanced Jet Trainer (AJT). The existing strength of trainer aircraft is 253 as against the sanctioned strength of 430. Simulators have also been provided for each type of aircraft. It is noticeable that there is a shortage of nearly 40% of trainer aircraft. In this regard, the IAF's proposal for the procurement of 106 BTA (PC-7 MK-II) under 'Buy and Make (Indian)' categorization is under process. It has been informed that the Air Force follows a pattern of three-stage training on a BTA. In this category the demand has been satisfied to some measure and more purchases to be made there. The second level of training which Air Force follows is on an IJT which is a problem area because this task has been assigned to HAL and this aircraft is yet to come into being. The third is AJT which is being produced in India and the country is generally able to satisfy that requirement. The Committee here find that IJT, the Kiran aircraft, have already started retiring and were planned to be replaced by the HAL built IJT; however, the IJT has been under development since 1999 and still certain difficulties are being faced in its induction. In view of the above, IAF is looking for other available options for Intermediate Flying Training. A Request for Information (RFI) for the same was posted on the Ministry of Defence website on 25 February 2014 and the responses received are being examined at Air HQ. The IAF has contracted a total of 106 Hawk Mk-132 AJT aircraft and their deliveries are likely to be completed by 2016. The Committee desire that urgent measures should be taken to ensure timely deliveries of the same under intimation to this Committee.

The Committee were concerned to know about the strategy being pursued to fill the huge gaps in sanctioned and existing trainer aircraft. The Committee feel that one of the important factors in grooming Air Force is provision of adequate training facilities to the personnel. It is indeed unfortunate to disclose that there are huge deficiencies in trainer aircraft. The Committee in their earlier report have consistently taken up the issue of basic trainer. The status of IJT is quite disturbing. The Committee are unhappy that HAL has not been able to deliver IJT to Air Force even after 15 years of commencement of the project and such non-performance derails the modernization and indigenization drive of defence forces. The Ministry has resorted to looking for alternatives only in early 2014 that too only on consistent pursuance of the Committee. In this connection, the Committee desire to be informed about the response received in regard to RFI and are concerned that IJTs are acquired in time so that training modules are not hampered for lack of aircraft. The Committee also recommend that HAL is appropriately dealt with for not being able to timely deliver IJTs to Air Force. The Committee should be intimated about the concrete action taken in this regard.

24. The Ministry in its Action Taken Reply has stated as under :-

'Trainer Aircraft held by IAF currently include Basic Trainer Aircraft (BTA) intermediate Jet Trainer (IJT) and Advanced Jet Trainer (AJT). The existing trainer aircraft strength is 274 as against the sanctioned strength of 430. Simulators have also been provided for each type of aircraft. In view of the delays in the development of HTT-40 BTA by Hindustan Aeronautics Limited (HAL), Defence Acquisition Council (DAC) on 28.02.2015, approved the procurement of additional 38 PC-7 MK-II aircraft under 'option Clause' of the procurement contract, subject to certain conditions.

Further, HAL in conjunction with RCMA (A/C) has carried out life extension studies on Kiran aircraft. Consequently, the life of Kiran aircraft has been extended by 2 years and the phase out will now commence from 2017-18 onwards. However, the IJT has been under development since 1999. In view of the above, the IAF is looking at options for Intermediate Flying Training. This could include use of the BTA to also undertake the Intermediate stage training syllabus (Stage-II Flying).

The IAF has contracted a total of 106 hawk Mk-132 AJT aircraft. The deliveries are likely to be completed by 2016.

The timeline for IJT project was estimated based on knowledge/experience gained in successful development projects. However, each new development, having its own complexities and unique features/requirements, is inherent with certain amount of risk & uncertainty. The design and development of IJT has encountered various unforeseen incidents/ design modifications such as change of engine, incident on prototype aircraft, redesign of control circuit etc. The project is monitored by a Steering Committee comprising MoD, IAF, HAL, CEMILAC and DGAQA. HAL has overcome majority of these issues by implementing the recommendations of Steering Committee. The only major activity remaining towards Operational Clearance is completion of spin trials for which, aircraft has been modified in consultation with BAE System to achieve the desired spin characteristics. Operational clearance is planned to be achieved by December, 2015.'

25. This is not the first time when the Committee have expressed concern over deficiency in trainer aircraft. The Committee have been consistently pointing out inadequacies in training facilities which need corrective measures to be taken without any further delay. So far as Intermediate Jet Trainers are concerned, the operational clearance dates have been extended time and again due to reported problems. The Committee take serious note of the repeated failures that have taken place at HAL and wish that this time the spin trials are successfully cleared latest by December 2015. In line with the same perspective, the Committee would like to be apprised about the steps being taken towards this end.

H. **Modernization of Air Bases**
Recommendation (Para No. 19)

26. The Committee had recommended as under :-

'The Committee are given to understand that infrastructure for airfields in forward areas viz. Leh, Ladakh and the North-East, is a cause of concern. Although infrastructure development projects have been undertaken, but these will take their own time to fruition. The Committee find that this has to be coupled with automatically hardened shelters which need to exist for every single aircraft so that we are not caught by surprise as has happened in different parts of the world. The Committee understand that the pace of progress is determined always by the availability of budget. The Committee observe that unless the infrastructure projects are completed in time, effectiveness of all other assets, be it fleet or manpower, will be obviated. Hence, they recommend that in addition to availability of funds, these are optimally and transparently utilized. The Ministry of Defence must ensure this and intimate the Committee about the initiatives taken in this regard.'

27. The Ministry in its Action Taken Reply has stated as under :-

- a) **New Generation Hardened Aircraft Shelter:** The proposal of construction of 108 New Generation Hardened Aircraft Shelters (NGHAS) for Su-30 class of aircraft is under examination of the Ministry in consultation with other department(s) concerned.
- b) **Nyoma Air Force Base:** Nyoma, in eastern Ladakh, is planned to be developed into a full-fledged airbase. The infrastructure planned includes an extended runway hardened aircraft shelters, aprons and all other requirements of an operational base. Draft CCS Note in this regard is under process.
- c) **Kargil Air Force Base:** A proposal for development of infrastructure at Kargil Air Force Base is also under examination with concerned agencies.
- d) **Development of ALGs along with allied Security Infrastructure in North-East:** A comprehensive plan for improvement of infrastructure of the Indian Army and Indian Air Force (IAF) along the Eastern Sector has been approved. This includes up-gradation of infrastructure at ten airbases in Eastern Air Command Area of Responsibility (EAC AOR) and development of eight Advance Landing Grounds (ALGs) in Arunachal Pradesh. The proposals are at various stages of execution.

