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**STANDING COMMITTEE ON DEFENCE  
(2019-20)**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

**DEMANDS FOR GRANTS (2020-21)**

**ARMY, NAVY, AIR FORCE AND JOINT STAFF  
(DEMAND NOS. 19 AND 20)**

**SIXTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2020/Phalguna, 1941 (Saka)**

**SIXTH REPORT**

**STANDING COMMITTEE ON DEFENCE**

**(2019-20)**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

**DEMANDS FOR GRANTS (2020-21)**

**ARMY, NAVY, AIR FORCE AND JOINT STAFF**

**(DEMAND NO. 19 AND 20)**

*Presented to Lok Sabha on 13.03.2020*

*Laid in Rajya Sabha on 13.03.2020*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2020/Phalguna, 1941 (Saka)**

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### COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2019-20)

## Shri Jwal Oram

—

## Chairperson

## Lok Sabha

2. Shri Deepak Adhikari (Dev)
3. Shri Hanuman Beniwal
4. Shri Ajay Bhatt
5. Shri Devusinh J. Chauhan
6. Shri Nitesh Ganga Deb
7. Shri Rahul Gandhi
8. Shri Annasaheb Shankar Jolle
9. Prof (Dr.) Ram Shankar Katheria
10. Smt. (Dr.) Rajashree Mallick
11. Shri Pashupati Kumar Paras
12. Shri Kapil Moreshwar Patil
13. Shri Anumula Revanth Reddy
14. Shri Jugal Kishore Sharma
15. Dr. Shrikant Eknath Shinde
16. Shri Prathap Simha
17. Shri Brijendra Singh
18. Shri Mahabali Singh
19. Shri Kotagiri Sridhar
20. Shri Durga Das Uikey
21. Dr. Kalanidhi Veeraswamy

## Rajya Sabha

22. Dr. Ashok Bajpai
23. Shri Prem Chand Gupta
24. Shri V. Lakshmikantha Rao
25. Shri Sanjay Raut
26. Dr. T. Subbarami Reddy
27. Smt. Vijila Sathyananth
28. Dr. Abhishek Manu Singhvi
29. Shri Kamakhya Prasad Tasa
30. Lt. Gen. Dr. D. P. Vats
31. Dr. Sudhanshu Trivedi

## **SECRETARIAT**

- |   |                     |   |                             |
|---|---------------------|---|-----------------------------|
| 1 | Smt. Kalpana Sharma | - | Additional Secretary        |
| 2 | Dr. Sanjeev Sharma  | - | Director                    |
| 3 | Shri Rahul Singh    | - | Deputy Secretary            |
| 4 | Smt. Rekha Sinha    | - | Assistant Executive Officer |

## **INTRODUCTION**

I, the Chairperson of the Standing Committee on Defence (2019-20), having been authorised by the Committee, present this Sixth Report (Seventeenth Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2020-21 on 'Army, Navy, Air Force and Joint Staff (Demand Nos. 19 and 20)'.

2. The Demands for Grants of the Ministry of Defence were laid on 10 February, 2020 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 17, 18, 19, 20 and 21 February, 2020. The draft Report was considered and adopted by the Committee at their Sitting held on 12 March, 2020.

3. The Committee wish to express their thanks to the officers of the Ministry of Defence and representatives of the Services/Organisations 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, Observations/Recommendations of the Committee have been printed in bold letters in Part II of the Report.

**New Delhi;  
5 March, 2020**  
**15 Phalguna, 1941(Saka)**

**JUAL ORAM**  
**Chairperson**  
**Standing Committee on Defence**

## **ABBREVIATIONS**

<b>Sl. No.</b>	<b>Abbreviations</b>	<b>Full form</b>
1.	AON	Acceptance of Necessity
2.	AJTA	Advance Jet Trainer Aircraft
3.	AJT	Advanced Jet Trainer
4.	ALGs	Advanced Landing Grounds
5.	ADA	Aeronautical Development Agency
6.	AE	Aeronautical Engineer
7.	AFA	Air Force Academy
8.	AFS	Air Force Station
9.	ATMS	Air Traffic Management System
10.	AFLS	Airfield lighting system
11.	AAGL	Alcock Ashdown Gujarat
12.	ACC	Annual Acquisition Plan
13.	ADC	Army Dental Corps
14.	ALU	Army Logistics University
15.	AMC	Army Medical Corps
16.	APS	Army Postal Service
17.	AI	Artificial Intelligence
18.	AFC	Aviation Facilities Complex
19.	APTT	Avionics Part Task Trainer
20.	BFTS	Basic Flying Training School
21.	BTA	Basic Trainer Aircraft
22.	BTA	Big Data Analysis
23.	BS	Borne Strength
24.	BE	Budget Estimates
25.	BPJ	Bullet Proof Jackets
26.	CTS	Cadet Training Ships
27.	CA	Capital Acquisition
28.	CB	Capital Budget
29.	CH	Capital Head
30.	CAPF	Central Armed Police Force
31.	CRPF	Central Reserve Police Force
32.	CELBS	Centre for Excellence for Leadership and Behavioural Studies
33.	CSG	China Study Group
34.	CSN	Coastal Surveillance Network
35.	CPTs	Cockpit Procedure Trainers
36.	CDSE	Combined Defence Services Examination
37.	CL	Committed Liabilities
38.	CSC SPV	Common Services Centres Special Purpose Vehicle
39.	CNC	Contract Negotiation Committee
40.	CNS	Contract Negotiation Stage
41.	CTC	Conversion Training Center

