

EIGHTH REPORT
STANDING COMMITTEE ON DEFENCE
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS
(2015-2016)

NAVY AND AIR FORCE
(DEMAND NOS. 24 AND 25)

Presented to Lok Sabha on 27.04.2015
Laid in Rajya Sabha on 27.04.2015



LOK SABHA SECRETARIAT
NEW DELHI

April, 2015/Vaisakha, 1937 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE
ON DEFENCE (2014-15)

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

MEMBERS

Lok Sabha

2. Shri Suresh C Angadi
3. Shri Shrirang Appa Barne
4. Shri Dharambir
5. Shri Thupstan Chhewang
6. Col Sonaram Choudhary (Retd)
7. Shri H D Devegowda
8. Shri Sher Singh Ghubaya
9. Shri G Hari
10. Shri Ramesh Jigajinagi
11. Dr Murli Manohar Joshi
12. Km Shobha Karandlaje
13. Shri Vinod Khanna
14. Dr Mriganka Mahato
15. Shri Tapas Paul
16. Shri Malla Reddy
17. Shri Rajeev Satav
18. Smt Mala Rajya Lakshmi Shah
19. Capt Amarinder Singh (Retd)
20. Shri A P Jithender Reddy
- *21. Shri Hemendra Chandra
- **22. Shri Rajyavardhan Singh Rathore
- §23. Smt Pratyusha Rajeshwari Singh

* Sad Demise on 05.09.2014.

** Ceased to be Member of the Committee on 09.11.2014.

§ Nominated w.e.f. 22.12.2014.

(iv)

Rajya Sabha

24. Shri K R Arjunan
- #25. Shri Anand Sharma
26. Shri Rajeev Chandrasekhar
27. Shri A U Singh Deo
28. Shri Harivansh
29. Shri Vinay Katiyar
30. Shri Hishey Lachungpa
31. Shri Madhusudan Mistry
32. Smt Ambika Soni
33. Shri Tarun Vijay
- @34. Shri Narendra Budania

SECRETARIAT

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri P K Misra | — | <i>Additional Secretary</i> |
| 2. Shri D S Malha | — | <i>Director</i> |
| 3. Shri A K Srivastava | — | <i>Additional Director</i> |
| 4. Smt Rekha Sinha | — | <i>Executive Assistant</i> |

Nominated w.e.f. 08.10.2014.

@ Ceased to be Member of the Committee on 08.10.2014.

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2014-15), having been authorised by the Committee to submit the report on their behalf, present this Eighth Report on 'Demands for Grants of the Ministry of Defence for the year 2015-16 on Navy and Air Force (Demand Nos. 24 & 25)'.

2. The Defence Services Estimates were laid on 13 March 2015 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 23 March 2015. The Committee contemplated over the views expressed by the representatives of the Ministry of Defence for inclusion in reports on Demands for Grants at their sitting held on 06 April 2015. The draft Report was considered and adopted by the Committee at their sitting held on 24 April, 2015.

3. The Committee wish to express their thanks to the officers of the Ministry of Defence and representatives of the three Services for appearing before the Committee and furnishing the material and information which the Committee desired in connection with examination of the Demands for Grants.

4. For facility of reference and convenience, the recommendations/ observations of the Committee have been printed in bold letters in Part-II of the report.

NEW DELHI;
24 April, 2015
04 Vaisakha, 1937 (Saka)

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

REPORT
CHAPTER I
NAVY
(DEMAND NO. 24)

The Indian Navy is the prime enabler and guarantor of the country's maritime sovereignty and myriad use-of-sea activities. This is discharged by the Indian Navy through its four roles—military, diplomatic, constabulary and benign. India sits astride a very large number of busy international shipping lanes that criss-cross the Indian Ocean. More than 90% of our trade by volume and 77% by value is transported over the seas. The Indian Ocean Region (IOR) is also beset by a number of security related challenges.

Budget Outlay 2015-16

1.2 The Capital Budget allocation for Navy in BE 2015-16 is tabulated below:

(Rs. in crore)

Scheme	Budget Estimates 2015-16 Projections	Budget Estimates 2015-16 Allocations
Modernization	26339.12	23360.90
Committed Liabilities	22248.12	22248.12
New Schemes	4091.00	*1112.78
Land & Works	720.00	720.00
Total Capital Budget	27059.12	24080.90

*Funds allotted under New Schemes are not Commensurate to the Projections.

1.3 The Revenue Budget allocation for Navy in BE FY 2015-16 is tabulated below:

(Rs. in crore)

Head	Projection	Allocation	Allocation wrt Projections
P&A	6950.00	6442.74	92.70%
Other than P&A	10127.00	7882.94	77.84%
Total Revenue	17077.00	14325.68	83.89%

Budget Analysis 2014-15

1.4 The details of the budgetary allocations and expenditure incurred by Navy during financial year 2014-15 separately for capital and revenue heads are given as under:—

Capital Budget 2014-15

(Rs. in crore)

Scheme	BE	RE	Actuals & % wrt RE (16 Mar. 15)
Modernization	21911.99	17075.24	17772.62 (104.08)
Committed Liabilities	21248.07	16411.32	15315.55 (93.32)
New Schemes	663.92	663.92	2457.07 (370.08)
Land & Works	891.81	712.02	592.80 (82.68)
Total Capital	22803.80	17792.26	18365.42 (103.22)

Revenue Budget: FY 2014-15

(Rs. in crore)

Scheme	BE	RE	Actuals & % wrt RE (16 Mar. 15)
P&A	5665.50	5965.50	5554.92 (93.12%)
Other than P&A	6921.30	6921.30	5774.46 (83.43%)
Total Revenue	12586.80	12886.80	11329.38 (87.91%)

Funds have been allotted as per the IN's requirements.

Naval Budget Trend

1.5 Data on projections and allocations of BE and RE in respect of the Navy for the last five years including 2014-15 is as follows:

(Rs. in crore)

Year	BE		RE	
	Projection	Allocation	Projection	Allocation
1	2	3	4	5
2009-10	21,352.59	20,604.02	22,393.28	21,208.49
2010-11	25,945.54	21,467.51	29,038.60	25,157.29

1	2	3	4	5
2011-12	40,541.07	25,246.89	35,932.66	29,606.01
2012-13	44,478.90	37,314.44	40,768.63	29,668.33
2013-14	52,940.22	36,343.46	42,349.79	33,582.92
2014-15	47,823.78	37,808.46	38,656.82	32,442.86
2015-16	44,814.71	40,528.88		

1.6 An overview of the Naval Budget trend in comparison with total defence budget during last decade is as given below:—

Fiscal Year	Percentage Share of Defence Budget (BE stage)
2006-2007	18.14%
2007-2008	18.26%
2008-2009	18.47%
2009-2010	14.54%
2010-2011	14.52%
2011-2012	15.36%
2012-2013	19.29%
2013-2014	17.84%
2014-2015	16.51%

It can be seen that Naval Budget as a percentage share of total Defence Budget has declined from 17.32% in the year 2006-07 to 15.32% in the year 2015-16.

Modernization Budget

1.7 Outlay and expenditure on modernisation of the Navy during the 11th and 12th Plans are as given below:—

(Rs. in crore)			
Year	BE	RE	Actual Exp.
1	2	3	4
XIth Plan			
2007-08	9,980.74	8,552.19	8,566.63
2008-09	11,593.68	8,765.78	8,959.53

1	2	3	4
2009-10	11,732.01	11,386.34	12,829.51
2010-11	11,439.90	14,439.90	16,287.42
2011-12	13,845.26	16,425.51	18,251.87
XIIth Plan			
2012-13	23,775.10	17,250.71	16,844.07
2013-14	23,068.49	19,559.31	19,505.82
2014-15	22,394.23	17,406.00	*17,583.03
2015-16	23,841.57		

*Expenditure upto end of February 2015.

1.8 The Committee enquired that how the service would be able to manage their expenditure with reduced funds. To this, the representative of Navy informed the Committee that they have to manage with that allocation unless additional money is given at the RE stage.

1.9 The Committee were given the details of utilisation of funds for modernization by the Navy during the 11th and the 12th Plans as follows:—

(Rs. in cr.)				
Year	BE	RE	Actual Exp.	Utilisation
XIth Plan				
2007-08	9,980.74	8,552.19	8,566.63	100.17%
2008-09	11,593.68	8,765.78	8,959.53	102.21%
2009-10	11,732.01	11,386.34	12,829.51	112.67%
2010-11	11,439.90	14,439.90	16,287.42	112.79%
2011-12	13,845.26	16,425.51	18,251.87	111.12%
XIIth Plan				
2012-13	23,775.10	17,250.71	16,844.07	97.64%
2013-14	23,068.49	19,559.31	19,505.82	99.73%

1.10 It may be seen that the Navy has been able to fully utilise funds during the 11th Plan period. There have been minor savings of Rs. 406.64 crore and Rs. 53.49 crore during 2012-13 and 2013-14 respectively with reference to the RE allocation. Final utilisation for 2014-15 can be worked out only after the end of the year. Provision of Rs. 23,841.57 crore has been made under BE 2015-16 for modernisation of the Navy.

Force Level

1.11 The Committee wished to be informed about the existing and required force levels for Indian Navy. In this regard, the Ministry of Defence submitted the following information:—

‘The existing and required force levels for Indian Navy by 2027 have been contemplated in MCPP 2012-2027. A gap of 72 ships and submarines and 222 aircraft/helicopters has been envisaged to be inducted by the end of 14th Plan period (2027). The acquisition of the required assets planned is being progressed in a phased manner. 27 ships/submarines are scheduled to be inducted in the 12th ‘Plan. The policy for Disposal of Ships and Submarines’ promulgated in 2010 lays down the guidelines to ensure timely decommissioning and disposal of ships/submarines. The guidelines provide for de-equipping/de-storing of the ship *i.e.* removal/merger of stock, removal/disposal of stores, retention of serviceable equipment/stores etc. The existing strength of ships and aircraft are 140 and 236 and the required levels by 2027 are 212 and 458. The envisaged life span depends on the class of ship *viz.* 35-40 years for aircraft carrier, 25 years for ships and submarines and 20 years for aircraft/helicopters. The service life of ships/submarines may be extended based on material state and operational necessity.’

1.12 The Committee enquired about cost and time overruns that have taken place in various acquisition/production projects being undertaken by Indian Navy. In this regard, the following information was submitted before the Committee:—

‘Acquisition of defence equipment is undertaken in accordance with the Defence Procurement Procedure. The guidelines enunciated in the DPP aim to ensure highest level of transparency and probity, whilst achieving timely induction of planned capability. Details of major acquisition cases where timelines/cost was revised, along with reasons is enumerated in the succeeding paragraphs.

(i) **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 crores was revised to Rs. 11662 crores. 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.

(ii) **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 crores was revised to Rs. 7852.39 crores. 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.

(iii) **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 crores was revised to Rs. 19341 crores. 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.

(iv) **NOPVs (M/s Pipavav Shipyard):** The contract for construction of five Naval Offshore Patrol Vessels (NOPVs) was awarded to M/s Pipavav Defence and Offshore Engineering Co. Ltd. (PDOECL), Gujarat. The contract was signed on 27 May 2011, with delivery schedule of November 14 for the first NOPV and subsequent ships

at an interval of six months each. Delay in delivery is anticipated due to the change in design. The first ship is likely to be inducted by January 16, followed by other ships.

(v) Fast Interceptor Crafts (M/s Solas Marine Lanka, Sri Lanka): The contract for procurement of 80 FICs was signed on 26 August 11 with M/s Solas Marine Lanka, Sri Lanka. The contract stipulated that the first batch of four FICs were to be delivered by the shipyard in July 12, followed by a batch every three months thereafter. However, delivery of the first batch was affected by the Shipyard in March 13. Accordingly, the project is behind the contractual delivery schedule. Applicable liquidated damages, subject to a maximum of 5% of the cost of FICs, is being levied on the Shipyard. The delay was attributed to engineering/ design issues which have been resolved by replacement of TD 340 HC Waterjet engine with TD 400 HC Waterjet engine by the company.

(vi) LCU Mk-IV (M/s GRSE, Kolkata): The Contract for construction and delivery of Landing Craft Utility Mk-IV ships was signed with M/s GRSE, Kolkata on 29 September 11. The contractual delivery of the first ship was scheduled in August 14 and subsequent ships at an interval of three months. M/s GRSE has indicated a delay of 10 months in the delivery of first four vessels. The major reason for the delay is due to the inability of Shipyard to provide adequate manpower to the project.

(vii) WJFACs (M/s GRSE, Kolkata): The Contract for construction and delivery of four Follow-on Water Jet Fast Attack Crafts (WJ FACs) was signed with M/s GRSE, Kolkata on 01 March 13. The contractual delivery of the first ship is scheduled in March 15 and subsequent ships at an interval of three months each. M/s GRSE has indicated five months and three months delay in the delivery of first and second vessels respectively. The reason for the delay is the inability of Shipyard to allocate adequate resources to the project.

(viii) Cadet Training Ships (M/s ABG Shipyard): The Contract for two Cadet Training Ships was concluded with M/s ABG Shipyard on 27 June 11. Ships were to be delivered by June 15. In October 13, the Shipyard experienced Cash Flow problems, and applied for Corporate Debt Restructuring (CDR) with the Consortium of Banks in October 13. Regular feedback and follow-up of the Corporate Debt Restructuring (CDR) process is being monitored by the Navy, and M/s ABG has been asked to submit firm timelines for delivery of ships.

(ix) **Survey Vessels (M/s Alcock Ashdown Ltd., Gujrat):** The contract with Alcock Ashdown Ltd. (AAGL) was signed on 28 December 06 and first ship was delivered on 10 September 12. The construction of balance ships has been subsequently held up due to inability of M/s AAGL to re-validate the expired Bank Guarantees, and receive stage payments due to financial constraints. Review of the project has been undertaken at various levels in NHQ and Ministry. A Committee was formed to examine all issues of the case and forward recommendations towards finalising 'way-ahead' on the project. The Committee has submitted the report, which is being examined.'