28. **The Committee appreciate various efforts being made by the Ministry. However, they desire that the measures taken should be time bound and priority may be assigned to them. Further, the Committee may be apprised of the outcome in detail at the time of furnishing Action Taken Notes.**

CHAPTER II

(A) OBSERVATIONS/RECOMMENDATIONS, WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2)

In case of Capital Budget, maximum strain is laid on committed liabilities. Wherein the projection was to the tune of Rs. 22,727.09 crore, the allocation amount is only Rs. 17,313.00 crore amounting to a shortfall of Rs. 5,414.09 crore. The Committee do not understand as to how the expenditure for committed liabilities will be adjusted by Navy. The Committee feel that a cut of Rs. 5400 crore, is quite a substantial amount and will further add up to the plight of the Indian Navy. Therefore, the Committee opine that Navy should be provided adequate funding towards committed liabilities.

Reply of the Government

The Navy has been allocated Rs. 21,248.07 cr. for Committed Liabilities in 2014-15 as per requirement projected. These projections included payment for P-17A which was estimated to be approved before 31.3.2014. However, as the project was not approved during 2013-14 the amount could not be considered a Committed Liability in 2014-15 and the Navy made internal adjustments in their allocations to reduce the amount earmarked for Committed Liabilities.

Recommendation (Para No. 3)

During the course of deliberations, it came to the notice of the Committee that share of naval budget to the total defence budget has fallen down to 15.72% in 2014-15 from 16.79% in 2013-14 and 18.12% in 2012-13. The Committee are perturbed to find that in recent times there have been spurt in accidents which has been separately dealt with in succeeding paras. However, it is important to mention that in most of the cases of accidents, the cause is either material failure or human error. This implies that either the equipment or machinery acquired are substandard or there are inadequacies in training. The Committee feel that the inadequate funding will further aggravate the condition of Indian Navy and lead to compromises in operational preparedness. Therefore, it is the absolute necessity to allocate ample funds to Navy under intimation to this Committee.

Reply of the Government

The Ministry of Defence is bound by the overall budgetary ceiling provided by the Ministry of Finance. However, every effort is made to ensure that sufficient funds are available to meet the most critical requirements of the Services.

Recommendation (Para No. 4)

In 2012, Defence Acquisition Council approved a total of 198 ships and submarines in order to equip Navy for safeguarding national interests. However, presently Navy has 127 ships and 15 submarines i.e. total of 142 vessels. The Committee were informed that 41 ships and submarines are under construction in the country. These include indigenous aircraft carrier at Cochin Shipyard, 06 destroyers and 06 submarines at Mazagaon Dock, etc. At the same time it has also come to the notice of the Committee that 7 of our MCMVs are over 25 years old and require replacement. With regard to submarines, it was revealed that there are presently 14 conventional submarines (including Sindhurakshak) in the Indian Navy. Most conventional submarine are over 20 years old and are reaching the end of their service life. As far as strength of submarines is concerned, 18 are planned though existing force level is much less and most of them are vintage and old. The committee are concerned to note that during the last 15 years only one submarine has been inducted (Sindhushastra in July 2000) and five submarines have been de-inducted. The Committee are further dismayed at the snail pace of commissioning of vessels in Navy. The Committee are further dismayed to learn the fact that commissioning and decommissioning of ships are not analogous. It's high time that adequate budgetary provisions are made to Navy so that deficiencies are mitigated and the country is capable to take on two front challenges.

Reply of the Government

1. Mine Counter Measure Vessels (MCMVs): Presently, the Indian Navy (IN) has seven minesweepers. These minesweepers are scheduled to be de-inducted by 2018. Acceptance of Necessity (AoN) for construction of 12 MCMVs has been approved by Defence Acquisition Council (DAC) on 28th February, 2015. DAC has nominated M/s Goa Shipyard Ltd., (GSL), a Defence PSU, for construction of these MCMVs with Transfer of Technology (ToT) from foreign Shipyard.

2. SUBMARINES

Presently, there are 14 conventional submarines in the Indian Navy (IN) (including Sindhurakshak). In addition, the IN has acquired one submarine (Chakra) from Russia on 10 year lease. Most conventional submarines are over 20 years old.

Induction/ De-induction of Submarines in Last 15 years. Two submarines have been inducted in the last 15 years (Sindhushastra) in July 2000 and Chakra in January, 2012). Further, five submarines have been de-inducted in the last 15 years.

Induction Plan. CCS in June, 1999 had approved 30 years Long Term Submarine Building Plan for Indigenous construction of 24 conventional submarines by 2030. The programme comprises of two phases-

Phase - I

- (i) Project 75. Six submarines of scropene class (P 75) are being constructed at Mazagon Dock Limited, Mumbai. The first submarine is expected to be delivered in September 2016, followed by induction of one submarine every nine months thereafter. The last submarine is likely to be delivered in June 2020.
- (ii) Project 75 (I) DAC has approved construction of six submarines in India, by a single shipyard, with ToT from a foreign collaborator, chosen on competitive basis. A Core Committee was constituted by the Ministry in December, 2014, under the Chairmanship of Controller of Warship Production and Acquisition (CWP&A), for identification of suitable Indian shipyard (Public/Private) for indigenous construction of P 75(I) submarines. The committee has submitted its report in May, 2015.

Phase – II

Twelve submarines of Indigenous design are envisaged to be constructed in India with the experience gained and technology absorbed from construction of submarines during Phase –I.

Medium Refit With Life Certification (MRLC). Due to delay in induction of new submarines under P-75, and the requirement to maintain requisite force levels, the DAC has accorded approval for 'MRLC Plan' for submarines on 29th August, 2014. This would enable extending the 'Service Life' of submarines so as to bridge the capability gap, pending induction of new submarines.