42.	DAC	Defence Acquisition Council
43.	DPB	Defence Procurement Board
44.	DPP	Defence Procurement Procedure
45.	DRDO	Defence Research and Development Officer
46.	DSE	Defence Services Estimates
47.	DSSC	Defence Services Staff College
48.	D&D	Design and Development
49.	DGQA	Directorate General Quality Assurance
50.	DSV	Diving Support Vessels
51.	EPC	Empowered Project Committee
52.	ERP	Enterprise Resource Planning
53.	ECHS	Ex-Servicemen Contributory Health Scheme
54.	FICs	Fast Interceptor Crafts
55.	FTW	Fighter Training Wing
56.	FBFMS	Fixed Base Full mission Simulators
57.	FWTF	Fixed Wing Training Faculty
58.	FSSs	Fleet Support Ships
59.	FTD	Flight Training Display
60.	FAF	French Air Force
61.	GRSE	Garden Reach Shipbuilders and Engineers
62.	GSQR	General Staff Qualitative Requirement
63.	GSES	Graduate Cadet Special Entry Scheme
64.	HQIDS	Head Quarter Integrated Defence Staff
65.	HTS	Helicopter Training School
66.	HU	Helicopter Unit
67.	HALE	High Altitude Long Endurance
68.	HAL	Hindustan Aeronautics Limited
69.	HADR	Humanitarian Assistance and Disaster Relief
70.	IDDM	Indigenous Design, Development and Manufacturing
71.	IAF	Indian Air Force
72.	IA	Indian Army
73.	INA	Indian Naval Academy
74.	IN	Indian Navy
75.	INET	Indian Navy Entrance Test
76.	ISRO	Indian Space Research Organisation
77.	IPEV	Induction Publicity Exhibition Vehicle
78.	INM	INM
79.	IDS	Integrated Defence Staff
80.	IMC	Integrated Modular Construction
81.	IJT	Intermediate Jet Trainer
82.	IMBL	International Maritime Boundary Line
83.	JCO	Junior Commissioned Officers
84.	OR	Other Rank
85.	JCOs	Junior Commissioned Officers
86.	LPDs	Landing Platform Docks



87.	LCA	Light Combat Aircraft
88.	LTIPP	Long-Term Integrated Perspective Plan
89.	ML	Machine Learning
90.	MCPL	Maritime Capability Perspective Plan
91.	MCPP	Maritime Capability Perspective Plan
92.	MWC	Maritime Warfare Centre
93.	MDL	Mazagaon Dock Shipbuilders
94.	MRLC	Medium Refit Life Certification
95.	MF	Military Farms
96.	MIT	Military Institute of Technology
97.	MNS	Military Nursing Service
98.	MCMVs	Mine Counter Measure Vessels
99.	MAFLS	Mobile Airfield Lighting System
100.	MAFI	Modernisation of Airfield Infrastructure
101.	MA	Modified Appropriation
102.	MRH	Multi Range Helicopter
103.	MRH	Multi Role Helicopters
104.	NCC	National Cadet Corps
105.	NDC	National Defence College
106.	NAISS	Naval Airfield Integrated Security Systems
107.	NCW	Naval Constructor Wing
108.	NG	Naval Group
109.	INM	Naval Institute of Aeronautical Technology
110.	NIH	Naval Institute of Hydrography
111.	NP&RS	Naval Provost & Regulating School
112.	NSWTTC	Naval Special Warfare Tactics and Training Centre
113.	NUH	Naval Utility Helicopter
114.	NWC	Naval War College
115.	NS	New Schemes
116.	OTA	Officers' Training Academy
117.	OR	Operational Research
118.	ORSA-MAC	Operations Research and Military Application Course
119.	OFs	Ordnance Factories
120.	PC(SL)	Permanent Commission (Special List)
121.	PSL	Pipavav Shipyard Limited
122.	QR	Quick Response
123.	RR	Rashtriya Rifles
124.	RNEL	Reliance Naval Engineering Limited
125.	RPAs	Remotely Piloted Aircraft
126.	RFP	Request for Proposal
127.	RB	Revenue Budget
128.	RH	Revenue Head
129.	RE	Revised Estimates
130.	RoR	Rules of Road
131.	SS	Sanctioned Strength

132.	SAUW	School of Advance Undersea Warfare
133.	SOMA	School of Medical Assistants
134.	SFNA	School of Naval Airmen
135.	SNOM	School of Naval Oceanography & Meteorology
136.	SCAPCC	Services Capital Acquisition Plan Categorisation Committee
137.	SCAPCHC	Services Capital Acquisition Plan Categorisation Higher Committee
138.	SSB	Services Selection Board
139.	SSC	Short Service Commission
140.	CCS	The Cabinet Committee on Security
141.	REol	The Request for Expression of Interest
142.	SP	The Strategic Partnership
143.	TCL	Total Calendar Life
144.	TTL	Total Technical Life
145.	VCAS	Vice Chief of Army Staff
146.	WLMs	Working Level Meetings

## **REPORT**

### **CHAPTER – I**

#### **ARMY**

The Committee have learnt that the Indian Army is the largest branch of the Indian Armed Forces and is responsible for land-based military operations. Its primary mission is the National Security and Defence of India from external aggression and threats, and maintaining peace and security within its borders. It also conducts humanitarian rescue operations during natural calamities and other disturbances.

#### **Budgetary Provisions**

1.2 Details regarding the projections and allocations in respect of Army during the last five years and 2020-21, separately for Capital and Revenue, are as follows:-

#### **REVENUE**

(Rs. in crore)

Year	Budget Estimates (BE)		Revised Estimates (RE)		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	1,09,758.22	1,03,315.91	1,04,408.45	1,00,106.78	1,02,847.18
2016-17#	1,15,561.78	1,12,764.62	1,21,686.11	1,17,925.22	1,16,901.93
2017-18\$	1,52,491.22	1,19,961.51	1,29,287.59	1,21,451.80	1,27,507.48
2018-19\$	1,51,814.73	1,27,059.51	1,41,456.91	1,29,812.34	1,34,241.38
2019-20	1,52,321.32	1,40,398.49	1,52,424.82	1,42,773.83	1,11,859.10*
2020-21	1,65,228.28	1,45,785.88	-	-	-

*\*Figure upto December, 2019.*

Note: RE 19-20 & BE 20-21 Figures are as per ceilings conveyed by Ministry of Finance and are subject to approval of the Parliament.