Naval Base at Karwar

1.13 The Committee were informed that Indian Navy is planning a naval base at karwar. In this regard, the details were given as under:—

‘All major works in Phase-I of setting up of a major Naval Base at Karwar have been completed. Phase-II approved in Dec 2012 is planned to be completed by 2021. In addition for enhance basing of ships at Kochi to meet various contingencies in IOR, Indian Navy plans to acquire 500 meter of berth (extendable to 4.7 km in subsequent phases) and 650 acres of land in the Kochi Outer Harbour Project. Further Forward Operating Bases (FOBs) at Tuticorin, and Haldia, OTR Bases at Paradip and various Islands in A&N Islands are also planned.’

Accidents

1.14 The Committee have been concerned about spurt of naval accidents that have taken place in recent past. The details of Accidents of Naval Ships/Submarines during each year of the 11th Plan and first three years of 12th Plan alongwith status of Enquiry as provided to the Committee are as under:—

Sl.No.	Date	Incident	Cause of Accident	Outcome of Investigation
1	2	3	4	5
(a)	07 Jan 07	Incident of KM 569 of Kunjali II	Material Malfunction (Intermittent).	One officer was found culpable and disciplinary action has been taken.
(b)	11 Jan 07	Accident of UAV Searcher (US-901) at NAS (R)	Crew Resource Management Failure.	One officer was found culpable and disciplinary action has been taken.

1	2	3	4	5
(c)	25 Jan 07	Incident of Heron UAV 921 of INS Garuda	Inadequate operational support.	One officer was found culpable and disciplinary action has been taken.
(d)	28 Feb 07	Accident of SK 521 of Kunjali II	Material Failure.	Four officers and two sailors were found culpable and disciplinary action has been taken.
(e)	05 Apr 07	Accident of Sea Harrier-651 of INS Hansa	Undetermined.	No individual or organisation was held blameworthy for the incident.
(f)	19 Jun 07	Touching bottom of LCU L-33 at Nan Cowry Harbour	Error of Judgment by Crew.	Two officers were found culpable and disciplinary action has been taken.
(g)	20 Jun 07	Grounding of INS Sindhuraj while entering Harbour	Error of Judgment by Crew.	One officer was found culpable and disciplinary action has been taken.
(h)	02 Aug 07	Damage to propellers of INS Pralaya	Presence of sandbars not known to the ship at the time of incident and later established through survey.	No individual or organisation was held blameworthy for the incident.
(i)	08 Sep 07	Accident of SH 608 of INS Viraat	Non-adherence of laid down norms of training for the aircrew.	One officer was found culpable and disciplinary action has been taken.
(j)	23 Oct 07	Incident on SU 535 of INS Dega	Material Failure.	Two officers were found culpable and disciplinary action has been taken.
(k)	24 Dec 07	Accident of SH 613 of INS Hansa	Support Lapse (Maintenance).	No individual or organisation was held blameworthy for the incident.
(l)	12 Jan 08	Propellers touching the bottom and consequential damages of FAC - 84	Error of Judgment by Crew.	Two officers were found culpable and disciplinary action has been taken.

1	2	3	4	5
(m)	20 Jan 08	Collision of INS Sindhughosh with MV Leeds Castle	Crew error.	Two officers were found culpable and disciplinary action has been taken.
(n)	01 Feb 08	Accidental venting of H2S Gas Compartment and loss of lives onboard INS Jalashwa	Failure to establish safe working practices, non-compliance of org procedures/ routines, and not sensitizing/ training crew adequately.	Four officers and three sailors were found culpable and disciplinary action has been taken.
(o)	09 May 08	Touching of bottom by INS Mahish	Error of Judgment by Crew.	Two officers were found culpable and disciplinary action has been taken.
(p)	04 Jun 08	Touching in sand bank by INS Vindhyagiri leaving Kochi Harbour	Organisational failure on the bridge of the ship.	Four officers were found culpable and disciplinary action has been taken.
(q)	14 Aug 08	Ground accident of KM 562 of INS Hansa	Human error.	Two officers were found culpable and disciplinary action has been taken.
(r)	27 Aug 08	Belly fire on SH 616 of INS Hansa	Material Failure (premature).	No individual or organisation was held blameworthy for the incident.
(s)	28 Aug 08	Parting of under carriage on CH 478 of INS Rajali	Material Failure (Fatigue).	No individual or organisation was held blameworthy for the incident.
(t)	15 Sep 08	Bending and cracking of port upper attachment point on CH 438	Operational hazard (Training Hazard).	No individual or organisation was held blameworthy for the incident.

1	2	3	4	5
(u)	13 Oct 08	Accidental bursting of detonator during demonstration session onboard INS Sindhuvijay	Procedural lapses by crew.	Two officers and one sailor were found culpable and disciplinary action against officers has been taken. No disciplinary action was initiated against the sailor as the sailor was released from service on 31 Jan 09.
(v)	17 Oct 08	Ground accident of KM 566 of INS Hansa	Maintenance error (neglect).	Two officers and five sailors were found culpable and disciplinary action has been taken.
(w)	23 Jan 09	Damage of both propellers of INS Godavari.	Crew Error.	Six officers were found culpable and disciplinary action has been taken.
(x)	17 Jul 09	Incident of fire on board INS Agray.	Systems failure.	Four officers and four sailors were found culpable and disciplinary action has been taken.
(y)	04 Aug 09	Collision between Ranvir and Kuthar	Material Failure of steering gear onboard ship.	Two officers were found culpable and disciplinary action has been taken.
(z)	04 Jan 10	Damage to the ships multi beam Sonar while docking INS Sarvekshak	Error by Docking Crew.	Three officers and two civilians were found culpable and disciplinary action has been taken.
(aa)	26 Feb 10	Battery pit explosion onboard INS Sindhurakshak	Crew Error.	Four officers and one sailor were found culpable and disciplinary action has been taken. Death of sailor was considered as attributable to service.
(ab)	26 Nov 10	Fire onboard INS Delhi in Officer's Galley	Electrical Short Circuit in hot plate.	Four officers were found culpable and disciplinary action has been taken.
(ac)	20 Jan 11	Collision of sailing boat with Kalpeni	Crew error.	Two officers were found culpable and disciplinary action has been taken.

1	2	3	4	5
(ad)	30 Jan 11	Collision between MV Nordlake and INS Vindhyagiri.	Matter sub-judice.	10 officers and seven sailors were found culpable and disciplinary action has been taken. The disciplinary action against one officer is being processed.
(ae)	30 May 11	Fire in Galley on INS Deepak.	Electrical fire in deep fat fryer.	Five officers and Two sailors were found culpable and disciplinary action has been taken.
(af)	11 Mar 12	Fire onboard LCU L 38.	Heat from weld surface owing to continuous hot work onboard.	One officer and two sailors were found culpable for incident and disciplinary action has been taken.
(ag)	08 Aug 12	Fire in engine room on INFAC 83.	Material failure (dislodging of air plug).	No individual was held blameworthy for the incident.
(ah)	15 Oct 12	Crash of CH 405 (Chetak Helicopter).	Cause of the accident could not be ascertained.	No individual was held blameworthy for the incident.
(ai)	19 Dec 12	Fire in aft. battery pit of INS Shankush.	Material Failure. (Spark in battery pit).	No individual was held responsible for the cause of fire, and the incident was treated as an accident.
(aj)	05 Mar 13	Crash of CH 440 (Chetak Helicopter).	—	Board Proceedings are under examination at IHQ MoD (N) for approval.
(ak)	14 Jul 13	Fire onboard INS Tarasa.	Crew Error.	Three officers and four sailors were found culpable. Disciplinary action against four sailors has been taken. The disciplinary action against three Officers is being processed.
(al)	26 Jul 13	Damage to helo hangar/other fittings on INS Delhi by Yard 12701 (Kolkata).	Crew Error.	Two officers were found culpable and disciplinary action taken.

1	2	3	4	5
(am)	14 Aug 13	Explosion in INS Sindhu rakshak.	—	Board Proceedings are under examination at IHQ MoD (N) for approval.
(an)	22 Sep 13	Fire onboard INS Viraat.	Procedural lapse by crew.	Five officers and one sailor were found culpable and disciplinary action against taken.
(ao)	14 Dec 13	Fire onboard Konkan.	—	Four officers and two sailors were found culpable and disciplinary action is being processed at HQENC.
(ap)	19 Dec 13	Scrapping of INS Tarkash on SBW Knuckle.	Error of Judgment by crew.	Two officers were found culpable and disciplinary action taken.
(aq)	23 Dec 12	Accident of INS Talwar with unlit fishing boat.	Failure of bridge AIO Ops Room organisation onboard.	Four officers and two sailors were found culpable. Disciplinary action against three Officers and two sailors has been taken. Summary trial of one officer is being processed at HQWNC.
(ar)	08 Jan 14	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.
(as)	17 Jan 14	Suspended movement of INS Sindhughosh while securing alongside.	Crew Error.	One officer was found culpable and disciplinary action is being processed at HQWNC.
(at)	23 Jan 14	Sea water ingress through a crack/hole in the ship side of INS Vipul.	Poor refit work and quality control on workmanship	BOI has been approved at IHQ MoD (N) on 16 Sep 14. 05 officers were found culpable and disciplinary action against them is being processed at HQWNC.
(au)	30 Jan 14	Damage to Propeller of INS Airavat, whilst entering harbour.	Crew Error.	Two officers were found culpable and disciplinary action is being processed at HQENC.

1	2	3	4	5
(av)	26 Feb 14	Fire onboard INS Sindhuratna.	Electrical short circuit in cables.	Seven officers were found culpable and disciplinary action is being processed at HQWNC.
(aw)	07 Mar 14	Accident during trials of engine room fire fighting system onboard Yard 12701 (Kolkata) under construction at MDL.	Material Failure.	No individual or organisation 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'.
(ax)	06 Apr 14	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).
(ay)	28 Jun 14	Damage to port propeller of INS Kuthar while coming alongside at Port Blair.	—	Board Proceedings are under examination at IHQ MoD (N).
(az)	02 Jul 14	Touching bottom of INS Cheetah while entering Kochi Harbour.	—	Board Proceedings are under examination at IHQ MoD (N).
(ba)	31 Oct 14	Collision of INS Kora with Merchant ship at Sea.		Board Proceedings are under examination at IHQ MoD (N).
(bc)	06 Nov 14	Sinking of TRV-72.	—	Bol is in progress at HQENC.

1.15 All cases of accidents are investigated by a Board of Inquiry (BoI). Lessons learnt from the reports of BoI 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-emphasised. Incidents study and Analysis

Cells have been instituted at professional schools wherein lessons learnt are incorporated into professional training. Safety Audits of various units are being regularly conducted.

Manpower and Training

1.16 The data regarding Manpower status of the Indian Navy as provided by the Ministry is tabulated below:—

(a) Officers

Year (as on 31 Dec.)	Sanction Strength	Borne Strength	Shortage	%
2007	8913	7420	1493	16.75
2008	9065	7502	1563	17.24
2009	9263	7690	1573	16.98
2010	9732	7899	1833	18.83
2011	10405	8172	2233	21.46
2012	10452	8392	2060	19.70
2013	10690	8850	1807	16.90
2014	10848	9237	1578	14.50

(b) Sailors

Year (as on 31 Dec.)	Sanction Strength	Borne Strength	Shortage	%
2007	51313	48036	3277	6.39
2008	52021	48225	3796	7.30
2009	53931	47659	6272	11.63
2010	58267	47961	19306	17.69
2011	63130	48833	14297	22.65
2012	64214	49702	14512	22.60
2013	64217	52264	11953	18.61
2014	65468	54358	11110	16.97

1.17 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 Plan (2007-12) and ongoing XIIth Plan (2013-17) Plan Period

have resulted in reduction in shortages. The manpower shortages, as on 31 Dec., 14 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 31 December) and sailors 63130 in 2011 to 65440 in 2014 (as on 31 December).

1.18 The details of the Training Institutes of Navy as given to the Committee are as follows:—

Sl.No.	Designation	Location	Officers/ Sailors
1	2	3	4
(a)	INS Dronacharya	Kochi	O/S
(b)	ASW School	Kochi	O/S
(c)	ND School	Kochi	O/S
(d)	Maritime Warfare Centre, Kochi	Kochi	O
(e)	Signal School	Kochi	O/S
(f)	Diving School	Kochi	O/S
(g)	Naval Institute of Aeronautical Technology (NIAT)	Kochi	O/S
(h)	Observer School	Kochi	O
(i)	Indian Naval Academy	Ezhimala	O
(j)	School of Medical Assistants (SOMA)	Mumbai	O/S
(k)	National Institute of Hydrography	Goa	O/S
(l)	Naval War College	Goa	O
(m)	INS Hamla	Mumbai	O/S
(n)	INS Shivaji	Lonavala	O/S
(o)	INS Valsura	Jamnagar	O/S
(p)	INS Satavahana	Visakhapatnam	O/S
(q)	School of Advance Undersea Warfare (SAUW)	Visakhapatnam	O/S
(r)	Institute of Naval Medicine (INM)	Mumbai	O/S
(s)	Naval Special Warfare Tactics and Training Centre (NSWTTC)	Goa	O/S

1	2	3	4
(t)	INS Chilka	Chilka	S
(u)	School for Naval Airmen (SFNA)	Kochi	O/S
(v)	NBCD School	Lonavala	O/S
(w)	INS Agrani	Coimbatore	S
(x)	Seamanship School	Kochi	O/S
(y)	INPT School	Goa	O/S
(z)	CLABS	Kochi	O
(aa)	School of Naval Oceanography & Meteorology (SNOM)	Kochi	O/S
(ab)	Naval Shipwright School	Visakhapatnam	O/S
(ac)	NIETT	Kochi	O/S
(ad)	Naval Provost & Regulating School (NPRS)	Goa	O/S
(ae)	Naval School of Music (INS Kunjali)	Mumbai	S

2. 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 specialisation courses were 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 IN's Training Command.

3. 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 21 November 2014, and the last ATC was held on 16 May 14."