3. Further, it is informed that 48 ships and submarines are under various stages of construction. In the last two years, INS Vikramaditya (Aircraft Carrier) and ships like 04 NOPVs and one ship each under P-15A and P-28 were delivered. Delivery of more ships from P-15A, P-28, LCU and Water jet FACs is planned in current year. Modernisation of Navy is an ongoing process based upon threat perception, prevailing security environment, emerging technologies, operational necessity, capabilities to be achieved and availability of funds. Adequate funds are being made available commensurate with the Modernisation Plan of Navy.

Recommendation (Para No. 7)

During the examinations of Demands for Grants 2014-15, the Committee noted that the percentage of shortage of officers and sailors in Navy has increased over the years. It was 16.75% for officers in 2007 which increased to 19.70% in 2012. The shortfall for sailors has increased from 6.39% in 2007 to 22.60% in 2012. The Committee take serious note of the shortage of manpower and desire that effective initiatives to be taken to mitigate the gaps in the existing and sanctioned strength of manpower including officers, sailors and civilians in Navy. The Committee were informed by the representatives of Navy that ban by the Ministry of Finance on creation of posts due to austerity measures is severely impacting recruitment, training and deployment,

hence there is a need to review the ban imposed by the Ministry of Finance for Indian Navy. The Committee desire that the Ministry of Defence may look into the matter and take appropriate action in this regard under intimation to them.

Reply of the Government

The shortage of officers and sailors has been reduced through initiation of various measures, aimed to mitigate the gap between the sanctioned strength and the borne strength. The initiatives taken during the XIth (2007-12) and ongoing XIIth (2013-17) Plan Period have resulted in reduction in shortages. The manpower shortages, as on 31st December 2014 has reduced to 14.5% and 16.97%, from 21.46% and 22.65% in 2011 for officers and sailors respectively, despite an increase in the sanctioned strength of officers from 10405 in 2011 to 10848 in 2014 (as on 31st December) and sailors 63130 in 2011 to 65440 in 2014 (as on 31st December).

Ban on Creation of Posts: In 2011, Ministry of Finance imposed a ban on creation of posts, as part of larger austerity measures and has reiterated the ban periodically in 2012, 2013, and the latest on 29th October 2014. In contrast, the number of platforms and the operational tempo of the Service has increased significantly during the period. The mandate of maintaining a minimum force level by the Indian Navy necessitates accretion of the manpower complement. Added to this is the need to suitably augment the supporting organizations for maintaining operational platforms.

Sanctions Post Imposition of Ban: It would be pertinent to mention here that in spite of Ministry of Finance's ban on creation of new posts / sanction of manpower, a number of manpower sanctions, on accretion basis, have been accorded considering Indian Navy's operational requirements, as shown in following table:

S. No.	Year	Category of Posts sanctioned on Accretion	
		Officers	Sailors
(a)	2012	138	898
(b)	2013	46	159
(c)	2014	102	875
(d)	2015	72	570

Recommendation (Para No. 8)

Alongwith induction of new manpower, commensurate training should also be imparted to the recruited workforce and periodical review of training should also be undertaken. The Committee found that the last review of officers training was undertaken in 2012. The Committee opine that in today's world, continuously changing technological upgradation should

be regularly incorporated in study manuals and training modules. Therefore, annual review of training for both officers and sailors should be undertaken without fail.

Reply of the Government

Training in the Indian Navy is a dynamic process and a major peace-time activity. Therefore, the review of training is a continuous process and is constantly undertaken at the Command level and vigorously pursued at IHQ MoD(N), on a regular basis. Whilst, the last review of curricula of officer's specialization courses was undertaken in 2012, it is pertinent to mention that the training content and procedures are being reviewed periodically, commensurate with the changes in technology and technical upgradation by Headquarters Southern Naval Command (HQSNC), which is the Indian Navy's Training Command.

All training related activities are closely monitored by IHQ MoD(N). Towards this, a Half Yearly Training Meeting (HYTM), chaired by FOC-in-C (South), is conducted every six months to review training policies, methodologies and content, with participation from representatives of IHQ MoD(N). Issues requiring policy changes are discussed during the Annual Training Conference (ATC), held annually, chaired by the FOC-in-C (South) and attended by Chief of Personnel (COP) / IHQ MoD(N) along with all other stakeholders. All the emergent changes in training are discussed during these two forums to keep the training relevant and contemporary. The last HYTM was held on 21st November 2014, and the last ATC was held on 16th May 2014.

Recommendation (Para No. 11)

Besides this, adequate funding for fuel should also be provided since scarcity for fuel will adversely impact training facilities and the Committee are apprehensive that any compromise in training will be detrimental for the safety of our pilots. The Committee want to be intimated about the same.

Reply of the Government

In the financial year 2014-15, the sanctioned Budget was Rs. 6830 Cr. under Revenue Head. The Committed Liabilities for the year was Rs. 8048 Crs. The portion of Committed Liabilities also included the requirement of ATF (Aviation Turbine Fuel). The Sanctioned Budget for the year 2014-15 was less than the Committed Liabilities by Rs. 1218 Crs. The shortage in the Committed Liabilities for current year has now been made by receipt of additional allotment in the RE stage thereby increasing the budget to Rs. 7558 Crs. Further, the drop in ATF prices due to fall in crude oil process in the international market has also eased the budgetary requirements.

Recommendation (Para No. 14)

In the opinion of the Committee, one of the reasons for the plight of our combatant strength in the skies is considerable delays in procurement of various platforms. During the examination of the subject, it was found that capital procurement of IAF is undertaken in accordance with the Defence Procurement Procedure (DPP), which lays down timelines for various stages of the procurement process. All efforts are made to adhere to these laid down timelines, albeit the complexity in certain procurement cases leads to delays. The DPP provides for seeking firm and fixed commercial offers from vendors and in case of delay, vendors are asked to extend the validity of commercial offer before the contract is finalised. The DPP is also reviewed and refined on the basis of experience gained. As per the information submitted by the Ministry, it was found that there are 37 cases of procurement pending at 13 different pre-Contract Negotiation Committee (CNC) stages. According to this information, the time taken at each stage is sufficiently more than what is accorded by DPP. Further, it was also found that 27 cases are lying at post CNC stages. This makes a total of 64 cases of pending Capital Procurements. The Committee are not happy with such an indolent state of affairs because of the DPP. They are of the opinion that if this trend is allowed to continue, all the important acquisitions will keep languishing resulting in compromising the National Security in a big way. What the committee want is that the Ministry should come out of its indolence and start looking towards IAF problems with an open mind where acceptance of shortfalls, envisaged acquisitions, proposed timelines and achieved targets get synchronised so that National interest is given utmost importance. The Ministry should take initiatives towards this end under intimation to this Committee.