*(# Includes allotment to NCC, Military Farms, Rashtriya Rifles and ECHS which were shifted to modified Grant -MoD(Miscellaneous) in FY 2016-17, for the purpose of comparison with previous as well as future years. Except for Military Farms and ECHS, other organizations were transferred back to Defence Services Estimates (DSE) in FY 2017-18. In FY 19-20 Military Farms and ECHS also reverted back to DSE)*

*(\$ - Excludes Military Farms and ECHS)*

## CAPITAL

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	31,938.67	27,342.42	27,845.33	24,230.47	20,703.70
2016-17#	37,960.18	26,935.81	34,489.90	24,017.86	28,462.11
2017-18\$	42,485.93	25,205.71	40,791.43	25,205.71	27,148.26
2018-19\$	44,572.63	26,815.71	41,614.41	26,815.71	27,438.66
2019-20	44,660.57	29,511.25	46,032.00	29,666.90	19,817.19*
2020-21	50,373.60	32,462.38			

\*Figure upto December, 2019.

Note: RE 19-20 & BE 20-21 Figures are as per ceilings conveyed by Ministry of Finance and are subject to approval of the Parliament.

*(# Includes allotment to NCC, Military Farms, Rashtriya Rifles and ECHS which were shifted to modified Grant No. 20-MoD(Miscellaneous) in FY 2016-17, for the purpose of comparison with previous as well as future years. Except for Military Farms and ECHS, other organizations were transferred back to Defence Services Estimates in FY 2017-18. In FY 2019-20 Military Farms and ECHS also reverted back to DSE)*

*(\$ - Excludes Military Farms and ECHS)*

It may be seen from the data provided above that there has been an increase in the allocations/expenditure in respect of Army in both Revenue as well as Capital budget over and above the previous year. Further, it was informed that the allocated funds are optimally and fully utilized towards operational activities. If required, the schemes are reprioritized to ensure that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Army.

### **Revenue Budget**

1.3 The Committee found that the Revenue Budget comprises of two parts, Pay and Allowances and Non-salary. Under the Pay and Allowances Head, projection of Rs.1,15,976 crore was made by Army, against which an allocation of Rs. 1,12,525 crore is provided. The Ministry of Defence (MoD) submitted that Pay and Allowances being First

Charge, the shortfall will be met at RE stage. The Non-salary Revenue projection is Rs. 50,603 crore and allocation Rs. 35,189 crore, accounting to a shortfall of Rs. 15,414 crore. The Non-salary Revenue budget include stores, maintaining war reserves, works, transportation, Ex-servicemen Contributory Health Scheme (ECHS) and miscellaneous grants. Shortfall has been distributed based on prioritization and critical requirements under various Heads. The Committee were apprised that additional funds will be required at RE stage. It was also informed by a representative of Ministry of Defence that the impact of shortfall will be on stores, training, routine sustenance and maintenance of equipment and infrastructure.

### **Capital Budget**

1.4 The projection in Capital budget was Rs. 50,279 crore while the allocation, Rs. 32,436 crore, leading to a shortfall of Rs. 17,843 crore. The Capital budget comprises of two components, Capital acquisition and infrastructure. In Capital budget, there is an increase of 10 per cent over last year's BE. The budget for Capital acquisition includes modernization against which Rs. 15,959 crore have been allocated. In addition to this, an amount of Rs. 4,405 crore for emergent procurements and Rs. 5,705 crore for in-service replacements/upgrades by ordnance factories has been earmarked. The impact of shortfall of capital budget include committed liabilities of Defence Public Sector Undertakings (DPSUs), new schemes for modernization, major repairs, and non-servicing of committed liabilities for construction works. More funds for Atal tunnel will be required at later stage.

1.5 With regard to the differences in projection and allocation of budget under various Heads, a representative of Ministry of Defence during deliberations, replied as under:

“There will always be a gap between our projections and the allocations. This is applicable not only to Ministry of Defence but to all Government Departments. Therefore, our expertise lies in marrying that differential between our projections and the allocations. As was brought out in the presentation by the Director General, Financial Planning(DGFP), we have undertaken a number of measures to bridge this gap. It affects certain domains where you are unable to spend the money. So, some of the schemes will roll over to the next financial year and that is how, we manage that, but the bottom line is that we maintain our operational efficiency and that in case we are required to undertake any operational mission, we should be ready at all times to undertake that.”

1.6 With regard to the impact of shortfall, it was informed that that there would be constraint in IT investment in equipment and upgradation of technology, procurement of equipment, maintenance and modernisation of equipment, health facilities etc. It was also informed that any deficiency or shortfall in IT technology or laser technology can be disastrous for our armed forces and for our defence preparedness and at the same time, there cannot be any compromise on defence preparedness.

1.7 Percentage share of Revenue and Capital allocation for Army out of total Defence budget for the last five years is given below:

(Rs. in crore)

Year	BE (Defence Service Estimates) %	Army (Revenue)	%age share	Army (Capital)	%age share	Army (Revenue + Capital)	%age share
2015-16	2,46,727.00	1,03,315.91	41.87	27,342.42	11.08	1,30,658.33	52.95
2016-17	2,49,099.00#	1,12,764.6\$	45.27	26,935.81\$	10.81	1,12,764.62	56.08
2017-18	2,59,261.90*	1,19,961.51	46.27	25,205.71	9.72	1,45,167.22	55.99
2018-19	2,79,305.32*	1,27,059.51	45.49	26,815.71	9.60	1,53,875.22	55.09
2019-20	3,05,296.07	1,40,398.49	45.99	29,511.25	9.67	1,69,909.74	55.66

*(# Includes allotment to NCC, Military Farms, Rashtriya Rifles and ECHS which were shifted to modified Grant No. 20-MoD(Miscellaneous) in FY 2016-17, for the purpose of comparison with previous as well as future years. Except for Military Farms and ECHS, other organizations were transferred back to Defence Services Estimates in FY 2017-18. In FY 19-20 Military Farms and ECHS also reverted back to DSE)*

*(\* Excludes MF & ECHS)*

1.8 With regard to the Revenue to Capital ratio, the representatives of Army deposed before the Committee as and apprised as under:

“..... 60:40 is an ideal ratio which is a guideline. As I mentioned in my opening statement, we have unsettled borders; we have a very constrained internal security environment in Jammu and Kashmir and also in the North-Eastern parts of India where you require boots on the ground and therefore, you need to have a large standing army. This is one of the causes that the ratio at the moment is more biased towards revenue expenditure than capital acquisitions. Having said that, we are leveraging technology, where we can reduce the manpower, which is deployed to undertake such missions which are there. We are also having other measures in place where we can reduce

the revenue expenditure with respect to better efficiency in spending and getting more value for money. This is an ongoing process and it is being done, but largely because of the kind of tasks which we are required to perform at this juncture, this ratio is what it is.”