1.19 The details regarding number of personnel recruited (Officers and Sailors) during the years 2012, 2013, 2014 and 2015 (Feb. 15) are as follows:—

Sl.No.	Year	Officers Inducted	Sailors Recruited
(a)	2012	758 (includes 341 Cadets)	4632
(b)	2013	800 (includes 400 Cadets)	4466
(c)	2014	806 (includes 403 Cadets)	4694
(d)	2015 (Recruitment in progress)	264 (includes 160 Cadets)	1990

1.20 The Committee wanted to know about the measures/initiatives taken to bridge the gap between authorised and existing strength of Officers and Sailors is as follows:—

- ‘(a) **Enhanced Inductions:** To reduce the shortages, the annual induction of officers and sailors has been enhanced w.e.f. 2008. During the last four years, the officers’ induction has been increased to 635, 753, 799 and 806 for the years 2011, 2012, 2013 and 2014 respectively. The yearly induction of sailors has also been increased from earlier 3500 in 2008 to 4498, 4632, 4466 and 4694 in 2011, 2012, 2013 and 2014 respectively. It is planned to continue with the enhanced inductions, till the shortages are mitigated.
- (b) **Image Projection Campaign:** In order to spread awareness about the Indian Navy, as also to attract the youth to join the Navy, the Navy has implemented an Image Projection Campaign and enhanced recruitment publicity drive through DAVP for display of advertisements in popular TV Channels, Bus Panel Hoardings, Metro stations, etc in various States. In addition, advertisements are published in popular magazines and job portals on internet. Highlights on pay package, avenues for adventure activities, etc. are also included in the campaign.
- (c) **Recruitment Publicity:** The Navy is spreading awareness about career prospects and job opportunities in the Service, in various schools and colleges, where lectures are organised by teams of Naval Officers. Special publicity stalls/counselling centres are being set up at various Exhibitions/Career Job

Fairs in the country. The IN celebrates the first week of December every year as the 'Navy Week'. This opportunity is utilised to connect with the local populace, and following activities are undertaken:—

- (i) Ships and establishments are thrown open to general public, to give them an insight of the life in the Navy.
 - (ii) Visits of school/college students are organised onboard Naval Ships to educate them on career opportunities.
 - (iii) Visits by Naval ships are organised to small and medium ports of the country to facilitate visit by the local populace, who would otherwise not get this opportunity.
 - (iv) Medical Camps are organised at remote locations to make the Navy conspicuous and popular.
 - (v) Publicity material like calendar, diaries, pamphlets and posters, etc., are distributed to approximately 11000 Schools/Colleges, Sainik Schools, and local institutions by respective Commands and NCC units.
 - (vi) A multimedia 'CD' on career opportunities in the Indian Navy has been distributed to 2000 Schools/Colleges/ NCC units all over India.
- (d) **Online Facility:** In order to connect with the young tech. savvy generation, the recruitment website has been provided with the facility for filing online applications. Online access to admit cards, results and merit list has also been introduced. The facility has greatly reduced time-lines and enhanced satisfaction, in addition to projecting the Naval recruitment process as transparent and candidate friendly.
- (e) **NCC Cadets:** The Navy has earmarked 25 vacancies for candidates holding NCC (Naval Wing) 'C' certificate in the SSR entry. Other NCC certificate holders who qualify in the written exam of various sailors entries are awarded additional marks.'

Coastal Security

1.21 During the oral evidence, the representatives of the Navy intimated the Committee as under:

“Sir post 26/11, talking of coastal security, the Navy is overall responsible for coastal security. But none of the 15 organisations is directly accountable to the Navy. We have a SOP with the

coast guard, boundaries of responsibilities have been demarcated, the marine police look after the waters up to 5 nautical miles from the coast while the coast guard is responsible for Coastal Security upto 12 miles and beyond that, IN. Therefore, there is definitely an improvement and coordination between agencies involved in coastal security post 26/11.”

CHAPTER II

AIR FORCE

(DEMAND NO. 25)

The Indian Air Force doctrine articulates the vision to acquire strategic reach and capabilities across the spectrum of conflict that serve the ends of military diplomacy, nation building and enable force projection within India's strategic area of influence. Another prime area of operation for Air Force is humanitarian assistance and disaster relief whenever challenge arises.

Budget Outlay

2.2 The detailed data with regard to projections and allocations for BE, RE and actual in respect of Air Force for the last six years along with the projections and Budget Estimates allocation for the year 2015-16 is as follows:—

(Rs. in cr.)				
Year	BE		RE	
	Projection	Allocation	Projection	Allocation
2009-10	37,242.01	34,432.26	40,430.90	33,318.38
2010-11	49,151.16	40,462.45	40,520.73	39,270.34
2011-12	56,201.56	46,209.98	46,405.19	43,872.16
2012-13	56,838.25	48,220.26	57,941.98	47,621.67
2013-14	90,530.48	57,503.94	88,331.20	57,033.71
2014-15	89,481.74	54,217.52	61,316.75	53,896.54
2015-16	75,824.24	56,686.24		

2.3 The amount projected for the year 2015-16 is Rs. 75,824.24 crore while allocated amount is Rs. 56,686.24 crore. This amounts to a shortfall of Rs.19,138.00 crore. Thus, the allocation is nearly 70% of the projection. In the year 2014-15, the BE allocation was much less than the BE projections and RE allocation for the same year is again less than even the BE allocations.

IAF Budget 2015-16

2.4 The details of the Capital Budget projection and allocation in BE 2015-16 are as given in the table below:—

(Rs. in crore)

	Projection	Allocation	Shortfall
CL+ Works	30,758	30,423	335
New Schemes	12,000	3,264	8,736
Total	42,758	33,687	9,071

2.5 The representatives of Air Force informed the Committee that impact of shortfall in Capital Budget would lead to slowdown of modernization, delay in induction of important capabilities, erosion of IAF's superiority over our adversaries, resultant asymmetry in capability with respect to envisaged threat perception and flight safety concerns due to obsolescence issues.

2.6 The Committee were keen to be informed about the expenditure pattern of Indian Air Force as far as Capital Budget is concerned. In this regard, the following information was furnished:—

Capital Budget Allocation vs. Expenditure

(Rs. in crore)

Year	Revised Allocation	Expenditure	Percentage
2010-11	24267	23625	97.35%
2011-12	27735	28841	103.99%
2012-13	30518	32980	108.07%
2013-14	37750	38615	102.29%
2014-15	33711	31418	93.20%

*EXP. as on 19 March 2015.

2.7 The details of the Revenue Budget projection and allocation in the BE 2015-16 are as given in the table below:—

(Rs. in crore)

	Projection	Allocation	Shortfall
Salary	12,253	11,750	503
Non-Salary	18,679	12,550	6,129
Total	30,932	24,300	6,632

2.8 The representatives of Air Force informed the Committee that impact of shortfall in Revenue Budget would lead to inability to support requisite spares and fuel procurement, shortfall in training, affecting serviceability—older systems require more maintenance, resulting in compromise of operational preparedness and expenditure for Humanitarian Assistance and Disaster Relief (HADR) missions (Uttarakhand, J&K Floods) & General Elections, thereby adding further pressure on already stretched resources.

Budget for Modernisation

2.9 During the examination of DFG for this year, the Committee desired to know the details of the outlay provided and spent for the modernisation of Air Force during 11th and 12th Plan periods. In this regard, the following written information was submitted by the Ministry:

“Outlay and expenditure on modernisation of the Air Force during the 11th Plan and first three years of the 12th Plan are as given below:—

(Rs. in cr.)				
Year	BE	RE	Actual Exp.	Utilisation
XI Plan				
2007-08	15,908.86	13,333.62	12,641.26	94.81%
2008-09	18,281.42	16,108.83	15,660.99	97.22%
2009-10	18,814.64	17,506.19	17,437.61	99.61%
2010-11	23,482.43	22,567.50	22,181.56	98.29%
2011-12	28,412.74	26,033.92	27,164.08	104.34%
XII Plan				
2012-13	28,533.00	28,575.99	31,053.00	108.67%
2013-14	37,049.06	36,045.64	36,917.99	102.42%
2014-15	31,818.39	31,818.39	*28,203.17	

*Expenditure upto end of February 2015.”

2.10 The fund utilisation of Air Force has been steadily improving over the 11th Plan period and they have, in fact, exceeded the RE allocations during the last three years. Final utilisation for 2014-15 can be worked out only after the end of the financial year. A provision of

Rs. 33,686.75 crore has been made under BE 2015-16 for modernisation of Air Force. When we see the expenditure incurred by Air Force, it is evident that from 2011-12 onwards, Air Force has been able to consistently exhaust the RE grants provided to them.

2.11 As informed by the Ministry, some of the major contracts concluded during the 11th Plan period and first two years of the 12th Plan include the following:—

- i. Procurement of C-130-J aircraft
- ii. Extension of service life and upgrade of MiG 29 aircraft
- iii. SU-30 (Block III) Mkl
- iv. Mi-17 V-4 Helicopters
- v. Block-IV SU-30 Mkl aircraft
- vi. AW-101 VVIP/VIP helicopters
- vii. DARIN-III upgrade of Jaguar
- viii. IJT aircraft
- ix. Additional Hawk Mk 132 AJT aircraft
- x. Additional C-130J aircraft
- xi. C-17 aircraft
- xii. Upgrade of Mirage-2000 aircraft
- xiii. Mi-17 V5 helicopters
- xiv. Additional C-130-J-30 aircraft
- xv. Medium Range Surface to Air Missiles
- xvi. Brahmos SSM
- xvii. Additional Akash Systems
- xviii. MICA Air-to-air Missiles for Mirage
- xix. Brahmos Missiles Systems groups support and test equipment for SU-30 Mkl aircraft
- xx. PC-7 MK-II Basic Trainer Aircraft

2.12 With respect to Capital Budget, the representative of Air Force rendered the following information:—

“You can see that the amount of money allocated for capital schemes has reduced over the last two-three years. As a consequence, we have not signed major contracts. So, committed liabilities have

come down. That is why you see a slump in the total allocation. We are getting only Rs. 1,000 crore to Rs. 2,000 crore for new schemes. That is why a shortfall of Rs. 9,000 crore is shown. Major schemes are at contract negotiation and CFA approval stage. That is why we are requesting that the shortfall of Rs. 9,000 crore may kindly be met.”

Force Level

2.13 The Committee requested the Ministry to apprise them about the present status of the fleet strength of Air Force. In this regard the representatives of the Ministry of Defence, *vide* a written reply submitted the following information:—

“The IAF requires at least 45 fighter squadrons to counter a two front collusive threat. The IAF today has 35 active fighter squadrons as against a Government authorized strength of 42 squadrons.”

2.14 The Committee were further informed that an amount of Rs. 18,866 crore has been provisioned for procurement of Aircraft & Aero-Engine for the FY 2015-16. The allocated Budgetary Estimates (BE), Revised Estimates (RE) and Expenditure under Minor Head 101 for Aircraft & Aero-Engine during the last five years is as follows:—

(Rs. in crore)			
Financial Year	BE	RE	Expenditure
2010-11	15205.70	16710.78	16094.47
2011-12	22055.61	18679.82	20229.21
2012-13	23701.44	22555.44	23572.95
2013-14	25539.59	28588.85	29069.00
2014-15	16271.42	21461.39	21280.38
2015-16	18866.00	—	—

2.15 On enquiring about the reasons for gap in the squadron strength, the Committee were informed that the gap exists 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 connection, the Committee wished to be intimated on how the Ministry proposes to fill the gap during the 12th Plan period. In this connection, the Ministry of Defence submitted written information as under:—

“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.

Further, induction of Light Combat Aircraft (LCA) and Medium Multi Role Combat Aircraft (MMRCA) is envisaged. The MMRCA project is at Contract Negotiation Committee (CNC) stage. IAF has accepted the first Series Production LCA on 17 January 2015 and the second aircraft is expected to be inducted by March 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.”

2.16 In this connection, the representatives of Air Force, during the oral evidence, further submitted as under:

“That is exactly the problem, Sir. Pakistan has got 21 active combat squadrons going to 25. We have 35, a drawdown has already begun and by 2022 we will be around 25. So it is a one-to-one match with them. Now we have to look at the threat *vis-a-vis* China. You are absolutely right, Sir, that though you may be at war with Pakistan, you cannot ignore China.

Last year I had deposed in front of the hon. Committee that we expect this void to start getting filled up with LCA and hopefully the MMRCA contract would be signed and therefore things will start moving up. That has not happened. All that we have got is two Sukhoi-30 squadrons. So this drawdown will continue. We have 10 squadrons of Su-30; we are authorised 13 squadrons. We will get three more squadrons. But when I get those three squadrons, these MiG-21 and MiG-27 squadrons will start retiring. This just continues to actually keep moving downwards. That is why we are saying it is extremely imperative that the MMRCA contract is precipitated and LCA is hurried up. Sir, in January this year they had given one LCA, it made headline news, which had not completed its flight testing. They handed over the papers to us. We do not make a squadron with one aeroplane. That is where we are. They had been promising us since 2009. This is 2015 and we have not been able to form a combat squadron. These steps are not really in the hands of the Air Force. There is nothing we can do, Sir.”

2.17 In this connection, the Defence Secretary, further deposed before the Committee as under:

“Secondly, I totally share the views of the Vice Chief that as far as requirement of LCA is concerned, obviously one aircraft which is also not fully satisfactory to the Air Force can not serve any purpose. The Secretary (Defence Production) is also here. This is

something which has been projected to HAL that this has to be done on a war-footing. That is something which we have not seen happening but this is something on which the Minister has been talking and he is moving in that direction.

Therefore, what I am saying is, the Government is fully seized of the matter and the Government fully agrees with the Air Force that all three categories of aircrafts have to be inducted on a war-footing to make sure that the depletion in their combat capability does not occur.”

Trainer Aircraft

2.18 The Committee desired to be apprised about the present number of authorized trainer aircraft/simulators and their existing strength as well as the details of the strategy to fill the gap, if any, of the same. To this, the Ministry of Defence through written reply, furnished the information as given:

“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 February 2015, approved the procurement of additional 38 PC-7 Mk-II aircraft under ‘Option Clause’ of the procurement contract, subject to certain conditions.

The Kiran (IJT) 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. In view of the above, the IAF is looking for other available 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 procurement of simulators is built into the contracts of all aircraft that the IAF is now procuring. This includes Fixed Base Full Mission Simulators, Cockpit Procedure Trainers, Avionics Part Task Trainer, Flight Training Devices (FTD) and Computer Aided Learning Systems.

The Hawk Mk-132 Advanced Jet Trainer (AJT) aircraft has a lifespan of 30 years/6000 hrs. and the Pilatus PC-7 Mk-II Basic Trainer Aircraft (BTA) has a lifespan of 10000 hrs./30000 landings. The Kiran Mk-I and Mk-II on the other hand have a life of 8000 hrs. and 7500 hrs respectively.”