Reply of the Government

Periodic reviews are carried out at all levels in Air HQ as well as at MoD to ensure that the procurement schemes progress as per the laid down timelines and the final product is operationally capable while being technologically relevant. The focus is always to ensure that there are no unwarranted delays in the Capital Procurement Process. Currently the Procurement Procedure are under review. A vigorous effort will be made to speed up the pending cases at various stages of procurement.

Recommendation (Para No. 17)

The Committee, while noting the dismal scenario in case of strength of Combat squadrons and trainer aircraft, desired to know about the status of serviceability of the existing platforms. In this regard, the Committee were informed by the representatives of Ministry of Defence that the serviceability of the fleet need to improve further. It was also submitted that this is the challenge which needs to be dealt with comprehensively. The Committee are given to

understand that with the serviceability of fleet, IAF could easily enhance its fighter fleet, provided necessary additional allocations, in terms of revenue allocation is made to enable the Air Force to get needed spares and upgradation. The Committee are of the opinion that lack of resources is one of the major factors which is affecting the serviceability. The Committee further observe that our own ability to produce and service different platforms needs to be properly addressed. It also falls in line with the present scheme of 'Make in India' which needs to be emphasized and the Ministry and its organizations need to go a long way into this area both in terms of research and development as well production. The Committee note that some beginnings have been made in terms of light combat aircraft, ALH helicopters, etc. These measures have to be enhanced as this would give a long-term benefit to Air Force because by creating a domestic industry, it would ensure availability of the spares and upgradation. The Committee earnestly desire that if the country has to achieve the goal, the Ministry must chalk out a comprehensive plan without loss of time and intimate the Committee about the same.

Reply of the Government

During the period from 01 January to 31 December, 2014, the average aircraft availability was approx 55%. Between 15 - 20% of the aircraft fleet were on Aircraft On Ground (AOG) due to shortage of spares. Adequate revenue budgetary support along with timely conclusion of contracts, will help mitigate the outstanding AOGs and increase aircraft availability. A large number of aircraft spares are being sourced through Hindustan Aeronautical Ltd (HAL). Better product support by HAL will improve the availability of aircraft supported by HAL. An increase in TAT (Turn around Time) of overhaul spares and ready availability spares at HAL will contribute to assure better aircraft availability. To enhance self-reliance, IAF has taken steps for indigenization of spares of the fleets supported by the IAF Base Repair depots and critical item of the HAL/Original Equipment Manufacturer (OEM) supported fleets.

Recommendation (Para No. 18)

The Committee understand that availability of sufficient and skilled manpower is indispensable for efficient services. Therefore, if the Air Force has to improve the availability and effectiveness of the fighter aircraft, it can be increased by having skilled and trained manpower. In this regard, it is equally important to have sufficient recruitment and proper training facilities. The Ministry of Defence should take measures to this end and the Committee be kept informed about the measures taken in this regard.

Reply of the Government

As on 31 March, 2012, there was shortfall of 396 officers and 6561 airmen in the IAF establishment. The gap between required and existing manpower (excluding medical and dental officers) as on 01.05.2015 is as follows:

	Officers	Airmen
Establishment	11959	136274
Strength	11779	130253
Shortfall	180	6021

It is mentioned that concerted efforts are made and various initiatives have been taken from time to time to reduce the shortages which include proactive steps like publicity measures and simplification of selection process. Two additional Air Force Selection Boards (AFSBs) have also been sanctioned by Government of India in September, 2011.

As regards airmen, a total of 6160 recruits are undergoing training thereby fulfilling the current requirement of airmen.

(B) OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT AND ARE COMMENTED UPON:

Recommendation (Para No. 1)

The Committee note that although Navy had projected an amount of Rs. 19,570.57 crore as budgetary allocation for 2014-15, it has been allocated an amount of Rs. 13,975.79 crore, which amounts to a shortfall of Rs. 5,594.78 crore i.e. nearly 1/3rd of the projected amount. The Committee also note that the Revenue Budget shortfall mainly affects 'Other than Salary' heads where the projection of Navy was to the tune of Rs. 11,662 crore while allocation is made of Rs. 6,921.30 crore, hence only 59% of the money solicited. This is the 6th successive year of lesser allocation under 'other than salary' segment. During evidence, the officials of Indian Navy submitted that there is a need for additional funds under revenue head to meet day-to-day requirements of Operational Deployments (including Anti-Piracy Patrols) and Coastal Security. In addition, requirement of stores (Fuel, Weapons, Armament, Spares), Victualling and Rations, Repairs and Refits of also needed. Hence, there is an immediate requirement of Rs. 1884 crore. Therefore, the Committee recommend that the requirement of Navy for additional funds under revenue head should be looked into and the Committee be informed about the same.

Reply of the Government

The requirement of additional funds for non-Salary revenue expenditure for the Navy during 2014-15 has been submitted to the Ministry of Finance in the RE 2014-15 projections.

Recommendation (Para No. 5)

According to DAC 2012, the sanctioned strength of vessels for Navy includes submarines, ships, aircraft carriers, etc. Some projects such as P 15A, P28, Indian Aircraft Carrier (IAC), P75 and P75 (I) are streamlined and under progress at various shipyards in the country. However, the Committee are worried about regular delays and cost overruns occurring in different projects. In case of IAC, the original sanctioned cost was Rs. 3261 Crore which has been revised to Rs. 19,341 Crore i.e. six times cost escalation. In case of P 15A, the cost has been revised to Rs. 11662 Crore from Rs. 3580 Crore and dates have been revised from 2009-10 to 2015-16. The Committee feel that there have been long delays and cost overruns in almost all the acquisition activities. Similarly, in case of aircraft carrier 'Vikramaditya', there had been huge cost escalation due to repeated time extensions. These time and cost overruns in almost all the projects is a major cause of concern. For long, country's defence needs have been lying unattended and huge gaps have emerged in Force Level. It's high time that adequate budgetary

support is made along with necessary operational reforms at shipyards and other construction sites. The committee desire that appropriate action be taken by authorities concerned so that high valued projects should not be affected by time and cost overruns. The measures so initiated be apprised to the Committee.