## **BUDGET FOR MODERNIZATION**

1.9 The Ministry of Defence informed the Committee that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the FY 2019-20 an amount of Rs. 23,003.63 crore at BE stage and Rs. 23,517.31 crore at RE stage were allocated to Army under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Capital Acquisition and New Schemes is carried out by Service Headquarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 15,798.70 crore (upto December, 2019) has been incurred in FY 2019-20.

1.10 The Committee desired the Ministry of Defence to furnish details of Demand for additional funds made by Army and actual allocation provided to them at supplementary/ RE stage during the years 2018-19 and 2019-20 in respect of modernization, along with the details of the projects/schemes for which the funds were sought. The Ministry of Defence furnished information as under:

“Under Modernisation (Capital Acquisition) Head, Army had sought additional allocation of Rs. 16,293.19 crore in first supplementary and Rs. 13,400.08 crore in second and third supplementary stage in FY 2018-19 for meeting expenditure on account of Committed Liabilities for Hindustan Aeronautics Limited (HAL) projects; cash outgo for Apache; vehicles being procured ex-trade by Military General Ordnance; emergency power procurement and critical 10(i) and Committed Liabilities of existing contractual terms and liabilities including impact of the Countering America's Adversaries Through Sanctions Act (CAATSA). However, the Ministry did not receive any additional allocations at the Supplementary stages. In FY 2019-20, Army had sought additional allocation of Rs. 13,978.42 crore in first supplementary and Rs. 8,118.00 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on account of payments to HAL; Foreign Committed Liabilities, DPSUs; Brahmos; Pvt. Vendors, critical vehicles, etc. However, the Ministry did not receive any additional allocations in the first Supplementary and second supplementary is yet to be approved by the Parliament.”

1.11 Capital acquisition planned for the Army in the year 2018-19 and 2019-20 are reflected in Annual Acquisition Plan (AAP) 2018-20. Cases included in the AAP 2018-20 are progressed as per Defence Procurement Procedure (DPP) till finalisation of contracts. Details of contracts concluded by Army during last year and current year (upto 31.12.2019) are given below:-

(value in Rs. crore)

<b>2018-19</b>		<b>2019-20 (upto 31.12.2019)</b>	
<b>No. of contracts</b>	<b>Value</b>	<b>No. of contracts</b>	<b>Value</b>
<b>13</b>	<b>8,357.19</b>	<b>9</b>	<b>21,987.54</b>

1.12 The items contracted during 2018-19 and 2019-20 include T-90 Tanks, Light Strike Vehicles, bullet proof jackets, assault rifles, combat net radio, bridges, small arms, radars, rocket ammunition, missiles and electronic fuses. The delivery schedule of the equipment and payment terms are given in each contract.

1.13 The Committee wanted to know whether there is a need for taking corrective steps to ensure that modernization process is not hampered. The Ministry of Defence replied as under:

“During the last four financial years 2015-16 to 2018-19 and current year 2019-20 (upto 31.12.2019), 80 contracts have been signed for Army for capital procurement of defence equipment such as bullet proof jackets, rifles, rockets, missiles, radars, artillery guns, tanks, simulators and ammunition.

Government is taking measures for modernization of the Armed forces, through induction of new equipment and upgradation of existing equipment and systems. The modernization projects are progressed as per approved Services Capital Acquisition Plans and Annual Acquisition Plans in terms of the extant Defence Procurement Procedure (DPP). Government regularly monitors progress of on-going procurement projects so as to ensure that the Armed Forces (AFs) are equipped to meet the entire spectrum of security challenges.

In order to streamline and make the process of acquisition more effective, the Defence Procurement Procedure (DPP) is continuously reviewed in consultation with all the internal and external stakeholders. More than 50 Business Process Re-engineering (BPR) initiatives have been taken leading to further refinement and streamlining of the DPP, 2016.”



## **Indigenization**

1.14 The Ministry of Defence informed the Committee that during the year 2018-19 and current year 2019-20 (upto 31.12.2019), out of the total 22 contracts signed, 12 contracts were signed with the Indian vendors for capital procurement of defence equipment such as bullet proof jackets, electronic fuses, Light Strike Vehicles, FAT, EW System, TI Sights, Bridges for Indian Army. The expenditure on capital acquisitions for Army during 2018-19 and 2019-20, on indigenous contracts was Rs. 16896.59 crore and Rs. 8366.63 crore (upto December,2019) respectively.

1.15 The Committee also desired to be updated whether any funds have been dedicated for acquisition from indigenous sources during the year 2020-21. In this regard, the Ministry of Defence apprised the Committee that no separate funds have been dedicated for acquisition from indigenous or foreign sources.