2.19 The details of the funds for the procurement of trainer aircraft for the last five years and for the funds projected for the FY 2015-16 were furnished to the Committee as follows:—

(Rs. in crore)

Financial Year	Name of the Trainer Aircraft		Total
	Hawk Mk-132 Advance Jet Trainer	PC-7 Mk-II Basic Trainer Aircraft	
2010-11	2601.83	—	2601.83
2011-12	507.82	—	507.82
2012-13	689.67	498.03	1187.70
2013-14	1125.17	942.88	2068.05
2014-15	1251.89	993.59	2245.48
2015-16 Projected	283.51	913.66	1197.17

2.20 With regard to the upgradation/phasing out policy of trainer aircraft in Air Force, the following reply was furnished to the Committee:

“The basic and advanced stages of flying training are being conducted on the Pilatus PC-7 Mk-II and Hawk Mk-132 aircraft respectively. Both are modern aircraft and as on date no upgradation is planned on them. The intermediate stage of flying training is presently being conducted on the Kiran aircraft which have already started retiring. The Kiran aircraft were planned to be replaced by the HAL built Intermediate Jet Trainer (IJT). However, the IJT has been under development for the past 15 years and has still not achieved Initial Operational Clearance (IOC). IAF is planning to extend the life of the Kiran aircraft. Simultaneously, IAF is looking at options to meet the Intermediate flying training requirements of pilot trainees.”

Accident Data of Indian Air Force

2.21 The Ministry of Defence was requested to furnish the details regarding accidents which have taken place, aircraft-wise, in the Indian Air Force, during each year of the Eleventh and Twelfth Plan alongwith

the reasons identified for such accidents. In this context, the Ministry submitted the following information:

“Eleventh Plan		(1st April, 2007–31st March, 2012)		
Sl.No.	FY	Date	AC Type	Cause Factor for the accident
1	2	3	4	5
1.	2007-08	8 May 07	MIG 29	TD
2.	2007-08	22 May 07	MIG 21 BIS	HE (A)
3.	2007-08	9 Sept 07	MI171V	HE (SS)
4.	2007-08	11 Sept 07	KIRAN MK I	HE (A)
5.	2007-08	26 Oct 07	JAGUAR	BS
6.	2007-08	18 Nov 07	KIRAN MK I	HE (A)
7.	2007-08	22 Dec 07	KIRAN MK II	TD
8.	2007-08	9 Jan 08	MI 8	HE (A)
9.	2007-08	31 Jan 08	MIG 27 ML	TD
10.	2007-08	7 Feb 08	MI 8	TD
11.	2007-08	15 Feb 08	MIG 21 M	BS
12.	2007-08	24 Mar 08	MIG 21 BISON	BS
13.	2008-09	29 Apr 08	HAWK MK 132	HE (A)
14.	2008-09	5 May 08	MIG 21 FL	TD
15.	2008-09	12 May 08	HPT 32	TD
16.	2008-09	23 May 08	MIG 21 FL	HE (A)
17.	2008-09	1 Sept 08	MIG 29	TD + HE (A)
18.	2008-09	15 Sept 08	MI 8	HE (A)
19.	2008-09	16 Sept 08	MIG 21 BISON	TD + HE (A)
20.	2008-09	12 Nov 08	MIG 21 T 69	TD
21.	2008-09	17 Nov 08	MIG 23 UB	HE (A)
22.	2008-09	24 Nov 08	MIG 21 T 69	TD
23.	2008-09	27 Nov 08	MI 17	HE (S)

1	2	3	4	5
24.	2008-09	21 Jan 09	KIRAN MK II	HE (A)
25.	2008-09	7 Mar 09	MIG 27 ML	TD + HE (A)
26.	2009-10	30 Apr 09	SU 30 MK I	TD + HE (A)
27.	2009-10	1 May 09	MI 8	HE (A)
28.	2009-10	15 May 09	MIG 27 UPG	HE (HAL)
29.	2009-10	27 May 09	MIG 21 BISON	TD
30.	2009-10	9 Jun 09	AN 32	HE (A)
31.	2009-10	18 Jun 09	MIG 21 FL	BS
32.	2009-10	31 Jul 09	HPT 32	TD
33.	2009-10	10 Sept 09	MIG 21 M	HE (A)
34.	2009-10	23 Oct 09	MIG 27 ML	OF
35.	2009-10	30 Oct 09	MI 17 IV	HE (A)
36.	2009-10	30 Nov 09	SU 30 MK I	TD
37.	2009-10	20 Jan 10	MIG 27 ML	UR
38.	2009-10	16 Feb 10	MIG 27 ML	HE (HAL)
39.	2009-10	19 Feb 10	MIG 21 FL	TD
40.	2010-11	18 May 10	CHETAK	TD
41.	2010-11	15 Jun 10	MIG 21 M	TD + HE (A)
42.	2010-11	24 Jul 10	MIG 27 ML	TD
43.	2010-11	6 Sept 10	MI 8	TD
44.	2010-11	11 Sept 10	CHETAK	TD
45.	2010-11	11 Sept 10	CHETAK	HE (A)
46.	2010-11	13 Sept 10	CHETAK	HE (S)
47.	2010-11	24 Sept 10	MIG 27	TD
48.	2010-11	10 Nov 10	MIG 27 UPG	TD
49.	2010-11	19 Nov 10	MI 17	UR
50.	2010-11	14 Dec 10	MI 26	HE (A)
51.	2010-11	4 Feb 11	MIG 21 BISON	TD

1	2	3	4	5
52.	2010-11	1 Mar 11	MIG 21 M	HE (A)
53.	2011-12	30 May 11	HAWK MK 132	HE (A)
54.	2011-12	2 Aug 11	MIG 21 M	HE (A)
55.	2011-12	4 Aug 11	JAGUAR	HE (A)
56.	2011-12	22 Aug 11	Kiran MKI	HE (A)
57.	2011-12	6 Sept 11	MIG 21 BISON	TD
58.	2011-12	7 Oct 11	MIG 21 M	HE (A)
59.	2011-12	15 Oct 11	ALH	HE (A)
60.	2011-12	18 Oct 11	MIG 29	HE (A)
61.	2011-12	2 Dec 11	MIG 21 BISON	TD
62.	2011-12	13 Dec 11	SU 30 MK I	HE (S)
63.	2011-12	31 Jan 12	KIRAN MK II	TD
64.	2011-12	24 Feb 12	M-2000	TD
65.	2011-12	5 Mar 12	M-2000	TD

Legend: UI—under Investigation, —TD—Technical Defect, HE(A)—Human Error (Aircrew), HE (S)—Human Error (Servicing), HE (SS)—Human Error (Support Services), HE (HAL)—Human Error (Hindustan Aeronautics Ltd.), BS—Bird Strike, OF—Organizational Factor MISC—Miscellaneous, UR—Unresolved.

Twelfth Plan (1st April 2012–4th March 2015)

Sl.No.	FY	Date	AC Type	Cause Factor for the accident
1	2	3	4	5
1.	2012-13	30 Aug 12	2 X MI 17	HE (A)
2.	2012-13	24 Nov 12	MIG 21 BISON	TD
3.	2012-13	30 Nov 12	Jaguar	HE (A)
4.	2012-13	12 Feb 13	MIG 27 ML	TD
5.	2012-13	19 Feb 13	SU 30 MK I	TD

1	2	3	4	5
6.	2013-14	7 Jun 13	MIG 21 BISON	TD
7.	2013-14	24 Jun 13	MIG 29	HE (A)
8.	2013-14	15 Jul 13	MIG 21	HE (A)
9.	2013-14	8 Nov 13	MIG 29	TD
10.	2013-14	22 Jan 14	Jaguar	HE (S)
11.	2013-14	28 Mar 14	C-130 J	HE (A)
12.	2014-15	27 May 14	MIG 21	TD+BS
13.	2014-15	25 Jul 14	ALH	TD
14.	2014-15	1 Aug 14	Jaguar	UI
15.	2014-15	20 Sept 14	AN 32	UI [HE (A)]
16.	2014-15	14 Oct 14	SU 30 MK I	UI
17.	2014-15	27 Jan 15	MIG 27 UPG	UI
18.	2014-15	31 Jan 15	MIG 21 Bison	UI

Legend :UI—Under Investigation; TD—Technical Defect, HE(A)—Human Error (Aircrew), HE (S)—Human Error (Servicing), HE (SS)—Human Error (Support Services), HE (HAL)—Human Error (Hindustan Aeronautics Ltd.), BS—Bird Strike, OF—Organizational Factor MISC—Miscellaneous, UR—Unresolved.”

2.22 It was further informed that all accidents are investigated through Courts of Inquiry. Some of the major recommendations on operations and maintenance made by these enquiry committees and action taken thereon are as follows:—

‘Operations

- (i) Case for suitable replacement of Cheetah has been initiated.
- (ii) Detailed brief is being carried out 3-4 days prior to commencement of a new phase of training for better assimilation.
- (iii) All Standard Operation Procedures (SOP), Orders and Instructions are regularly audited and updated.
- (iv) Ensure regular practice on handling and recovery of aircraft under emergency conditions.

- (v) Critical phase and abort procedure of each manoeuvre have been defined and disseminated to all operators.
- (vi) Ensure seamless flow of information between support services and the operators. Provision of online real time weather picture be ensured.
- (vii) All Advanced Landing Ground clearance have been made a part of the syllabus.
- (viii) Review policy of sending Ex-Hawk pilots to MiG-21 variants.
- (ix) Ground Control Approach radar near all air to ground ranges to be kept on to provide assistance to aircraft.
- (x) During flying training priority of flight safety over mission accomplishment must be reiterated. All operating units are to be equipped with latest updated maps since they were using old vintage maps.
- (xi) Clear cut instructions are to be issued to all operators on requirement of enroute weather and destination to all aircrew. Chief Operation Officers of launching bases to be involved in destination clearance.
- (xii) Shortage of supervisors in the unit to be made good.
- (xiii) Captain and Co-pilot to carry out external checks independently. They will not enter the cockpit till they have done so.

Maintenance

- (i) Introduction of relevant modifications on aircraft and their parts to arrest the premature failure and exploit the full life of the component.
- (ii) Improvement in quality of flying clothing and rubberized items of aircraft.
- (iii) Introduction of additional checks like dye penetration test, ultrasonic test etc. at different intervals to arrest the premature failure of aircraft and aero engine components due to cyclic stress/fatigue at field units.
- (iv) Additional checks on aviation fuel, oil and gases at field unit to preclude adulteration.
- (v) CPCP (Corrosion prevention control program) introduced in all fleets and monitored regularly.

- (vi) Additional checks at HAL and unit level to timely arrest the premature failure of compressor and turbine blades of aero engine.
- (vii) Revision and addition of Servicing Schedules.’

2.23 The Committee were concerned to know how far the remedial steps have resulted in bringing down the incidence of accidents. In this relation, the Committee were given to understand that the number of accidents has reduced from an average of 13 accidents per year during the 11th plan period to an average of 06 accidents per year in the 12th plan (till 04 Mar 2015). The number of accidents from FY 2007-08 to FY 2014-15 is appended below:—

Sl.No.	FY	No. of Accidents
1.	2007-08	12
2.	2008-09	13
3.	2009-10	14
4.	2010-11	13
5.	2011-12	13
6.	2012-13	05
7.	2013-14	06
8.	2014-15 (till 04.03.2015)	07

Air Force bases

2.24 The Committee were informed that there are a total of 53 airfields of which permanent Airfield Lighting System (AFLS) is available at 42 airfields. The reasons for not having night landing facilities at all bases were stated as Limited night operations are being conducted at airfields not having permanent airfield lighting and the requirement is met using alternate/portable/mobile airfield lighting system. It was informed that Installation of permanent AFLS is planned under Project “Modernisation of Airfield Infrastructure”.

Shelters for Aircraft

2.25 The Committee were informed that our aircraft are deprived of hardened shelters, in this connection, during the oral evidence, the representatives of the Ministry submitted as under:

“The SU-30 cannot fit inside them. It is a much bigger aircraft. Therefore some new generation hardened aircraft shelter has to be made in which not only a SU-30 can fit but also servicing,

loading of weapons and maintenance activities can be done inside the shelter. NGHAS is that New Generation Hardened Aircraft Shelter. It is a large project and it costs thousand of crores of rupees. But to assure you here, it is not that anybody has denied this to us. NGHAS are specialised structure and designed to save SU-30 aircraft from direct hit of 2000 lbs bomb.”

Modernisation of Airfields

2.26 The Committee were informed that the envisaged date of completion of Modernisation of Airfield Infrastructure (MAFI) Project Phase-I is September 2016. The contract for MAFI Project Phase-II has not been signed. However, it is envisaged that MAFI Project Phase-II of 37 airfields, at the rate of six airfields in a period of six months, will take three and half years after the signing of contract.

2.27 The State Government of Arunachal Pradesh had agreed to transfer the maintenance of operations of Tuting, Mechuka, Along, vijayanagar and Ziro Advanced Landing Grounds (ALGs) to Ministry of Defence (MoD) *vide* a Memorandum of Understanding (MoU) signed on 09 June, 2009. The ALGs of Tawang and Walong were already under the operational control of Army. The modernization/upgradation programme of the ALGs for provisioning of operational, maintenance and administrative infrastructure is under progress. The Committee were informed that the budgetary provision for airfields in the current year's budget is as given:

“In the current financial year, a budget allocation of ₹235 crore had been made for strengthening/re-surfacing of runways at the IAF airfields. Over and above this, Rs. 49 crore had been allocated for the repairs of the facilities at the airfields. For the development of defence infrastructure in the North-East, IAF separately had allocated a total of ₹3389 crore for development of seven Advance Landing Grounds in Arunachal Pradesh.”

Manpower and Training

2.28 The data furnished with regard to the gap between the required and the existing manpower [Officers and Personnel Below Officer Rank (PBOR)] in Air Force were given to the Committee as hereunder:

“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 01.02.2015 is as follows:—

	Officers	Airmen
Establishment	11895	135227
Strength	11743	132922
Shortfall	152	2305

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 4144 recruits are undergoing training thereby fulfilling the current requirement of airmen.”