Reply of the Government

Modernisation of Indian Navy is an ongoing process based upon assessment of prevailing external strategic environment, threat perception, operational necessity, emerging technologies, capabilities to be achieved and availability of funds. Shipbuilding projects are time-intensive and spread over years. The entire process from design to commissioning entails various stakeholders, with lengthy deliberations. Whilst the specific issues pertaining to time overrun and cost escalations are covered in succeeding paragraphs, major reasons for delay include: -

- (a) Infrastructural constraints of the Shipyards (DPSU).
- (b) Delay in receipt of material/ equipment.
- (c) Design finalization/ change of equipment (vendor specific).
- (d) Increase in material/ equipment cost, besides labour cost and overheads.
- (e) Financial constraints and design expertise limitations of the Private Shipyards.

2. P 15A (M/s MDL). The initial delivery of the yards 12701, 12702 and 12703 were March 08, March 09 and March 10 respectively. The revised delivery dates of the ships were May 10, May 11 and May 12 respectively. However, the actual and targeted deliveries are 10 July 14 (INS Kolkata commissioned in August 14), June 15 and December 15. Time overrun is attributable to infrastructural constraints at the shipyard, and delay in supply of steel from Russia. The original cost of Rs 3580 Crs was revised to Rs 11662 Crs. Cost overrun has been mainly due to the increase in equipment cost and Yard material and increase in cost of Labour and Labour overheads and identification of realistic assessment of cost of weapons and sensors.

3. P 28 (M/s GRSE). The initial delivery of yard 3017, 3018, 3019 and 3020 were 2008, 2009, 2011 and 2012. The revised deliveries are July 14 (INS Kamorta was commissioned on 23 August 14), March 15, March 16 and March 17. The time overrun was attributed to delay in development of steel, delay in development of indigenised weapons and sensors and delay in completion of trials for critical equipment like Diesel Generators, Air Conditioning Plant, etc. The original cost of Rs 3051.2 Crs was revised to Rs 7852.39 Crs. Cost overrun is attributable to the increase in prices due to delay in commencement of construction, increase in costs of developmental Projects, and introduction of new/ state of the art equipment/ systems.

4. IAC (M/s CSL). The delivery schedule of IAC has been revised from December 10 to December 18. The main reasons for time overrun were due to non-availability of Russian steel, delay in receipt of critical pre-launch equipment such as Gear Box and 3MW Diesel Generators. There had been delays also in getting specialized Russian Aircraft Carrier equipment, due to administrative and procedural delays of Russian Side in obtaining internal clearances from their Government. The original cost of Rs 3261 Crs was revised to Rs 19341 Crs. Over the time, and with the experience of 'Vikramaditya', the 'form & fit' of the vessel has been finalised and many emerging technological advances/ new generation equipment has been incorporated in the IAC. Increased equipment costs, including weapons and sensors, and AFC due to finalisation from generic to specific equipment has further added to the cost overrun.

5. Project 75. The project cost was estimated at Rs. 18797 Crores in 2005 at the time of contract signing. The cost was revised to approx Rs 23558 Crores (2010) primarily due to increase in cost of MDL procured items as compared to earlier indicated cost. The reasons for time overrun include frequent revision in cost estimates by DCNS, large variations wrt initial cost estimates and difficulties in absorption of technology by the Shipyard.

6. P 75 (I). DAC has approved construction of six submarines in India, by a single shipyard, with ToT from a foreign collaborator, chosen on competitive basis. A Core Committee has been constituted by the Ministry in December 14, under the chairmanship of Controller of Warship Production and Acquisition (CWP&A), for identification of suitable Indian shipyards. The Committee is likely to submit its report by March 15.

7. Steps Taken to Reduce Time and Cost Overruns

Various steps have been taken to reduce time overrun and cost escalation in Shipbuilding projects. These include: -

- (a) All projects are now "fixed cost" projects. Variable cost option is available only where cost of equipment is uncertain.
- (b) Construction of follow on Ships based on same design to reduce build time.
- (c) Provision for nomination of equipment for follow-on Ships to reduce procurement time.
- (d) Regular Project Reviews during Apex Committee Meetings and Steering Committee Meetings, besides regular meetings at different levels in NHQ.
- (e) Integrated Modular Construction for new Projects and shift from Telescopic Design to Frozen Design.

- (f) Capacity building through Modernisation.
- (g) Enterprise Resource Planning through Information Technology management tools.

Recommendation (Para No. 6)

There have been spurt in accidents of naval vessels in the recent past which include INS Sindhurakshak, INS Vipul, INS Talwar, etc. The Committee are highly concerned about the increasing number of accidents in defence vessels. These accidents result not only in material loss but also in irreparable loss of human lives besides, putting a question mark on the level of maintenance and security. The Committee found that in most of these cases, the reasons for mishap are either material failure of human error. The Committee desire that the Ministry of Defence must ensure that these cases be investigated and reach culmination. The Committee would like to be apprised about inquires, investigations held and judgments executed in case of each and every accident. The Committee also desire that the recommendations, if any, given by any agency and the action taken thereon by the Ministry of Defence as well as naval authorities be apprised to them.