## **Procurement through Ordnance Factories**

1.16 The major domestic procurement is from Public Sector Undertaking (PSU) units, ordnance factories, etc. The Committee wished to be apprised whether in the recent past, Ministry of Defence evaluated their cost of production, quality of products and modernisation of the products and whether Ordnance Factories (OFs) are involved in manufacturing of caps, socks, belts, badges, shoes etc. In this regard, a representative of Ministry of Defence apprised the Committee during oral evidence as follows:

“सर, आर्डिनेंस फैक्टरी से पहले ऐसे जो सामान खरीदे जाते थे, जैसे आपने जूते, कपड़े आदि की बात कही है, अभी सरकार की पिछले दो साल से ऐसी पॉलिसी है कि धीरे-धीरे करके हम ये सामान आर्डिनेंस फैक्टरी से खरीदना बन्द कर रहे हैं। अभी तक आलरेडी हमने 50 प्रतिशत खरीद बन्द कर दी है और ओपन मार्केट से खरीदना शुरू किया है। इस तरह के प्रोडक्ट्स आर्डिनेंस फैक्टरी से खरीदना बन्द हो जाएगा। आर्डिनेंस फैक्टरीज के पास आम तौर पर हथियार, एम्पूनिशन जैसी चीजें ही रहेंगी। आर्डिनेंस फैक्टरी की कॉस्ट ऑफ प्रोडक्शन थोड़ी ज्यादा है। जहां तक आर्डिनेंस फैक्टरीज का सवाल है, चूंकि वह हमारा ही डिपार्टमेंट है, उसके ऊपर कोई निगोशिएशन नहीं होती है, हमारी इंटरनल प्रोसेस से ही वह असेस होती है और उनकी कॉस्ट ऑफ प्रोडक्शन को हम लोग इंटरवीन नहीं करते हैं। जहां तक क्वालिटी का सवाल है, वह चेक करके लिया जाता है। जहां तक डीपीएसयू का सवाल है, उसमें कॉस्ट निगोशिएशन भी होती है और क्वालिटी चेक भी होता है।”

1.17 On this issue, a representative of Ministry of Defence added the following during the oral evidence:

“Ministry of Defence has identified and categorised the things to be procured from ordnance factories as core and non-core items. The services have to procure core items from Ordnance Factories Board (OFB). For non-core items, the services do not have to mandatorily go to OFB. If OFB wants and if the services want, it can bid. Regarding cost, Sir, it is a known fact that OFB is a Government department. It is not a PSU. There are certain issues on cost. We are looking into it. We have already set up a committee under the Principal Adviser (Cost) to look for the best methodology of costing OFB products and trying to make them more competitive. We need to understand one thing. OFB was set up with a particular mandate. We have created a lot of infrastructure of OFB to meet strategic requirements. Now, having created that infrastructure, if we do not give that much of orders, naturally the overheads will go up. It is a known fact. So, we have to take a conscious decision and the services cannot give orders of that quantity which takes into account the economy, even if they do not need them just for the sake of keeping the OFB going. So, it is a sort of catch 22 situation. Once the committee submits its report, we will be in a better position to appreciate the things and we have also some outsiders in this committee.”

## **Planning**

1.18 With regard to the Army's Long term perspective Plan, the Ministry of Defence stated that the acquisition of Weapon Systems and equipment for the Army flows from the Long Term Integrated Perspective Plan (LTIPP). The current LTIPP spells out the capability desired to be achieved by the Army over the 15 years duration from 2012 to 2027. The LTIPP is translated into specific assets to be acquired, in the form of Services Capital Acquisition Plan, covering a five year period. From the Services Capital Acquisition Plan (SCAP), a list of equipment and weapon systems required to be procured immediately is approved in the form of the Annual Acquisition Plan (AAP). The AAP is a 2 year roll on plan.

1.19 During the 12<sup>th</sup> Plan period 106 contracts with a total value of Rs. 53273.51 crore have been signed for Capital Acquisition of the equipment for Indian Army such as Radar, Howitzer, Missiles, Rockets, UAVs, Tanks, Ballistic Helmets, Simulators and ammunition.

During the 13<sup>th</sup> plan (2017-18, 2018-19 & 2019-20 up to 31.12.2019), 47 contracts with an approximate total value of Rs. 62,280.12 crore have been signed for Capital Acquisition of the equipment for Indian Army such as missiles, helicopters, assault rifles, radars, rocket launcher, Bullet Proof jackets, tanks and simulators and ammunition. Government regularly monitors progress of on-going procurement cases so as to ensure that the Armed Forces are equipped to meet the entire spectrum of security challenges.

### **Clothing in high altitudes**

1.20 The Committee wished to be educated on the status of clothing, snow goggles and other accessories in high altitude terrains in eastern and northern sectors. On this front, a representative of Ministry of Defence gave the following information:

“I do not think it is a fact. What has happened we sign contracts year after year for the clothing that we have to provide. The people who are on the top are always with the clothing. We were maintaining very large quantity of reserves held in our stocks. To balance our Budget, we cut down on reserves. That is the only thing that we did. So, the reserve stocks have been brought down. Otherwise, we would have had casualties because of cold. But we have had nil. We had no injury of snow blindness because of lack of goggles. These are indicators that people are not without clothing and the basic weapons required to stay in that altitude. I am quite sure the hon. Members have visited them and seen the clothing that we are giving to our troops.

1.21 Further on this issue, the Committee wished to know whether the correct information had been conveyed in public domain by Ministry of Defence so that such misinformation is rectified. The representatives of Ministry of Defence informed the Committee that a rebuttal has come out in paper.

### **Manpower**

1.22 With regard to the status of manpower, the Committee were intimated that as against authorised strength of 50,312 officers and 12,23,381 Junior Commissioned Officers (JCOs) /OR (Other Rank) of Indian Army there is held strength of 42,913 officers and 11,85,146 JCOs/ORs as on 01 January, 2019. In order to meet this deficiency a proposal to enhance the intake through Short Service Commission (SSC) by making it more attractive is at an

advanced stage of consideration at the Tri Service level. With regards to the In-service entries, a proposal for restructuring of the Permanent Commission (Special List) Cadre is under active consideration with the MoD. Further, a Young Leaders Training Wing has been established at Officers Training Academy, Chennai in September 2019. The aim is to groom prospective service candidates for selection through In-service entries viz. Army Cadet College (ACC), Special Commission Officers (SCO) and Permanent Commission (Special List) {PC (SL)}.