2.29 The Committee wished to be informed about the specific measures have been taken to bridge the gap between authorized and existing strength. To this, the Ministry of Defence replied as under:—

“**Officers.** The measures instituted to bridge the gap in between authorized cadre and the actual strength are as follows:—

- (a) **Air Force Selection Boards (AFSBs).** The two additional AFSBs were sanctioned by Government of India in September, 2011.
- (b) **Publicity Measures.** Proactive steps have been taken by IAF to reduce the shortages of officers, which include participation in career fairs/exhibitions, advertisements in print and electronic media, motivational lectures in schools, colleges, visuals/signage at strategic locations etc.
- (c) **Selection System.** Selection process into the IAF has been simplified with the introduction of the Air Force Common Admission Test (AFCAT) for non-UPSC entries. Under the new format, a candidate can apply for selection in any branch for which he meets the required Qualification, through a single application in a selection cycle. On being selected to join IAF, the candidate is allotted his branch on eligibility, vacancies and merit. From June 12, the IAF career website www.careerairforce.nic.in has been upgraded so as to enable online applications.

Airmen. Induction for airmen cadre has been planned for 5000 per annum till the year 2016, with provision to gradually increase it to 6000 per annum from the year 2017, by which IAF will be able to bring the strength at par with the existing establishment.”

2.30 On being informed about the status of manpower in Air Force, the Committee wished to be educated about the status of training institutes of the service. In this regard, the following details of the Training Institutes for pilots were furnished to the Committee:—

Sl.No.	Stage	Name
(a)	Stage-I	Air Force Academy (AFA) (Dundigal, Hyderabad)
(b)	Stage-II (F)	Fighter Training Wing (FTW) and Helicopter
	Stage-II (H)	Training School (HTS) at AF Stn Hakimpet
(c)	Stage-III (F)	AF Stn bidar
(d)	Stage-II (T) & III (T)	Fixed Wing Training Flight (FWTF), AF Stn Yelahanka
(e)	Stage-III (H)	112 Helicopter Unit (HU), AF Stn Yelahanka
(f)	Army Pilot Course	Basic Flying Training School (BFTS)
(g)	Qualified Flying Instructors Course (QFIC)	Flying Instructors School (FIS), AF Stn Tambaram

Pilot Cockpit Ratio

2.31 The Committee were informed about the pilot to seat ratio that is prevalent in Indian Air Force. The following information was given in this regard:—

Pilot to Seat Ratio		
	Authorised	Existing
Fighters	1.25	0.81
Transport	1.5	1.08
Helicopters	1	1.21
Affects Ability to Fight 24x7 (Day & Night)		
Pakistan	2.5:1	
USA	2.0:1	

2.32 Further in context of pilot to cockpit ratio sanctioned in Indian Air Force, the representatives of the Air Force, during oral evidence, submitted the following information:

“Sir, that means for every cockpit, there are 2 pilots in USA, 2.5 pilots in Pakistan. They are better off because in war, you are going to undergo attrition. We are authorized 1.25 and we are down to 0.8.”

PART II

OBSERVATIONS/RECOMMENDATIONS

NAVY

Budget Outlay 2015-16

1. This year Navy had projected an amount of Rs. 44,814.71 crore while the allocations made by the Ministry is that of Rs. 40,528.88 crore i.e. less by Rs. 4,215.83 crore. In the year, 2014-15, RE projection was Rs. 38,656.82 crore whereas actual allocation was that of Rs. 32,442.86 crore, thus a deficit budget by Rs. 6,213.96 crore. The Committee feel that the deficit budgeting at RE 2014-15 stage is already there and a further shortfall of approx. Rs. 4,200 crore in this year's BE will not only put more pressure on already stretched Naval budget but is also not understandable as to how a shortfall of Rs. 10,413.96 crore will be managed during 2014-15. The Ministry of Defence may explain this. Navy, in any case, is facing fleet and manpower crunch which have been separately dealt with in the succeeding paragraphs of this Report. Therefore, adequate budgetary support is quintessence for desired performance outcome of the Service.

2. During deliberations on the subject, the Committee enquired as to how Navy would manage their expenditure with constrained budget and were informed that more grants will be demanded at RE stage. However, the Committee have noted that since the beginning of the 12th Plan period, severe gaps have emerged between BE and RE allocations, which was not so earlier. In the year 2012-13, BE was Rs. 37,314.44 crore while RE was Rs. 29,668.33 crore and in the year 2013-14, the BE was Rs. 36,343.46 crore whereas RE was Rs. 33,582.92 crore. The Committee find it difficult to understand that on one hand, certain amount is allocated at BE which is further declined at RE stage. In view of the Committee, the situation is grave as provision of much lesser amount at RE than what was committed at BE as a routine, would only lead to *ad-hocism* in budgeting and subsequently in budget related planning. The Service and Ministry has to put things in order so that more clarity in planning, budgeting and expenditure is visible. Concrete steps towards this end needs to be taken out rightly under intimation to this Committee.

3. The Capital Budget projected for the financial year 2015-16 is Rs. 27,059.12 crore and the allocation made at BE is Rs. 24,080.90 crore. Out of this, the amount required for the New Schemes is Rs. 4,091.00 while the allocated amount is Rs. 1,112.78 crore, thus the amount provided is merely 25% of the amount actually sought. While keeping in mind the Naval modernization and upgradation plans, the Committee are dismayed at provision of meagre allocation against new schemes. This indicates lack of coordination between the Naval Headquarters and Ministry of Defence. Therefore, it is recommended that additional funds are provided under this head.

Budget Analysis 2014-15

4. In the year 2014-15, for new schemes, the amount allocated at RE stage was Rs. 663.92 crore and the amount actually spent upto 16 March 2015 was Rs. 2,457.07 crore i.e. 370.08% of the RE allocations. In this context, the Committee further feel that provision of funds at a very late stage could also be a reason for inadequacies in budgeting and expenditure pattern. Therefore, the situation needs to be rectified and time bound decisions on allocations and expenditure should be taken at all levels, be it Ministry of Finance, Ministry of Defence or Navy. It is suggested that a Standard Operating Procedure (SOP) be laid down, giving the time frame within which various decisions and actions ought to be taken by the Ministry of Finance, Ministry of Defence and the Service concerned. It is needless to say that the Committee be informed about the steps taken with regard.

Decline in Naval Budget Share

5. The Committee observe that the Naval Budget as a percentage share of total Defence Budget has declined from 18.14% in the year 2006-07 to 16.51% in the year 2015-16. The Committee opine that Navy has huge requirement for capital induction as it is short of vessels, aircraft and helicopters. In addition to this, manpower shortage and presently prevalent inadequacies in training can also not be ignored. Therefore, reduction in share of Naval Budget is not desirable, especially in view of the fact that India's larger chunk of trade takes place through sea routes. Besides this, the new challenges of Navy are enormous, as the hostilities in sea by neighbouring countries have increased over the years. Hence, in order to equip our Navy with high level of tactical proficiency would indeed require ample budgetary support. While taking into account the tremendous training requirements and modernization drive of Navy as envisaged

in accordance with Maritime Capability Perspective Plan (MCP) 2012-27, the plummeting budgetary trend appears to be dichotomous, in view of the Committee. Therefore, in order to achieve the targeted outcome, Ministry of Defence must ensure essential share of budget to Navy and additional grants must be provided to them at RE stage or else, the “targets” should be revised and printed.

Force Level

6. The Committee were informed that Emergency Cabinet Committee report of 1964 had approved a force level of 138 ships and submarines for Indian Navy. However, since then, maritime security environment of the country has undergone considerable changes and present day maritime challenges include coastal security in light of terrorism emanating through sea route, increased threats of piracy and amplified hostilities in Indian Ocean Region by our neighbouring nations. The Committee were updated that keeping new challenges in mind, a requirement of 212 vessels and 458 aircraft have been contemplated for Indian Navy in MCP 2012-27 *i.e.* by the end of the 14th Plan period. While examining the subject, the Committee found that presently Navy has 140 vessels and 236 aircraft in their inventory. This sums up to a gap of 72 vessels and 222 aircraft/helicopters, which are envisaged for induction till 2027 or in next the 12 years. Furthermore, the Committee came to know that most of the existing Naval vessels are ageing and would necessitate de-commissioning in next 10-12 years *i.e.* by the end of 14th Plan period (2027). The Committee are concerned to further find that current six Mine Counter Measure Vessels (MCMVs) are over 25 years old. Here, the Committee are further concerned to find that during last 15 years of timeline, the induction plan for vessels had progressed at a snail's pace. Moreover, Navy imperatively require acquisition of Indian Aircraft Carrier (IAC) which is being built in Cochin Shipyard, as Viraat is set to decommission, thus leaving Navy completely dependent on the recently acquired Vikramaditya. Therefore, the Committee are of the view that the service of INS Viraat may be extended till IAC is commissioned into the Navy. However, it would be more desirable to have an additional Aircraft Carrier even if not fully fit rather than just one Aircraft Carrier. Further, impetus ought to be given at highest degree to replace ageing platforms, induction of IAC, P 17A Ships and Induction of MCMVs. The Committee be informed about the same.

7. Further research of the Committee revealed that the deficiency is not only limited to vessels. Even in case of integral

helicopters which are critical for surveillance and stand-off targeting at sea, there is a deficiency of 61 integral helicopters on existing ships. To tackle the situation, it was informed that Mid-life Upgrade of Kamov-28 helicopters and case of Multi Role Helicopter are being progressed. The Committee feel that case of induction of helicopters and planes should be progressed without delay under intimation to the Committee.

Time and Cost Overruns

8. The Committee were informed that acquisition of defence equipment is undertaken in accordance with the Defence Procurement Procedure. After gleaning through the documents submitted by the Ministry, the Committee found that there had been huge cost and time overruns in almost all the production/developmental projects presently being undertaken for Navy. In case of P 15A which is being constructed at Mazagaon Dock Limited (MDL), the initial delivery dates of the yards 12702 and 12703 were March 2009 and March 2010 respectively. However the same were revised to May 2011 and May 2012 in that order. The project could not be accomplished even by the re-scheduled dates. As a result, the targeted delivery dates have once again been reset as June 2015 and December 2015. As far as the cost of the project is concerned, the original cost was Rs. 3,580 crore which has been revised to Rs. 11,662 crore. Similar is the case of P 28 (M/s GRSE) where the initial delivery dates of yard 3018, 3019 and 3020 were 2009, 2011 and 2012 respectively, which were revised to March 2015, March 2016 and March 2017 in that order. Also, the original cost of Rs. 3,051.2 crore was revised to Rs. 7,852.39 crore. Just alike, the delivery schedule of IAC has been revised from December 2010 to December 2018, alongwith cost revision for the same from Rs. 3,261 crore to Rs. 19,341 crore. Identical are the cases of Naval Offshore Patrol Vehicles (NOPVs; M/s Pipavav Shipyard), Fast Interceptor Crafts (M/s Solas Marine Lanka, Sri Lanka), Landing Craft Utility (LCU Mk-IV; M/s GRSE, Kolkata), Water Jet Fast Attack Crafts (WJFACs; M/s GRSE, Kolkata), Cadet Training Ships (M/s ABG Shipyard) and Survey Vessels (M/s Alcock Ashdown Ltd, Gujarat) where repeated time revisions and enormous cost escalations have taken place and have become a routine. The Committee were given to believe varied reasons for the above mentioned delays such as untimely supply of material, infrastructural constraints, delay in commencement of the projects, etc. Yet, the Committee unambiguously make an observation that such delays could have been avoided by bringing in better intelligibility, vision and co-ordination among the

development agencies, production units and final users alongwith periodical performance appraisals. Accordingly, it is suggested that in future, result oriented efforts must be made in order to ensure highest level of precision, transparency and probity, whilst achieving timely induction of planned capabilities. In this regard, suitably designed structural mechanism, where well-defined responsibilities are preset, must be prepared. Frivolous handling and wastage of National monetary resource cannot be justified by any means. On this point, the Committee feel that Ministry of Defence needs to take pro-active stand and send strong signals by penalizing those held accountable for the inordinate delays that have taken place during past decade. Effectual guidelines with regard thereto should be formulated and the Committee be informed about the same.

Manpower Shortage

9. As per the data furnished to the Committee, it was found that presently there is a sanctioned strength of 65,468 posts for sailors in Navy, while existing strength for sailors is 54,358. Hence, a shortage of 11,110 or 16.97 per cent. This shortage was 6.39 per cent in 2007. The Committee feel that the country is not short of men and therefore, shortage of manpower in the services could be abridged with properly designed recruitment drive. The Committee wish to be informed about the specific reasons for this lacuna and appropriate action should be taken in this regard.

10. Even in case of officers, the presently sanctioned and existing strength are 10848 and 9237 respectively, hence a shortage of 1578 or 14.50%. The Committee wish to know specific reasons for this shortage. Further, Committee, hereby recommend that necessary initiatives be taken to fill the gaps in manpower strength of the Indian Navy. Alongwith recruitment, concerted training facilities should also be incorporated so that our Navy is prepared with trained manpower. The Committee may be apprised about the proposed methodology by the Indian Navy to overcome this problem.

Accidents

11. The Committee came to know that there were a total of 59 cases of accidents that took place in Indian Navy's fleet since 2007 till Nov. 2014. In view of the Committee, this is an alarming situation as on one hand we have shortage of fleet and manpower and on the other hand we are losing our trained manpower to accidents. The Committee have been given to understand that Standard Operating Procedures (SOPs) had been promulgated in the

year to check spurt of accidents. However, it was observed that even after promulgation of SOPs, the pace of accidents has not plummeted and in the year 2014 itself, 14 number of accidents had taken place. Therefore, the Committee are of the opinion that promulgation of the current SOPs is ineffective by any extent or mere posturing. This is a very sad state-of-affairs as the country's men and money are being worn out in accidents. The Committee take very serious note of the matter and desire that immediate and apposite action needs to be taken in this regard. It is regretted that Ministry of Defence failed to curb the continuity in occurrence of accidents for over a decade. The situation becomes more grave in the light that Defence Force is considered to be one of the most disciplined organisations. It is pertinent to mention that Ministry of Defence should take cognizance of the matter and take appropriate action. The buck has to stop somewhere. Remedial action taken in regard thereto must be intimated to the Committee.

12. In most cases of accidents, the reason specified to the Committee is either material failure or human error. In this context, the Committee would like to be updated on the number of cases of these accidents where the supplier of substandard material has been penalised. Details in this regard may be furnished to the Committee in the Action Taken replies.