Reply of the Government

As per the laid down procedures, all cases of accidents are investigated by a Board of Inquiry (BoI). The details are as follows:-

Ser	Date	Incident	Cause of Accident	Outcome of Investigation
(a)	08 January 2014	Crack in Sonar Dome of INS Betwa.	Error of Judgment by crew.	Three officers were found culpable. Disciplinary action against two officers has been taken and against one officer is being processed at HQWNC.
(b)	17 th January 2014	Suspended movement of INS Sindhughosh while securing at alongside berth.	Crew Error	One officer was found culpable and disciplinary action is being processed at HQWNC.
(c)	23 January 2014	Sea water ingress through a	Poor refit work and quality	Board of Inquiry (BoI) has been approved at IHQ

		crack/hole in the ship side of INS Vipul	control on work-manship	MoD (N) on 16 September 2014. 05 officers were found culpable and disciplinary action against them is being processed at HQWNC.
(d)	30 January 2014	Damage to Propeller of INS Airavat, whilst entering harbour.	Crew Error	Two officers were found culpable and disciplinary action is being processed at HQENC.
(e)	26 February 2014	Fire onboard INS Sindhuratna	Electrical short circuit in cables	Seven officers were found culpable and disciplinary action is being processed at HQWNC.
(f)	07 March 2014	Accident during trials of engine room fire fighting system onboard Yard 12701 (Kolkata) under construction at MDL.	Material Failure.	No individual or organization was held responsible for the cause of incident, and the incident was treated as an accident. The death of the officer is considered as 'attributable to Service'.
(g)	06 April 2014	Incident of smoldering and thick smoke during hot work on INS Matanga.	Electrical short circuit in cables	Board Proceedings are under examination at IHQ MoD (N).
(h)	28 June 2014	Damage to port propeller of INS Kuthar while coming alongside at	-	Board Proceedings are under examination at IHQ MoD (N).

		Port Blair.		
(i)	02 July 2014	Touching bottom of INS Cheetah while entering Kochi Harbour.	-	Board Proceedings are under examination at IHQ MoD (N).
(j)	31 October 2014	Collision of INS Kora with MV Madeleine Rickmers at Sea.	-	Board Proceedings are under examination at IHQ MoD (N).
(k)	06 November 2014	Sinking of TRV-72.	-	Bol is in progress at HQENC.

Lessons learnt from the report of Bol are implemented appropriately. Corrective steps have been taken by Naval HQs with extensive checks on weapon related safety systems and audit of Standard Operating Procedures on all operational Naval Units. Safety procedures and professional checks are re-emphasized. Incidents study and Analysis Cells have been intimated at professional schools wherein lessons learnt are incorporated into professional training. Safety Audits of various units are being regularly conducted.

Recommendation (Para No. 10)

The Committee found that in case of Revenue budgeting also, the scenario of deficit budgeting is quite evident. The amount projected by Air Force was Rs. 27,073.40 crore while the actually allocated amount is Rs. 20,506.84 crore. Out of the total Revenue Demands, Rs. 16642 crore was asked for non-salary expenses. However, the amount actually allocated under this Head is Rs. 10877 crore, thus resulting into a shortfall of Rs. 5765 crore. Representatives of Air Force candidly submitted that Revenue Budget constraint will impact procurement of spares and fuel and resultant shortfall in training as older systems require more maintenance. It was also informed that expenditure for disaster relief in Utrakhand and Jammu and Kashmir as well as in General Elections 2014 has further added pressure on already stretched resources of Air Force. The Committee, observe that there is already a huge shortage of air fleet from the sanctioned strength and any further constraint on spares will lead to shortfall in serviceability and hence impact availability adversely. The Committee are perturbed to find that the entire scenario is dismal and recommend that adequate budget should be allocated against revenue head so as to ensure that spares and serviceability do not suffer any further.

Reply of the Government

The requirement for additional funds under the revenue budget has been projected to the Ministry of Finance.

Recommendation (Para No. 12)

The Committee were informed by the representatives of Indian Air Force that IAF today requires at least 45 fighter squadrons to counter a two front collusive threat but the Government has authorized a strength of 42 squadrons for this purpose. This revelation is astonishing as on the one hand Indian Air Force (IAF) had made a submission that they would require at least 45 squadrons while on the other hand Ministry is sanctioning 42 squadrons. The Committee feel that this paradox needs to be rectified at the earliest.

Recommendation (Para No. 13)

With regard to existing squadron strength, it is learnt that we are down to 25 squadrons today even though authorization is for 42 combat squadrons. Thus our capability has already come down. In a candid submission, it was admitted by the representatives of Air Force that our capability vis-à-vis our neighbours is fast eroding. Further, it was found that Air Force today has only 25 active fighter squadrons. Moreover, 14 of these squadrons are equipped with MiG-21 and MiG -27 which will retire between 2015-2024. Thus the strength will be reduced to just 11 squadrons by 2024. The Committee came to know that this widening gap occur because the rate at which fighter aircraft are retiring after completion of their total technical life exceeds the rate at which their replacements are being inducted into the IAF. In this regard, the Committee further enquired about the initiatives being taken in order to mitigate these gaps in the squadron strength and found that Air Force has contracted for 272 Su-30 MKI fighter aircraft to form 13 Squadrons and the delivery of these aircraft is likely to be completed by 2020. However, the strength will be raised to the extent of 24 squadrons. Further, the series projection of Light Combat Aircraft (LCA) by Hindustan Aeronautics Limited (HAL) is also awaited, to form the first LCA squadron in IAF. The Medium Multi-Role Combat Aircraft (MMRCA) project is at Contract Negotiation Committee (CNC) stage. It is needless to say that an early induction of additional aircraft is crucial for arresting the downward trend in the strength of fighter squadrons. The Committee find the situation to be very grim and it is quintessential for the Ministry to ensure smooth and adequate flow of funds and providing easier induction procedure for attaining the requisite squadron strength. More distressing is the fact that only Rs. 2645 crore has been allocated for 'New Schemes' in the Budget. The Committee are constrained to observe that country's security requirements are being compromised by ignoring consistently widening gap between sanctioned and existing strengths. The Committee desire that concrete and prompt steps be initiated expeditiously to induct sufficient number of functional platforms and a status report in this regard be submitted to the Committee.

Reply of the Government (Paras No. 12 & 13)

The Indian Air Force (IAF) has projected the requirement of 45 fighter squadrons to counter a two front collusive threat. However, the IAF today has 35 active fighter squadrons as against a Government authorised strength of 42 squadrons.

IAF has contracted 272 Su-30 MKI fighter aircraft to form 13 Squadrons. The delivery of Su-30 MKI will continue till 2030, resulting in equipping 3 more squadrons in the next 4 to 5 years. In addition, as per the India-France Joint Statement issued by the two countries during the Prime Minister's visit to France, Government of India conveyed to the Government of France that in view of the critical operational necessity for Multirole Combat Aircraft, Indian Air Force will acquire 36 Rafale jets in fly-away condition as quickly as possible. The two leaders agreed to conclude an Inter-Government agreement for supply of the aircraft on terms that would be better than conveyed by Dassault Aviation as part of a separate process underway; the delivery would be in time-frame that would be compatible with the operation requirement of IAF and that the aircraft and associated systems and weapons would be delivered on the same configuration as had been tested and approved by IAF; and with a longer maintenance responsibility by France. Further, IAF has accepted the first Series Production LCA on 17.01.2015. In addition, design / development of Fifth Generation Fighter Aircraft is under progress. If all procurements fructify as planned, the IAF is likely to achieve the Government authorised strength of 42 Sqns by the end of 15th Plan period.