Besides, a total of 88,207 vacancies of JCOs and OR have been released for recruitment during the recruiting year 2019-20. The recruitment is currently under progress. Further, as on date, a total of 58,836 recruits are under training. Hence the existing deficiency in Junior Commissioned Officers/Other Ranks will automatically get made up on passing out of the recruits, post completion of training. It is anticipated that the cumulative effect of the above stated measures would expedite the process so that the gap is bridged at a faster rate.

1.23 With regard to the shortfall, a representative of Ministry of Defence further deposed before the Committee as given hereunder:

“..... Essentially, it is with respect to the officers. As far as JCOs/ORs are concerned, you mentioned that the authorised strength is approximately 12 lakhs and we are having 11.85 lakhs. That is transitory because when a JCO/OR retires, his replacement comes into the system after two years. He gets trained. If he is a technical person, then he goes for advanced and technical training also. So, it is transitory. With respect to the officers, we have undertaken a number of measures to increase the strength. As you are aware, we have tried to increase the capacity of our precommission training academies-National Defence Academy (NDA), Indian Military Academy (IMA) and Officers' Training Academy (OTA) Chennai as well as OTA Gaya. We were not getting enough numbers of in-service entries like Army Cadet College (ACC) compared to what has been sanctioned. So, we have started training programme in OTA Chennai to train our other ranks who have the potential to make potential officers. Therefore, we will be able to make up this shortfall.”

## **Protection from Corona Virus**

1.24 The Committee desired to be apprised about the measures being taken to protect our troops from spread of corona virus. The representatives of Ministry of Defence submitted as hereunder:

“महोदय, कोरोना वायरस जैसे ही चाइना में फैला, हमने इसकी समीक्षा की। चीन में हमारी अम्बेसी में डिफेंस विंग है। हमने उन्हें प्रिकाशन्स लेने के लिए कहा। कुछ उनके जानकारी परिवार थे, जिन्हें हमने वापस बुला लिया। इसके अलावा हमने मानेसर में सिविलियन लोगों को, जो फ्लाइट से आए थे, उन्हें करीब तीन हफ्ते वहां रखा। अन्य जगहों पर हमने कैम्प तैयार किए हैं, जैसे जेसलमेर में, पुणे में और सिकन्दराबाद में। यह वायरस आदमियों में भी फैल सकता है, इसके लिए हमने प्रिकाशन्स लिए। हमारे ज्यादातर मीट प्रोडक्ट्स फ्रोजन होते हैं, जिन पर एकदम प्रभाव नहीं पड़ता है। मीट प्रोडक्ट्स की इंस्पेक्शन हो रही है। अभी तक कोई वाक्य हमारे सामने नहीं आया है।

महोदय, मैं बताना चाहता हूं कि मिनिस्ट्री आफ हैल्थ लगातार हमारे साथ सम्पर्क बनाए हुए हैं। रोज शाम को हमारे साथ मीटिंग होती है। अभी हमारे पास सारे फ्रोजन मीट प्रोडक्ट्स हैं और बार्डर पर जितना राशन भेजा जाता है, उनकी स्टार्किंग पहले ही हो चुकी थी। सारे मीट प्रोडक्ट्स को चेक कर लिया गया है। जैसा मिनिस्ट्री आफ हैल्थ डायरेक्शन देगी, हम वैसे अमल करते जाएंगे। पीएमओ स्वयं स्थिति को मोनिटर कर रहा है।”

## **Exhibitions by Army for Public**

1.25 The Committee desired that Army shall organize exhibitions for Members of Parliament and general public in various constituencies with an aim to increase interest and awareness about the Force. In this connection, the representatives of Army intimated that the Hon'ble Members of Parliament and Members of Legislative Assemblies can organize a fete 'Know your Army' in their respective parliamentary constituencies where a display of equipments and other capabilities is arranged.

## **CHAPTER – II**

### **AIR FORCE**

The Indian Air Force (IAF) is responsible for defending the country's aerospace, which they truly do by reaching sky with glory, evoking fear in the mind of enemies. The Indian Air Force had always overwhelmed the adversaries with application of courage, skill and determination in the defence of nation.

#### **Budgetary Provisions**

2.2 Details regarding the projections and allocations in respect of Air Force (AF) during the last five years including 2020-21, separately for Capital and Revenue, are as follows:-

#### **REVENUE**

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	29,632.28	23,000.09	23,000.09	20,377.09	21,020.95
2016-17	25,728.60	23,655.83	23,817.22	23,817.52	22,856.44
2017-18	29,147.29	24,802.33	29,746.42	27,209.61	27,393.20
2018-19	35,260.79	28,821.27	32,407.37	28,105.43	28,291.25
2019-20	34,849.50	29,601.69	40,382.40	29,951.69#	23,379.75*
2020-21	43,904.17	29,962.66#			

#### **CAPITAL**

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	46,191.96	33,686.75	35,780.78	30,442.15	31,198.32
2016-17	41,266.41	29,795.42	36,512.95	28,239.86	30,414.79
2017-18	62,048.85	33,570.17	52,548.50	33,570.17	34,917.59
2018-19	77,694.74	35,770.17	68,579.46	35,770.17	36,451.74
2019-20	74,894.56	39,347.19	81,301.99	44,947.19#	37,154.79*
2020-21	66,207.29	43,281.91#			

\*Figures are upto December, 2019

# Figures are as per ceilings conveyed by Ministry of Finance and are subject to approval of the Parliament.

2.3 Percentage share of Revenue and Capital allocation for Air Force out of total Defence budget for the last six years is given below:

(Rs. in crore)

Year	BE (Defence Services Estimates*)	Air Force (Revenue)	%age share	Air Force (Capital)	%age share	Air Force (Revenue + Capital)	%age share
2014-15	2,29,000.00	20,506.84	8.95	33,710.68	14.72	54,217.52	23.67
2015-16	2,46,727.00	23,000.09	9.32	33,686.75	13.65	56,686.84	22.97
2016-17	2,49,099.00#	23,655.83	9.50	29,795.42	11.96	53,451.25	21.46
2017-18	2,59,261.90\$	24,802.33	9.57	33,570.17	12.95	58,372.50	22.52
2018-19	2,79,305.32\$	28,821.27	10.32	35,770.17	12.81	64,591.44	23.13
2019-20	3,05,296.07	29,601.69	9.70	39,347.19	12.89	68,948.88	22.59