13. Even if the cause of accident is human error, the Committee opine that there is lacuna in training modules which needs to be rectified at the earliest. Ministry of Defence and Naval Headquarters must ensure that proper training is imparted to the officers/sailors who are deputed onboard the ships/submarines as well as ground staff. Unambiguously any kind of delinquencies result into not just material loss but also irreparable human loss. Appropriate action taken thereon should be brought into notice of the Committee.

Coastal Security

14. The Committee were given to understand that there are 15 different agencies functioning in maritime domain. Some of these include Ministry of Shipping, Ministry of Environment and Forests, Coast Guard Organisation, State Governments, which govern variety of activities that take place in sea waters such as fishing, merchant shipping, offshore explorations etc. Therefore, proper coordination is not only desirable but indispensable for fool proof coastal security. During deliberations, the Committee came to know that though Navy is the nodal agency responsible for coastal security, not all the

agencies working in maritime domain are directly responsible to report to Navy for their activities. The only coordination among them is through National Committee for Strengthening Maritime and Coastal Security (NCSMCS), which came into picture subsequent to the Mumbai terrorist attacks of 26.11.2008. In any case, the Committee believe that the delinquencies and lacunae in coordination mechanism has to be sorted out for high level proficiency in coastal security. The Committee would like to be ensured that an invincible coastal defence network is there in place and the measures taken in this area should be intimated to the Committee.

Naval Base at Karwar

15. The Committee were informed that Indian Navy is planning a naval base at Karwar. In this regard, the Committee were informed that all major works in Phase-I of setting up of a major Naval Base at Karwar have been completed. Phase-II approved in Dec 2012, is planned to be completed by 2021. In addition, to enhance basing of ships at Kochi to meet various contingencies in Indian Ocean Region (IOR), Indian Navy plans to acquire 500 meter of berth (extendable to 4.7 km in subsequent phases) and 650 acres of land in the Kochi Outer Harbour Project. Furthermore, Forward Operating Bases (FOBs) at Tuticorin, and Haldia, OTR Bases at Paradip and various Islands in A&N Islands are also planned. In view of the competitive milieu in the Indian Ocean Region, Committee wish that the aforesaid base at Karwar be accomplished as per plan and within stipulated timeframe. This infrastructural enhancement will definitely boost the edge of Indian Navy in the region which is vulnerable to piracy and also beset by security related challenges. The Committee wish to be updated on the progress made in this regard.

Budget Outlay 2015-16 AIR FORCE

16. The amount projected by Air Force for the year 2015-16 is Rs. 75,824.24 crore, while actually allocated amount is Rs. 56,686.24 crore, thus amounting to a shortfall of Rs.19,138.00 crore. The Committee note that the allocation is approximately 70% of the projection. As a long term measure, Indian Air Force needs to sustain its modernisation trajectory in the coming years to equip itself for collusive threat on two fronts. The Committee feel that curtailment in budgetary provisions will certainly hamper the momentum of the Service to attain deterrence posture against our adversaries. Closing

eyes to the short term requirements would only mean compromising the capabilities envisaged in long term plans. Therefore, the Committee desire that sanction of funds should be made in accordance with annual requirements as well as the long-term plans of the Service. The Committee also observe that deficit budgeting is not being pointed out for the first time, rather this has become a common feature of annual budgeting processes of the Ministry of Defence. Therefore, it is desired that stringent and disciplined funding-expenditure pattern should be followed by the Government so that time-bound development initiatives are not derailed for want of resources.

17. Revenue head projection given by the Service is Rs. 30,932 crore while the actual allocation is Rs. 24,300 crore, thereby amounting to a shortfall of Rs. 6,632 crore. The Revenue Budget has two main components viz. salary and non-salary expenditure. The projected amount in non-salary segment for BE 2015-16 is Rs. 18,679 crore whereas the fund actually allocated is Rs. 12,550 crore, consequently a shortfall of Rs. 6,129 crore. The Committee wanted to know the impact that Air Force will face due to deficit budgeting by nearly one-third of the solicited amount under non-salary head. With regard to this, during deliberations, the Committee were informed that this fund crunch would lead to inability to support requisite spares and fuel procurement, limitations in training, affecting serviceability as older systems require more maintenance, resulting in compromise of Operational Preparedness. This is a grave and un-acceptable situation. Besides this, the Committee were also educated that expenditure for Humanitarian Assistance and Disaster Relief missions (Uttarakhand, J&K Floods) & General Elections added further pressure on already stretched resources. The Committee understand that in order to keep Air Force ever readily geared up for any challenge, it is paramount that no compromises are made in relation to training and maintenance of existing systems which would always require fuel and availability of spares. Therefore, provision of adequate funding under revenue head is of utmost importance. So, the Committee recommend that the Ministry of Defence must ensure provision of additional Rs. 6,000 crore to Air Force at RE 2015-16 stage.

18. The Committee were given to understand that the expenditure incurred in Humanitarian Assistance and Disaster Relief (HADR) activities undertaken by Air Force (J&K floods and Uttarakhand) and in general elections 2014 added further pressure on the already stretched resources of Air Force. In this regard, the

Committee recommend that a procedure needs to be evolved to reimburse the revenue expenditure incurred on HADR missions and other aid to civil authorities, to IAF's Budget so that operational preparedness and modernization activities of the Service are not compromise. The measures initiated thereon be intimated to the Committee at the earliest.

19. The projection under Capital head given by Air Force is Rs. 42,758 crore while allocation is Rs. 33,687 crore amounting to a shortfall of Rs. 9,071 crore. The Capital Budget pertains to two main components viz. Committed Liabilities + Works and New Schemes. The projection in New Schemes segment is Rs. 12,000 crore whereas the allocation is Rs. 3,264 crore, thus amounting to a noticeable difference of Rs. 9,071 crore. This depicts clear lack of coordination between the Service Headquarters and the Ministry of Defence. The Committee wanted to know the impact that Air Force will face due to deficit by nearly three-fourth of the projected amount under non-salary head. The representatives of Air Force, during oral evidence, submitted that this shortfall would lead to slowdown of modernisation, delay in induction of important capabilities, erosion of IAF's superiority over our adversaries, resultant asymmetry in capability with respect to envisaged "Threat Perception" and flight safety concerns due to obsolescence issues. This is a grave situation. The representatives of Air Force had also submitted that Air Force has been getting very meagre amount of nearly 1 to 2 thousand crore and that is why there is a huge shortfall of Rs.9,000 crore. Accordingly, it is requested that the shortfall of Rs. 9,000 crore be met. The Committee understand that IAF had been on the modernisation trajectory in the 11th Plan. There is a need to sustain this momentum in the 12th & 13th Plan periods. Important projects are at critical stages (CNC/CFA approval), hence, slow pace of modernisation will have a cascading effect on those projects as well. For that reason, the Committee observe that adequate budgetary support is required to ensure fructification of these projects. Accordingly, requisite funds be provided to the Service under intimation to the Committee.

Budget Analysis 2014-15

20. For the year 2014-15, the BE projection was Rs. 89,481.74 crore while BE allocation was that of Rs. 54,217.52 crore. The projection and allocation made at RE 2014-15 stage were Rs. 61,316.75 crore and Rs. 53,896.54 crore respectively. It is observed that the fund provided at RE stage is even less than the

amount committed at BE stage, leave aside provision of additional grants at RE stage! The Committee opine that RE allocation being even lesser than the BE allocations, the budgetary trend needs severe corrections. Unfortunately, non-seriousness of Government towards needs of Air Force is visible in the budget pattern which needs to be relooked into with all gravity. In relation to this, the Committee desire that corrective measures be taken, at once, so as to ensure that the Service does not suffer for want of resources. The Committee be informed about the same.

Modernization budget for Air Force

21. The Committee observe that the financial year 2011-12 onwards, Air Force had been able to fully utilize modernization budget provided to them. It was also evident that the spending pattern of Air Force had steadily improved over the 11th Plan period and their actual expenditure had, in fact, exceeded the RE allocations during the last three years. In the current year, a provision of Rs. 33,686.75 crore has been made in BE for modernisation of the Air Force against a projection of Rs. 42,758 crore, hence a shortfall of Rs.9,071 crore. In this context, the representatives of Air Force deposed before the Committee that the amount of money allocated for Capital schemes has reduced over the last two-three years. As a consequence, Air Force has not signed major contracts. The Air Force is getting only Rs. 1,000 crore to Rs. 2,000 crore for new schemes. In the view of the Committee, upgradation of Air Force is indispensable as the squadron strength and cockpit to pilot ratio is already grim which are separately mentioned in the paragraphs here under. Therefore provision of adequate budget is imperative for modernization of Air Force.

Force Level

22. The Committee, while examining the subject, had found that the required and existing strength of Air Force are not analogous. The IAF today has 35 active fighter squadron as against a Government authorized strength of 42 squadrons. With regard to this, the representatives of Air Force deposed before the Committee that a drawdown has already begun and by 2022 Air Force will be around just 25 squadron thereby losing even the slight edge over rival neighbouring nation. More to the point, the country has to look at the threat *vis-a-vis* other hostile countries in the region as well. Consequently, it was intimated that the IAF requires at least 45 fighter squadrons to counter a two front collusive threat. On

enquiring about the reasons for gap in the squadron strength, the Committee were informed that the gap exists 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. The Committee while being concerned to know how the Ministry proposes to fill the gaps during the ongoing and ensuing Plan periods, found that in order to fill the gap, IAF has contracted 272 Su-30 MKI fighter aircraft to form 13 Squadron. The delivery of Su-30 MKI will continue till 2030, resulting in equipping 3 more squadron in the next 4 to 5 years. Further, induction of Light Combat Aircraft (LCA) and Medium Multi Role Combat Aircraft (MMRCA) is also envisaged. The MMRCA project is at Contract Negotiation Committee (CNC) stage. IAF has accepted the first Series Production LCA on 17 January 2015 and the second aircraft is expected to be inducted by March 2015. In addition to these, design/development of Fifth Generation Fighter Aircraft (FGFA) is under progress. If all procurements fructify as planned, the IAF is likely to achieve the Government authorised strength of 42 Squadron only by the end of the 15th Plan Period. However, in spite of all the efforts being undertaken in this regard, the Committee are perturbed to note that no concrete results have come out so far from MMRCA negotiations and LCA has certain design/development related issues that needs to be relooked into or else it will not serve any purpose for Air Force. With regard to the budgetary provision, this year an amount of Rs. 18,866.00 crore have been allocated towards procurement of aircraft and aero engines. This amount is much less than the actual expenditure incurred under this head during last two years *i.e.* 2013-14 and 2014-15, which were Rs. 29069.00 and Rs. 21280.38 respectively. At this point of time, the Committee opine that there is a dire need for paradigm shift from complacency to perfection. The Committee desire that these projects are accelerated and at the same time all efforts be made to initiate design/development of FGFA, so that the country's long term air defence needs are addressed and our Air Force earns crucial strategic advancement over the adversaries.

23. For New schemes, this year, Air Force had projected an amount of Rs. 12,000 crore, however, the allocation earmarked is merely of Rs. 3,264 crore. It is recommended that sufficient funds must be allocated to Air Force for new schemes so that contracts for aircraft design, development and acquisition are not hampered in any way. Accordingly, Ministry of Finance should be impressed upon and the Committee wish to be apprised about the requisite action taken in this regard.

24. In addition to this, the Committee also desire that such necessary framework should be brought in place so as to ensure that induction and de-induction processes are commensurate with each other and occurrence of such wide gaps in fleet strength is not allowed at all. In this regard, re-structured mechanism must be created where responsibility is assigned at appropriate levels and Committee be informed about the same.

Trainer Aircraft

25. During the examination of the subject, the Committee came to know that trainer Aircraft held by IAF currently include Basic Trainer Aircraft (BTA), Intermediate Jet Trainer (IJT) and Advanced Jet Trainer (AJT). The related research of the Committee brought out that the existing trainer aircraft strength is 274 as against the sanctioned strength of 430. Simulators have also been provided for each type of aircraft. The Committee came to know that in the year 2014-15, an amount of Rs. 2,245.48 crore was allocated for procurement of trainer aircraft whereas for the year 2015-16 an amount of Rs. 1197.17 crore has been allocated for this purpose. As far as the basic trainers are concerned, in view of the delays in the development of HTT-40 BTA by Hindustan Aeronautics Limited (HAL), Defence Acquisition Council (DAC) on 28 February 2015, approved the procurement of additional 38 PC-7 Mk-II aircraft under 'Option Clause' of the procurement contract, subject to certain conditions. The Committee desire that necessary funds are provided and measures be taken to fulfil the requirement of basic trainer in Air Force at the earliest.

26. The intermediate stage of flying training is presently being conducted on the Kiran aircraft which has already started retiring. The Kiran aircraft were planned to be replaced by the HAL built Intermediate Jet Trainer (IJT). However, the IJT has been under development for the past 15 years and has still not achieved Initial Operational Clearance (IOC). As a consequence IAF is planning to extend the life of the Kiran aircraft. Simultaneously, IAF is looking at options to meet the Intermediate flying training requirements of pilot trainees. This could include use of the BTA to also undertake the Intermediate stage training syllabus (Stage-II Flying). The Committee are baffled to find that using stage I trainer aircraft to fulfil requirement of stage II flying is being considered as an option to compensate for unavailability of trainer aircraft at stage II. It is difficult for the Committee to understand that in a span of 15 years, HAL could not deliver IJTs. At this point, the Committee

would like to be informed in detail about the action taken against HAL by the Ministry of Defence for their non-performance. Besides this, the Committee also recommend that appropriate steps be taken to acquire the IJTs so that our pilots training module is not compromised at any stage as such compromises are bound to be detrimental. Further, it is recommended that adequate funds should be provided to meet these requirements of Air Force under intimation to the Committee.

27. With regard to the advance trainers, IAF has contracted a total of 106 Hawk Mk-132 AJT aircraft. The deliveries are likely to be completed by 2016. The Committee wish that stringent timelines are followed in delivery of these aircraft and requisite funding be dedicated to meet the requirement.