Recommendation (Para No. 15)

On the issue of trainer aircraft, the Committee has found that IAF is currently holding trainer aircrafts under its inventory which include Basic Trainer Aircraft (BTA), Intermediate Jet Trainer (IJT) consisting of Kiran Mk-I/IA and Kiran Mk-II, and Advanced Jet Trainer (AJT). The existing strength of trainer aircraft is 253 as against the sanctioned strength of 430. Simulators have also been provided for each type of aircraft. It is noticeable that there is a shortage of nearly 40% of trainer aircraft. In this regard, the IAF's proposal for the procurement of 106 BTA (PC-7 MK-II) under 'Buy and Make (Indian)' categorization is under process. It has been informed that the Air Force follows a pattern of three-stage training on a BTA. In this category the demand has been satisfied to some measure and more purchases to be made there. The second level of training which Air Force follows is on an IJT which is a problem area because this task has been assigned to HAL and this aircraft is yet to come into being. The third is AJT which is being produced in India and the country is generally able to satisfy that requirement. The Committee here find that IJT, the Kiran aircraft, have already started retiring and were planned to be replaced by the HAL built IJT; however, the IJT has been under development since 1999 and still certain difficulties are being faced in its induction. In view of the above, IAF is looking for other available options for Intermediate Flying Training. A Request for Information (RFI) for the same was posted on the Ministry of Defence website on 25 February 2014 and the responses received are being examined at Air HQ. The IAF has contracted a total of 106 Hawk

Mk-132 AJT aircraft and their deliveries are likely to be completed by 2016. The Committee desire that urgent measures should be taken to ensure timely deliveries of the same under intimation to this Committee.

Recommendation (Para No. 16)

The Committee were concerned to know about the strategy being pursued to fill the huge gaps in sanctioned and existing trainer aircraft. The Committee feel that one of the important factors in grooming Air Force is provision of adequate training facilities to the personnel. It is indeed unfortunate to disclose that there are huge deficiencies in trainer aircraft. The Committee in their earlier report have consistently taken up the issue of basic trainer. The status of IJT is quite disturbing. The Committee are unhappy that HAL has not been able to deliver IJT to Air Force even after 15 years of commencement of the project and such non-performance derails the modernization and indigenization drive of defence forces. The ministry has resorted to looking for alternatives only in early 2014 that too only on consistent pursuance of the Committee. In this connection, the Committee desire to be informed about the response received in regard to RFI and are concerned that IJTs are acquired in time so that training modules are not hampered for lack of aircraft. The Committee also recommend that HAL is appropriately dealt with for not being able to timely deliver IJTs to Air Force. The Committee should be intimated about the concrete action taken in this regard.

Reply of the Government on Para No. 15 & 16

Trainer Aircraft held by IAF currently include Basic Trainer Aircraft (BTA) intermediate Jet Trainer (IJT) and Advanced Jet Trainer (AJT). The existing trainer aircraft strength is 274 as against the sanctioned strength of 430. Simulators have also been provided for each type of aircraft. In view of the delays in the development of HTT-40 BTA by Hindustan Aeronautics Limited (HAL), Defence Acquisition Council (DAC) on 28.02.2015, approved the procurement of additional 38 PC-7 MK-II aircraft under 'option Clause' of the procurement contract, subject to certain conditions.

Further, HAL in conjunction with RCMA (A/C) has carried out life extension studies on Kiran aircraft. Consequently, the life of Kiran aircraft has been extended by 2 years and the phase out will now commence from 2017-18 onwards. However, the IJT has been under development since 1999. In view of the above, the IAF is looking at options for Intermediate Flying Training. This could include use of the BTA to also undertake the Intermediate stage training syllabus (Stage-II Flying).

The IAF has contracted a total of 106 hawk Mk-132 AJT aircraft. The deliveries are likely to be completed by 2016.

The timeline for IJT project was estimated based on knowledge/experience gained in successful development projects. However, each new development, having its own complexities

and unique features/requirements, is inherent with certain amount of risk & uncertainty. The design and development of IJT has encountered various unforeseen incidents/ design modifications such as change of engine, incident on prototype aircraft, redesign of control circuit etc. The project is monitored by a Steering Committee comprising MoD, IAF, HAL, CEMILAC and DGAQA. HAL has overcome majority of these issues by implementing the recommendations of Steering Committee. The only major activity remaining towards Operational Clearance is completion of spin trials for which, aircraft has been modified in consultation with BAE System to achieve the desired spin characteristics. Operational clearance is planned to be achieved by December, 2015.

Recommendation (Para No. 19)

The Committee are given to understand that infrastructure for airfields in forward areas viz Leh, Ladakh and the North-east, is a cause of concern. Although infrastructure development projects have been undertaken, but these will take their own time to fruition. The Committee find that this has to be coupled with automatically hardened shelters which need to exist for every single aircraft so that we are not caught by surprise as has happened in different parts of the world. The Committee understand that the pace of progress is determined always by the availability of budget. The Committee observe that unless the infrastructure projects are completed in time, effectiveness of all other assets, be it fleet or manpower, will be obviated. Hence, they recommend that in addition to availability of funds, these are optimally and transparently utilized. The Ministry of Defence must ensure this and intimate the Committee about the initiatives taken in this regard.