*(# Includes allotment to NCC, Military Farms, Rashtriya Rifles and ECHS which were shifted to modified Grant No. 20-MoD(Miscellaneous) in FY 2016-17, for the purpose of comparison with previous as well as future years. Except for Military Farms and ECHS, other organizations were transferred back to Defence Services Estimates in FY 2017-18. In FY 19-20 Military Farms and ECHS also reverted back to DSE)*  
*(\$ - Excludes Military Farms and ECHS)*

### **Budget for Modernization**

2.4 The Ministry of Defence intimated the Committee that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). However, in FY 2019-20, an amount of Rs.36,409.89 crore at BE stage and Rs. 41,799.89 crore at RE stage were allocated to Air Force under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes) and against these allocations, an expenditure of Rs. 35,027.06 crore has been incurred in FY 2019-20 upto December, 2019.

2.5 The Committee asked the Ministry of Defence to furnish details of demand for additional funds made by Air Force and actual allocation provided to them at supplementary/ RE stage during the years 2018-19 and 2019-20 alongwith details of the projects for which the demands were made and whether they were affected due to the reduced allocation. To this, the Ministry replied as under:

“Under Modernisation (Capital Acquisition) Head, Air Force had sought additional allocation of Rs.28,707.32 crore in first supplementary, Rs. 32,044.65 crore in second and third Supplementary in FY 2018-19 for meeting expenditure on

account of milestone based payments/liabilities. However, the Ministry did not receive any additional allocations at the Supplementary stages.

In F.Y. 2019-20, Air Force had sought additional allocation of Rs. 40,002.87 crore in first supplementary and Rs. 27,580.63 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on Committed Liabilities, outstanding dues against DPSUs/ PSUs, etc. However, the Ministry did not receive any additional allocations in the first supplementary and second supplementary is yet to be approved by the Parliament.”

## **Missiles**

2.6 AKASH Weapon System is an indigenous Surface-to-Air Weapon System(SAWS) designed and developed by DRDO. It is DRDO's first Tactical Missile System which is successfully developed, produced and delivered to Indian Air-Force (IAF) and Indian Army (IA). Akash is already deployed in combat areas by IAF and IA for National Security (NS).

### **I. Flight trial Details of Akash (Lakshya):**

Akash Weapon System (AWS) has gone through various flight trials. Phase-1 (Till 2007), which was focused on development of Weapon System has seen nearly 67 flight trials to prove the Akash Missile Capability (AMC). In phase-2 (2007-2016) nearly 43 flight trials were conducted, which consists of User Evaluation Trials, Post Induction Trials, User Exploitation Trials.

Recently, Indian Air Force has conducted trials in Suryalanka (October-2018), where Akash Weapon System has participated along with other Weapon Systems and 5 out of 5 successful target interceptions were demonstrated. Lakshya is a Pilotless Target Aircraft (PTA) designed and developed by DRDO, that is used to test fire Surface-to-Air and Air-to-Air Missiles. This is being used regularly by DRDO and Armed Forces.

During these trials, Akash Weapon System performance was best among all participating Weapon Systems. “Vayu-Shakti” trials were conducted by Indian Air Force in February 2019 at Pokharan Range and final demonstration on 16<sup>th</sup> February 2019 which was witnessed by all VIP dignitaries, where Akash Weapon System was deployed in war like scenario for 10 continuous days. During these trials, complete Weapon System capabilities were demonstrated to Chiefs of Armed Forces along with other VIPs and 4 out of 4 successful interceptions of target were achieved. It was live telecast on National News along with live feed on internet platforms.



## **II. Flight trial Details of ASTRA (Sukhoi):**

Astra is the first BVR (Beyond Visual Range) Air-to-Air Missile developed by DRDO. The Platform for Weapon System is Sukhoi SU-30 MKI.

Astra Weapon System has completed the development trials successfully in September 2019 from Air Force Station (AFS), Kalai Konda (KKD) at Integrated Test Range (ITR), Chandipur. Banshee (Pilotless Test Aircraft) designed and developed by DRDO was used as target for trials.

A few development and user trials were carried out for different ranges to validate the required performance criteria. Indian Air Force (IAF) has accepted the System for induction.

The development of the Akash and Astra Weapon Systems (AWS) has established base for various critical technologies in the country. These would be of immense use in boosting the Defence Capabilities of the Nation. The following are the salient features:

- Induction of Akash Air Defence System (AADS) in Indian Air Force (IAF) and Indian Army (IA) has strengthened the National Air Defence Grid (ADG) to target hostile intruding Aircraft(s). In the process of developing Akash, DRDO has evolved numerous technologies that will help in further developing more potent Surface-to-Air Guided Missiles. In the course of development of Akash Weapon System, DRDO has established a technological base in the country, where multiple systems were produced by different Public Sector Undertakings (PSUs) along with Private Industries and more than 100 Micro Small Medium Enterprises (MSMEs) with lead integrator delivering as a single Weapon System to Users.
- Astra is a very potent Beyond Visual Range (BVR) Missile in the 100 km range class with good Electronic Counter Counter Measure (ECCM). Installation of Astra on Su-30 greatly enhances the operational capabilities of Su-30 Aircraft(s). The Missile will also be integrated on other fighters of IAF in due course. Improved version of Astra with enhanced-kill-range and no-escape-zone are now under development. Fructification of these Missiles will help IAF to use indigenous Air-to-Air- Missiles with higher stand-off.

## **CHAPTER – III**

### **INDIAN NAVY**

The Indian Navy is the naval branch of the Indian Armed Force (IAF) which is a well-balanced and cohesive three-dimensional force, capable of operating above, on and under the surface of the oceans, efficiently safeguarding our national interests. The Primary objective of Navy is to safeguard the nation's maritime borders, and in conjunction with other Armed Forces of the union, act to deter or defeat any threats or aggression against the territory, people or maritime interests of India, both in war and peace. Also, through Joint exercises, goodwill visits and humanitarian missions, including disaster relief, Indian Navy promotes bilateral relations between nations.