Modernisation of Airfields

28. The Committee came to know that there are a total of 53 airfields, of which permanent Airfield Lighting System (AFLS) is available at 42 airfields. The reasons for not having night landing facilities at all bases were stated as Limited night operations being conducted at airfields not having permanent airfield lighting and the requirement is met using alternate/portable/mobile airfield lighting system. It was informed that installation of permanent Air Field Lighting System is planned under Project “Modernisation of Airfield Infrastructure”. The project is planned in two phases viz. MAFI phase-I and MAFI phase-II. The envisaged date of completion of Modernisation of Airfield Infrastructure (MAFI) Project Phase-I is September 2016. The contract for MAFI Project Phase-II has not been signed. However, it is envisaged that MAFI Project Phase-II of 37 airfields, at the rate of six airfields in a period of six months, will take three and half years after the signing of contract. The Committee were informed that in the current financial year, a budget allocation of Rs. 235 crore had been made for strengthening/ re-surfacing of runways at the IAF airfields. Over and above this, Rs. 49 crore had been allocated for the repair of the facilities at the airfields. The Committee desire that these funds are optimally and transparently utilized during the year and desired results are achieved. The Committee wish to be apprised about the spending of these funds during the year ahead and the outcome thereof.

29. The State Government of Arunachal Pradesh had agreed to transfer the maintenance of operations of Tuting, Mechuka, Along, Vijayanagar and Ziro Advanced Landing Grounds (ALGs) to Ministry of Defence (MoD) vide a Memorandum of Understanding (MoU) signed on 09 June, 2009. The ALGs of Tawang and Walong were already under the operational control of Army. The modernization/

upgradation programme of the ALGs for provisioning of operational, maintenance and administrative infrastructure are being undertaken. For the development of Defence infrastructure in the North-East, IAF separately had allocated a total of Rs. 389 Crore for development of seven Advance Landing Grounds in Arunachal Pradesh. The Committee are dismayed at very slow pace of progress and desire that the work is accomplished in efficient manner and the same be brought to the knowledge of the Committee.

Hardened shelters

30. During presentation, the Committee came to know that Su 30 aircraft has no hardened shelters. The Committee are concerned to find that our Air Force is already short of planes and worse than that hardened shelters are not available for even the limited numbers of aircraft that is available with the Service. In the opinion of the Committee, it is extremely pertinent that no damage is caused to the available aircraft. In this connection, the Committee note that although, the New Generation Hardened Aircraft Shelter (NGHAS) project is conceptualised for this purpose, nevertheless, the Committee desire that there should not be any delay in execution, as such delays have become a common feature of all the projects.

Accident Data of Indian Air Force

31. After going through the Papers submitted by the Ministry, the Committee noted that from May 2007 to January 2015, a total of 83 accidents have taken place in the Air Force. The Committee were baffled to find that these accidents have been consistent over the last decade. The Committee are further perturbed to find that even after formation of so many enquiry committees and their reports, the rate of accidents have not come down which was 6 in 2013 and 7 in 2014. In most of the cases of accidents, the cause was either human error or technical defect. From the above information, it is evident that there is either lacuna in training that is being imparted to our pilots and support officials or the systems installed are technically ill-equipped. In both the cases, the onus lies on the senior level management. It is highly regrettable that consistently large number of accidents have taken place during past decade and as such, Ministry of Defence should have taken cognizance of the matter and made efforts to check the accidents. At this point, the Committee would like to be informed about the action taken by Ministry of Defence against the guilty officials and suppliers of faulty system during the past ten years. Also, it is extremely important that necessary action be taken to rectify the position so as to ward off accidents and concrete steps be taken in this regard under intimation to the Committee.

Manpower and Training

32. The sanctioned posts for officers in Air Force is 11,895 and actual strength is 11,743. In case of airmen, the sanctioned strength is 1,35,227 and the existing strength is 1,32,922, thus the shortfall in strength is 2,305. The Ministry had mentioned that concerted efforts are made and various initiatives have been taken from time to time to curtail the shortages which include proactive steps like publicity measures and simplification of selection process. As regards airmen, a total of 4,144 recruits are undergoing training thereby fulfilling the current requirement of airmen. While appreciating the efforts, the Committee desire that these measures should be taken in all earnest so that differences in existing and sanctioned strength is abridged in the coming year.

Pilot - Cockpit ratio

33. The Committee came to know that the sanctioned Pilot to Cockpit ratio in Indian Air Force is 1.25 for fighters, 1.5 for Transport planes and just 1 for helicopters. The Committee were astonished to find that the existing ratio is just 0.81 for fighter planes. In the opinion of the Committee, this could also be one of the reasons for high accident rates of our planes. In USA, this ratio is 2:1 and even in Pakistan this is 2.5:1. The Committee take serious view of the fact that our squadron strength is already short of what has been authorized by the Government and moreover, insufficiency in number of available pilots in Air Force further deteriorates our operational capabilities. This attains even greater seriousness as during war time attrition rate is also higher. Our sanctioned strength for Pilots is less than that of our adversaries and furthermore the existing strength is even much short of the sanctioned strength. The Committee earnestly want that the situation needs overhaul and Ministry of Defence should not close their eyes to the miserable condition of the Service. The Pilot to Cockpit ratio in Indian Air Force for all types of planes/helicopters merits urgent attention and therefore, the Committee want all initiatives be taken in this regard and the same be brought to their knowledge.

NEW DELHI;
24 April, 2015
04 Vaisakha, 1937 (Saka)

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

STANDING COMMITTEE ON DEFENCE (2014-15)

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE
ON DEFENCE (2014-15)

The Committee sat on Monday, the 23rd March, 2015 from 1130 hrs. to 1830 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Maj Gen B C Khanduri AVSM (Retd)—*Chairperson*

MEMBERS

Lok Sabha

2. Shri Dharambir
3. Shri Thupstan Chhewang
4. Shri H D Devegowda
5. Dr Murli Manohar Joshi
6. Dr Mriganka Mahato
7. Shri Tapas Paul
8. Smt Mala Rajya Lakshmi Shah
9. Shri A P Jithender Reddy

Rajya Sabha

10. Shri Anand Sharma
11. Shri Rajeev Chandrasekhar
12. Shri A U Singh Deo
13. Shri Vinay Katiyar
14. Shri Madhusudan Mistry
15. Smt Ambika Soni

SECRETARIAT

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri P K Misra | — | <i>Additional Secretary</i> |
| 2. Shri D S Malha | — | <i>Director</i> |
| 3. Shri A K Srivastava | — | <i>Additional Director</i> |
| 4. Shri Rahul Singh | — | <i>Under Secretary</i> |

WITNESSES

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

Ministry of Defence

1. Shri R K Mathur, Defence Secretary
2. Shri Ravikant, AS (R)
3. Shri Jiresh Nandan, JS (G/Air)
4. Shri Subir Mallick, JS & AM (LS)
5. Shri Anup Chandra Pandey, AS
6. Shri R N Dubey, JS (Trg.) & CAO
7. Smt Surina Rajan, JS (O/N)
8. Shri Anil Bahuguna, JS
9. Shri G Mohan Kumar, Secy. DP
10. Shri Prabhu Dayal Meena, Secy. (ESW)
11. Shri A K Gupta, Spl. Secy. (DP)
12. Shri Himanshu Kumar, JS (E)
13. Shri A K Sihag, DG (Acq.)
14. Shri Rabindra Pawar, JS & AM (MS)
15. Shri Rajeev Verma, JS & AM (Air)
16. Shri J Ramakrishna Rao, JS (ES)

Defence Finance

17. Shri Dhanjaya Kumar, FM (MS) & JS
18. Ms Vandana Srivastava, FA (DS)
19. Ms Sobhna Joshi, FA (Acq.) & AS
20. Ms Veena Prasad, Addl. FA (VP)
21. Shri Rajesh Kumar, Addl. FA (RK)
22. Ms Devika Raghuvanshi, Addl. FA (DR)
23. Shri Prem Kumar Kataria, Addl. FA (K)

Air Force

24. Air Mshl R K Sharma, VCAS
25. Air Mshl S B P Sinha, DCAS
26. Air Mshl Sukhchain Singh, AOM
27. Air Mshl S Neelakantan, AOP
28. Air Mshl H B Rajaram, AOA

29. Air Mshl Anil Khosla, DG Air (Ops.)
30. Air Mshl J S Kler, DG (I&S)
31. AVM Sandeep Singh, ACAS (Plans)
32. AVM Amit Tiwari, ACAS (Trg.)
33. AVM A Sengupta, ACAS (AF Works)
34. AVM S M Subhani, ACAS (Fin. P)
35. Air Cmde R S Dagar, PD AS

Navy

36. V Adm Sunil Lanba, VCNS
37. R Adm Dinesh K Tripathi, ACNS (P&P)
38. Cmde Sanjay Vatsayan, PDNP
39. Capt DJ Revar, DNP
40. Cdr Abhishek Simlai, JDNP

Integrated Defence Staff

41. Air Mshl PP Reddy, CISC
42. Lt Gen A K Ahuja, DCIDS (PP &FD)
43. Maj Gen S K Dua, ADG Proc.
44. AVM D S Rawat, ACIDS (FP)
45. Cmde A K Sharma, DACIDS (Budget)
46. Capt (IN) A Saluja, Dir FP Army
47. Lt Gen Philip Campose, VCOAS
48. Lt Gen Sanjiv Talwar, DG FP
49. Lt Gen J P S Dalal, DGQA
50. Maj Gen Ranvir Singh, MO
51. Maj Gen I Narayana, ADG WE
52. Maj Gen Sanjay Kumar Jha, ADG PP
53. Maj Gen S S Hasabnis, TM (LS)
54. Maj Gen M N Murlidhar, ADGQA (PP&T)
55. Brig Sanjay Chauhan, DDGQA (PP&T)
56. Maj Gen Shamsher Singh, ADGQA (A)
57. Maj Gen R P Mund, ADGQA (EE)
58. Brig K J L Dhillon, DDG PP
59. Col D K Patra, Dir PP
60. Col Rajatupreti, Dir D

61. R Adm A K Dutta, ADGQA(WP)

Sainik School Society

62. Capt (IN) G Rambabu, Inspecting Officer (Sainik School Society)
63. Col Rajveer Singh, Inspecting Officer (Sainik School Society)

National Cadet Corps

64. Lt Gen A Chakravarty, DG NCC
65. Maj Gen C Prakash, ADG (B)
66. Brig C P Sangra, DDG (Lgs)
67. Shri N K Phukan, DDG (P&F)
68. Cmde P K Banerjee, DDG (P&C)

Defence Research and Development Organisation

69. Lt Gen Anoop Malhotra, CCR&D (R&M and Imp)
70. Shri Sanjay Tandon, Dir Dte of Material Management
71. Dr J P Singh, Dir Dte of Parliamentary Affairs

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the sitting. The Committee then invited representatives of the Ministry of Defence and the Defence Services. The Chairperson welcomed the representatives to the sitting of the Committee and drew their attention to Direction 55(1) of Directions by the Speaker, Lok Sabha.

3. The Chairperson initiated the discussion and requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day.

4. The representatives of the Ministry commenced their briefing through a powerpoint presentation on General Defence Budget. This was followed by detailed deliberations on various issues in the context, which included inadequate budgetary provision to Defence in this year's Budget Estimates.

5. Thereafter, a discussion on procurement policy was made which included queries from Members including those on delayed timelines, indecisiveness and hierarchical hurdles. The Committee were informed that defence procurement policy is undergoing major makeover and it was decided that a separate presentation on procurement policy will be taken once the new framework is in place.

6. Afterwards, a presentation was made on Capital Outlay on Defence Services and pursued with deliberations on the subject.

Members posed various queries such as need for adequate budget for modernization of defence forces and dependence on foreign products, etc. The representatives of the Ministry of Defence replied to various queries/observations of members. Nevertheless, members desired that a well drawn out vision for defence production may be furnished to the Committee.

The Committee took break for lunch and resumed the sitting at 2:30 P.M.

7. The Ministry gave presentation on Army, Directorate General of Quality Assurance (DGQA), National Cadet Corps (NCC) and Sainik Schools in that order. This was followed by detailed discussions on the subjects and Members asked questions on bullet proof jackets for jawans, ammunition, need for efficiency in quality checks, modernisation of Army expansion of NCC by raising more NCC units, increase in number of Sainik Schools and similarity in their infrastructure, etc.

8. Thereafter, a presentation was given on Navy and Joint Staff which was followed by vibrant discussions on depleting fleet strength of Navy, inadequacies in capital budget etc. The representatives of the Ministry of Defence submitted their replies to queries/observations of members.

9. A presentation on Air Force was made by the representatives of the services followed by discussions on squadron strength, urgency for provision of adequate capital budget, pilot-cockpit ratio, etc.

10. The Chairperson directed the representatives of the Ministry of Defence to furnish written replies to all the queries at the earliest.