Reply of the Government

1. New Generation Hardened Aircraft Shelter. The proposal of construction of 108 New Generation Hardened Aircraft Shelters (NGHAS) for Su-30 class of aircraft is under examination of the Ministry in consultation with other department(s) concerned.
2. Nyoma Air Force Base. Nyoma, in eastern Ladakh, is planned to be developed into a full-fledged airbase. The infrastructure planned includes an extended runway hardened aircraft shelters, aprons and all other requirements of an operational base. Draft CCS Note in this regard is under process.
3. Kargil Air Force Base. A proposal for development of infrastructure at Kargil Air Force Base is also under examination with concerned agencies.
4. Development of ALGs along with allied Security Infrastructure in North-East.
 - (a) A comprehensive plan for improvement of infrastructure of the Indian Army and Indian Air Force (IAF) along the Eastern Sector has been approved. This includes up-gradation of infrastructure at ten airbases in Eastern Air Command Area of Responsibility (EAC AOR) and development of eight Advance Landing Grounds (ALGs) in Arunachal Pradesh. The proposals are at various stages of execution.

CHAPTER III

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

NIL

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS, IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (Para No. 9)

While examining the subject, the Committee found that Air Force had projected a requirement of Rs. 62,408.33 crore for Capital Budget while the amount actually allocated is Rs. 33,710.68 crore, which is nearly half of the projections. Further, it was revealed during deliberations that out of total Capital Budget, there was a demand of Rs. 12,395 crore exclusively for 'New Schemes'. However, the actual allocation for this head is merely Rs. 2645 crore. Thus, amounting to a shortfall of Rs. 9750 crore in this segment i.e. 80% of the projections. The Committee are baffled at such a meagre allocation as Air Force has a long list of projects planned for induction during the year 2014-15, which include Medium Multi-Role Combat Aircraft (MMRCA), Jaguar Re-engineering, Adde Cheetal Helicopters, MLH Upgrade, Additional Aerostats, Additional Dornier, Addl FRA, Additional Airborne Warning and Control System(AWACS), Additional IACCS Nodes, Attack Helicopters Heavy Lift Helicopters, Modernization of Air Field Infrastructure (MAFI) phase II and VSHORADS. The Committee here feel that this is a state of ad-hocism in planning and budgeting and an apparent case of callousness and non-seriousness. The Committee while deploring this attitude of non-commitment and insincerity, desire that accountability and commitment has to be incorporated in the entire process of planning, budgeting and execution. Only then, one could expect the desired results. In any case, as per Ministry's own submission the impact of shortfall in Capital Budget will lead to slowdown of modernization, delay in induction of new capabilities and resultant asymmetry in capability with respect to threat perception. The fact that on the one hand Air Force has audacious acquisitions and upgradation plans for the coming year and on the other hand the Ministry has made feeble allocation of Rs. 2645 crore. This appears to demonstrate a lackadaisical approach of the Ministry. The Committee strongly recommend that adequate funds should be allocated for 'New Schemes', so that already worsened situation in respect of depleted air fleet, infrastructure and modernisation of Air Force is not further aggravated.

Reply of the Government

The allocation for New Schemes is constantly reviewed based upon progress of approval of New Schemes and additional funds provided as and when required.

CHAPTER V

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

NIL

**NEW DELHI;
10 December, 2015
19 Agrahayana, 1937 (Saka)**

**MAJ GEN B C KHANDURI, AVSM (RETD),
Chairperson
Standing Committee on Defence**

APPENDIX I

STANDING COMMITTEE ON DEFENCE

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON DEFENCE (2015-16)

The Committee sat on Thursday, the 10th December, 2015 from 1000 hrs. to 1100 hrs. in Committee Room, '62', Parliament House, New Delhi.

PRESENT

Maj Gen B C Khanduri, AVSM (Retd) - **Chairperson**

LOK SABHA

- 2 Shri Shrirang Appa Barne
- 3 Shri Thupstan Chhewang
- 4 Col Sonaram Choudhary(Retd)
- 5 Shri Sher Singh Ghubaya
- 6 Shri Ramesh Jigajinagi
- 7 Km Shobha Karandlaje
- 8 Dr Mriganka Mahato
- 9 Shri CH Malla Reddy
- 10 Smt Mala Rajya Lakshmi Shah
- 11 Shri A P Jithender Reddy

RAJYA SABHA

- 12 Shri K R Arjunan
- 13 Shri Harivansh
- 14 Shri Hishey Lachungpa
- 15 Shri Tarun Vijay

SECRETARIAT

1. Smt. Kalpana Sharma - Joint Secretary
2. Shri T G Chandrasekhar - Director
3. Smt. J M Sinha - Additional Director
4. Shri Rahul Singh - Under Secretary

2. At the outset, the Chairperson welcomed the members to the sitting of the Committee and briefed about the reports.
3. The Committee then took up for consideration of the following draft reports:-
 - (i) Action Taken by the Government on observations/recommendations contained in the Fourth Report of Standing Committee on Defence (16th Lok Sabha) on 'Demands for Grants of Ministry of Defence for the year 2014-15 on Navy and Air Force (Demand Nos. 23 and 24)'; and
 - (ii) Action Taken by the Government on observations/recommendations contained in the Fifth Report of Standing Committee on Defence (16th Lok Sabha) on 'Demands for Grants of Ministry of Defence for the year 2014-15 on Ordnance Factories and Defence Research and Development Organisation (Demand Nos. 25 and 26)'
4. After deliberations, the Committee adopted the above Reports with some modifications.
5. The Committee, then, authorised the Chairperson to finalise the above draft Reports and present the same to the House on a date convenient to him during the ongoing Winter Session, 2015.

The Committee then adjourned

APPENDIX II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THE FOURTH REPORT OF STANDING COMMITTEE ON DEFENCE (16TH LOK SABHA) ON 'DEMANDS FOR GRANTS OF MINISTRY OF DEFENCE FOR THE YEAR 2014-15 ON NAVY AND AIR FORCE (DEMAND NOS. 23 & 24)'.

- (i) Total number of recommendations : 19
- (ii) Observations/Recommendations which have been accepted by the Government (please see Chapter II) :
Para Nos. 1, 2, 3, 4, 5, 6, 7, 8,10, 11, 12, 13, 14, 15, 16,17, 18 and 19
Total : 18
Percentage : 94.84%
- (iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government (please see Chapter III):
Para No. Nil
Total :Nil
Percentage : 0
- (iv) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee which require reiteration and commented upon (please see Chapter IV):
Para No. 9
Total : 1
Percentage : 5.26%
- (v) Observations/Recommendations in respect of which Government have furnished interim replies (please see Chapter V):
Para No. Nil
Total : Nil
Percentage : 0