A copy of verbatim record of the proceedings has been kept.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2014-15)

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING
COMMITTEE ON DEFENCE (2014-15)

The Committee sat on Tuesday, the 24th March, 2015 from 1030 hrs. to 1630 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Maj Gen B C Khanduri AVSM (Retd.)—*Chairperson*

MEMBERS

Lok Sabha

2. Shri Suresh C Angadi
3. Shri Shrirang Appa Barne
4. Shri Dharambir
5. Shri Thupstan Chhewang
6. Col Sonaram Choudhary (Retd.)
7. Shri HD Devegowda
8. Shri Sher Singh Ghubaya
9. Km Shobha Karandlaje
10. Dr Mriganka Mahato
11. Shri Tapas Paul
12. Shri Malla Reddy
13. Shri Rajeev Satav
14. Smt Mala Rajya Lakshmi Shah
15. Shri A P Jithender Reddy

Rajya Sabha

16. Shri A U Singh Deo
17. Shri Vinay Katiyar
18. Shri Madhusudan Mistry
19. Smt Ambika Soni

SECRETARIAT

- | | | |
|------------------------|---|-----------------------------|
| 1. Shri P K Misra | — | <i>Additional Secretary</i> |
| 2. Shri D S Malha | — | <i>Joint Secretary</i> |
| 3. Shri A K Srivastava | — | <i>Additional Director</i> |
| 4. Shri Rahul Singh | — | <i>Under Secretary</i> |

WITNESSES

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

1. Shri R K Mathur, Defence Secretary
2. Shri Anup Chandra Pandey, AS (P)
3. Shri Ravikant, AS (R)
4. Smt. Surina Rajan, JS (O/N)
5. Shri Sanjeev Ranjan, JS (BR)
6. Shri Deepak Anurag, JS (C&W)
7. Shri Dharendra Verma, Dir. (BR-Works)
8. Shri Ritesh Kavadia, Dir. (BR - Estt.)
9. Shri G P Cherian, S E (Civil)
10. Shri A K Jain, E E (Civil)
12. Shri Surya Prakash, Dir(L&C)
11. Ms Vandana Srivastava, FA (DS)
12. Shri Rajesh Kumar, Addl. FA (RK)
13. Ms Devika Raghuvanshi, Addl. FA (DR)
14. Shri Prem Kumar Kataria, Addl. FA (K)
15. Shri R G Vishwanathan, Addl. FA (RV)
16. Air Mshl R K Sharma, VCAS
17. Air Mshl H B Rajaram, AOA
18. Air Mshl B B P Sinha, DG (Wks)
19. Vice Adm Sunil Lanba, VCNS
20. Rear Adm Dinesh K Tripathi,
21. Cmde R Malhotra
22. Vice Adm H C S Bisht, DGICG
23. Shri Rajendra Singh, ADG Indian Coast Guard
24. IG V D Chafekar, DDG (P&P)
25. Comdt Kanchan Verma, JD (Plans-II)
26. Dr K Tamilmani, DG (Aero)

27. Dr V G Sekaran, DG (MSS)
28. Dr V Bhujanga Rao, DG (NS&M)
29. Shri S S Sundaram, DG (ECS)
30. Dr K D Nayak, DG (MED & CoS)
31. Dr Manas K Mandal, DG (LS)
32. Shri A M Datar, DG (ACE)
33. Dr Satish Kumar, CCR&D (TM)
34. Dr Sudershan Kumar, CCR&D (PC & SI)
35. Lt Gen Anoop Malhotra, CCR&D,(R&M and Imp.)
36. Shri G S Malik, CCR&D (HR)
37. Shri Sudhir Kumar Mishra, CCR&D&CEO
38. Shri R G Vishwanathan, JS & Addl. FA
39. Dr J P Singh, Dir, Dte of Par Affairs
40. Shri Vipul Gupta, Joint Dir
41. Lt Gen Philip Campose, VCOAS
42. Capt Ardhendu Kumar, ADC to VCAOS
43. Lt Gen P R Kumar, DGMO
44. Maj Gen Rajiv Narayanan, ADG, MO (B)
45. Brig Yogendra Dimri, DDG MO (C)
46. Col Vignesh Mahanti, Dir MO4
47. Col Sudhir Dube, Dir E-in-C Branch
48. Col A Mathialagan, TS to DG MAP
49. Lt Gen R M Mittal, DGBR
50. Maj Gen. Balraj Singh, OSD
51. Brig R K Sharma, Dte GBR
52. Brig V S Kattarya, DDG (TP), Dte GBR
53. Col D Pareira, Dir, DGBR
54. Lt Gen Om Prakash, QMG
55. Lt Gen G S Bisht, DG LWE
56. Maj Gen Michael Mathews, ADG LWE
57. Lt Gen Jatinder Sikand, E-in-C
58. Maj Gen S Kaushik, DG Works
59. Maj Gen Gurdip Singh, DG MAP
60. Maj Gen S K Shrivastava, ADGW

61. Brig K K Repswal, DDGW
62. Col Sudhir Dube, Dir E-in-C Branch
63. Col A Mathialagal, DG MAP
64. Shri Anil Kumar, ADC to E-in-C
65. Shri Ravi Kant Chopra, Dir Gen
66. Shri P Daniel, Addl. DG (Adm)
67. Shri K V Nagi Reddy, DDG (C&CRD)
68. Shri Vivek Kumar, Asst DG (Adm)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the sitting. The Committee then invited representatives of the Ministry of Defence and the Defence Services. The Chairperson welcomed the representatives to the sitting of the Committee and drew their attention to Direction 55(1) of Directions by the Speaker, Lok Sabha.

3. The Chairperson initiated the discussion and requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day.

4. The representatives of the Ministry commenced their briefing through a power point presentation on Defence Research and Development. This was followed by detailed deliberations on various issues like inadequate budgetary provision to Defence Research, non-availability of testing infrastructure for DRDO, development of Kaveri Engine, accidents of aircraft.

5. Thereafter, a presentation was given on Border Roads Organization which was followed by vibrant discussions on status of Border connectivity, obsolescence of equipment, shortage of manpower, strengthening of GREF, non-lapsable funds for NE/Leh, financial assistance to small contractors, inviting local area M.P. on inauguration of centrally funded projects, snow clearance grant to BRO, need for changing of civil/Army composition of BRO etc. The representatives of the Ministry of Defence submitted their replies to queries/observations of members.

6. The Committee took break for lunch and resumed the sitting at 2:30 P.M.

7. A presentation was made on Directorate-General Defence Estate and pursued with deliberations on the subject. Members posed various queries such as blocking of roads by representative of DGDE, proper

use of waste land and encroachment by civilians etc. The representatives of the Ministry of Defence replied to various queries/observations of Members.

8. The Ministry gave presentation on Military Engineer Services and Married Accommodation Project in that order. This was followed by detailed discussions on the subjects and Members asked questions on timely completion of projects, need for efficiency in system etc.

9. Thereafter, a presentation on Coast Guard Organization was held given before the Committee. Subsequent discussions included queries from Members including those of requirement of funds and Coastal Security etc.

10. The Chairperson directed the representatives of the Ministry of Defence to furnish written replies to all the queries at the earliest.

A copy of verbatim record of the proceedings has been kept.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2014-15)

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE
ON DEFENCE (2014-15)

The Committee sat on Wednesday, the 25th March, 2015 from 1130 hrs. to 1530 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Maj Gen B C Khanduri AVSM (Retd)—*Chairperson*

MEMBERS

Lok Sabha

2. Shri Suresh C Angadi
3. Shri Shrirang Appa Barne
4. Shri Dharambir
5. Shri Thupstan Chhewang
6. Col. Sonaram Choudhary (Retd.)
7. Shri G Hari
8. Shri Sher Singh Ghubaya
9. Km Shobha Karandlaje
10. Dr Mriganka Mahato
11. Shri Tapas Paul
12. Shri Malla Reddy
13. Shri Rajeev Satav
14. Smt Mala Rajya Lakshmi Shah
15. Shri A P Jithender Reddy

Rajya Sabha

16. Shri A U Singh Deo
17. Shri Vinay Katiyar
18. Smt Ambika Soni
19. Shri Tarun Vijay

SECRETARIAT

- | | | |
|------------------------|---|----------------------------|
| 1. Shri R K Jain | — | <i>Joint Secretary</i> |
| 2. Shri D S Malha | — | <i>Director</i> |
| 3. Shri A K Srivastava | — | <i>Additional Director</i> |
| 4. Shri Rahul Singh | — | <i>Under Secretary</i> |

WITNESSES

REPRESENTATIVES OF THE MINISTRY OF DEFENCE

1. Shri R K Mathur, Defence Secretary
2. Shri Ravikant, AS (R)
3. Shri Rajeev Verma, JS & AM (Air)
4. Shri Subir Mallick, JS & AM (LS)
5. Shri G Mohan Kumar, Secretary (DP)
6. Shri A K Gupta, Special Secretary (DP)
7. Shri S Yamdagni, DGOF/OFB
8. Shri A K Prabhakar, Member, OFB
9. Shri R J Bhattacharya, DDG, OFB
10. Shri D K Mahapatra, Secretary, OFB
11. Mrs Kusum Singh, JS (P&C)
12. Shri Bharat Khera, JS (NS)
13. Shri J R K Rao, JS (ES)
14. Shri K K Pant, JS (AS)
15. Rear Adm N K Mishra (Retd), CMD, HSL
16. Shri P Dwarakanath, CMD, BEML
17. Shri M Narayana Rao, CMD MDNL
18. Rear Adm A K Verma (Retd), CMD,GRSE
19. Cdr P R Raghunath, CMD, MDL
20. Shri V Udaya Bhaskar, CMD, BDL
21. Rear Adm. Shekhar Mittal (Retd), CMD,GSL
22. Shri S K Sharma, CMD, BEL
23. Shri T Suvarnaraju, Chairman, HAL
24. Shri Prabhu Dayal Meena, Secy (ESW)
25. Lt Gen Rakesh Nandan, DG (DC&W)
26. Ms K Damayanthi, JS (ESW)

27. Maj Gen Amrik Singh, DG (Res)
28. Maj Gen A P Bam, MD (ECHS)
29. Smt Santosh, Dir (Res-II)
30. Cmdr Rohtas Singh, Secy (KSB)
31. Ms Devika Raghuvanshi, Addl FA (DR)
32. Shri Prem Kumar Kataria, Addl FA(K)
33. Lt Gen Anoop Malhotra, CCR&D (R&M)
34. Shri R G Vishwanathan, JS & Addl FA
35. Dr J P Singh, Dir (Par Affairs), DRDO

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the sitting. The Committee then invited representatives of the Ministry of Defence and other organisation. The Chairperson welcomed the representatives to the sitting of the Committee and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

3. The Chairperson initiated the discussion and requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day.

4. The representatives of the Ministry commenced their briefing through a power point presentation on Defence Public Sector Undertakings. This was followed by detailed deliberations on various issues in the context which included non-delivery of products, increase in timelines, indigenous production of Sukhoi aircraft, Light Utility Helicopters by HAL, Machines for BRO, manufacturing of electronic equipments by BEL, construction of submarines etc. During deliberation the Committee stressed for indigenization of defence products.

5. Thereafter, a presentation on Ordnance Factories was given before the Committee which was followed by detailed discussion and queries from Members including those on delayed timelines, indecisiveness and poor quality production. The representatives of the Ministry of Defence replied to various queries/observations of members. Nevertheless, members desired that a well drawn out vision for defence production may be furnished to the Committee.

The Committee took break for lunch and resumed the sitting at 1:45 P.M.

6. Afterwards, a presentation was made on Ex-Serviceman Welfare and Ex-Servicemen Contributory Health Scheme and pursued with deliberations on the subject. Members posed various queries such as

status of One Rank One Pension, clearing of pending bill in respect of beneficiaries of ECHS health facilities and re-employability of Ex-servicemen, need to enact a law so it become obligatory to employ ESM, etc. The representatives of the Ministry of Defence replied to various queries/observations of members.

7. The Chairperson directed the representatives of the Ministry of Defence to furnish written replies to all the queries at the earliest.

A copy of verbatim record of the proceedings has been kept.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE

MINUTES OF THE SIXTEENTH SITTING OF THE STANDING COMMITTEE
ON DEFENCE (2014-15)

The Committee sat on Monday, the 06 April, 2015 from 1130 hrs. to 1300 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Maj Gen BC Khanduri AVSM (Retd)—*Chairperson*

MEMBERS

Lok Sabha

2. Shri Suresh C Angadi
3. Shri Shrirang Appa Barne
4. Shri Thupstan Chhewang
5. Col Sonaram Choudhary (Retd.)
6. Smt Pratyusha Rajeshwari Singh
7. Shri H D Devegowda
8. Shri G Hari
9. Shri Ramesh Jigajinagi
10. Shri Vinod Khanna
11. Shri Malla Reddy
12. Shri A P Jithender Reddy

Rajya Sabha

13. Shri Anand Sharma
14. Shri Vinay Katiyar
15. Shri Madhusudan Mistry
16. Smt Ambika Soni

SECRETARIAT

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|------------------------|---|-----------------------------|
| 1. Shri P K Misra | — | <i>Additional Secretary</i> |
| 2. Shri D S Malha | — | <i>Director</i> |
| 3. Shri A K Srivastava | — | <i>Additional Director</i> |
| 4. Shri Rahul Singh | — | <i>Under Secretary</i> |

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the sitting. The Committee then discussed the views expressed by the representatives of Ministry of Defence and Defence Services during oral evidence held earlier in respect of examination of Demand for Grants (2015-16) of the Ministry of Defence. The Members of the Committee exchanged ideas and suggested points to be incorporated in the Draft Reports which included making war wastage reserve, making Capital Head a non-lapsable and Roll on Plan for five to ten years, giving highest priority to Operational Preparedness *vis-a-vis* Threat Perception, replacing the term “Retired” with “Veterans”, etc.

3. The Committee, then, authorised the Chairperson to finalise a later date for consideration and adoption of the draft Reports.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING
COMMITTEE ON DEFENCE (2014-15)

The Committee sat on Friday, the 24 April, 2015 from 0930 hrs. to 1040 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Maj Gen B C Khanduri AVSM (Retd)—*Chairperson*

MEMBERS

Lok Sabha

2. Shri Shrirang Appa Barne
3. Shri Dharmbir
4. Shri Thupstan Chhewang
5. Col Sonaram Choudhary (Retd)
6. Smt Pratyusha Rajeshwari Singh
7. Shri G Hari
8. Km Shobha Karandlaje
9. Shri Rajeev Satav
10. Smt Mala Rajya Lakshmi Shah

Rajya Sabha

11. Shri K R Arjunan
12. Shri Anand Sharma
13. Shri Rajeev Chandrasekhar
14. Shri A U Singh Deo
15. Shri Harivansh
16. Shri Madhusudan Mistry

SECRETARIAT

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|------------------------|---|-----------------------------|
| 1. Shri P K Misra | — | <i>Additional Secretary</i> |
| 2. Shri D S Malha | — | <i>Director</i> |
| 3. Shri A K Srivastava | — | <i>Additional Director</i> |
| 4. Shri Rahul Singh | — | <i>Under Secretary</i> |

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the sitting. The Committee then took up for consideration and adoption of the following draft Reports on Demand for Grants 2015-16 of the Ministry of Defence:—

- (i) Civil Expenditure of the Ministry of Defence and Capital Outlay on Defence Services (Demand Nos. 21, 22 & 28);
- (ii) Army (Demand No. 23);
- (iii) Navy and Air Force (Demand Nos. 24 & 25); and
- (iv) Ordnance Factories and Defence Research and Development Organisation (Demand Nos. 26 & 27).

3. After deliberations the Committee adopted the above reports with slight modifications in respect of recommendations.

4. The Committee, then, authorized the Chairperson to finalise the above draft Reports and present the same to the House on a date convenient to him.

The Committee then adjourned.