3.2 As submitted to the Committee, details regarding the projections and allocations in respect of Navy (including Joint Staff) during the last five years, separately for Capital and Revenue, are as follows:-

#### **REVENUE**

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	18546.58	15525.64	15838.30	14635.18	14992.04
2016-17	18502.56	17424.79	19348.23	17813.99	17136.77
2017-18	22473.64	18493.82	20545.47	18878.93	18715.05
2018-19	23747.75	19571.37	24420.58	20795.04	20856.23
2019-20	27,086.29	22,211.71	28,737.09	22,786.71#	15,880.05*
2020-21	32,237.96	22,934.75#			

#### **CAPITAL**

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	26268.13	25003.24	25152.20	19740.06	19874.69
2016-17	30223.31	22000.09	22530.04	19596.28	19996.88
2017-18	28591.56	19348.16	27717.41	19348.16	20118.58
2018-19	35695.41	20848.16	30735.65	20890.87	21509.60
2019-20*	37,220.98	23,156.43	40,123.18	26,156.43#	23,050.79*
2020-21	45,268.31	26,688.28#			

\*Figures are upto December, 2019.

# Figures are as per ceilings conveyed by Ministry of Finance and are subject to approval of the Parliament.

3.3 With regard to the budgetary constraints, a representative of Ministry of Defence deposited before the Committee, as follows:

“For the first time, we are looking to address some of the extra budgetary resources. If you remember, on the first day presentation, we had mentioned that we are creating a renewal fund and we are doing certain projects through self-financing model. We are trying to get into that area. If not in the war fighting front but in other aspects of functioning where some budget was going, we can now try to make some self-financing model.”

3.4 Percentage share of Revenue and Capital allocation for Navy (including Joint Staff) out of total Defence budget for the last five years is given below:

(Rs. in crore)

Year	BE (Defence Service Estimates*)	Navy (Revenue)	%age share	Navy (Capital)	%age share	Navy (Revenue + Capital)	%age share
2014-15	2,29,000.00	13975.79	6.10	23832.67	10.41	37808.46	16.51
2015-16	2,46,727.00	15525.64	6.29	25003.24	10.13	40528.88	16.42
2016-17#	2,49,099.00	17424.79	7.00	22000.09	8.83	39424.88	15.83
2017-18\$	2,59,261.90	18493.82	7.13	19348.16	7.46	37841.98	14.59
2018-19\$	2,79,305.32	19571.37	7.01	20848.16	7.46	40,419.53	14.47
2019-20	3,05,296.07	22211.71	7.28	23156.43	7.58	45368.14	14.86

(# Includes allotment to NCC, Military Farms, Rashtriya Rifles and ECHS which were shifted to modified Grant No. 20-MoD(Miscellaneous) in FY 2016-17, for the purpose of comparison with previous as well as future years. Except for Military Farms and ECHS, other organizations were transferred back to Defence Services Estimates in FY 2017-18. In FY 19-20 Military Farms and ECHS also reverted back to DSE)  
(\$ Excludes MF & ECHS)

(\*DSE includes Army, Navy, Air Force, Joint Staff, DRDO, Ordnance Factories, NCC, & DGQA Budget)

3.5 On the issue of reduction of Naval budget, a representative of Ministry of Defence submitted the following:

“The Navy has now picked up very well in expenditure. In earlier years, due to various reasons, there were a lot of surrenders. So, the Navy’s share of the budget came down because of not spending what was allocated in those years. Gradually, we are picking up. We have given them a higher share in 2020-21. We have added more funds to their requirement. We will go back to the Government in RE stage again.”

### **Budget for Modernization**

3.6 The Committee have been informed by Ministry of Defence that there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). However, in FY 2019-20, amount of Rs.21,177.00 crore at BE stage and Rs. 24,226.00 crore at RE stage were allocated to Navy under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Capital Acquisition and New Schemes is carried out by Service Headquarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 21,645.39 crore (upto December, 2019) has been incurred in FY 2019-20.

3.7 The Committee desired to be informed about the additional funds sought by Navy and actual allocation provided to them at supplementary/ RE stage during the years 2018-19 and 2019-20. In this regard, the Ministry of Defence furnished the following information:

“Under Modernisation (Capital Acquisition) Head, Navy had sought additional allocation of Rs. 1,850.00 crore in first supplementary, Rs. 9378.73 crore at second Supplementary stage and Rs. 2,602.00 crore in third supplementary in FY 2018-19 for meeting expenditure on account of requirement of 10(i)/ emergency procurement; Naval air-field integrated security system; milestone payment of Dornier and ALH for coastal security scheme; likely contract conclusion of ASW shallow water craft; outgo envisaged in various projects - Varsha, Strategic projects, Seabird, etc. However, the Ministry did not receive any additional allocations at the Supplementary stages.

In FY 2019-20, Navy had sought additional allocation of Rs. 16,494.67 crore in first supplementary and Rs. 12,926.53 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on account of P8I, MRH and other Aviation schemes; Weapon equipment/ systems, missiles, torpedoes; Emergency procurements, custom duty payments; shipping projects, submarine cases; Varsha, Seabird, marine projects including Strategic Infrastructure Projects, etc. However, the Ministry did not receive any additional allocations in the first supplementary and second supplementary is yet to be approved by the Parliament.”

### **Force Level**

3.8 With regard to the force level in Navy, the Ministry of Defence had submitted the following information:

1. The envisaged life spans of Indian Navy platforms are as follows:-

(a) Ships/ Submarines.

Ser	Class of ship	Envisaged Life Span (Years)
(i)	Aircraft Carrier	35-40
(ii)	Destroyers	25
(iii)	Frigates	25
(iv)	Corvettes	25
(v)	Submarines	25
(vi)	Six Nuclear-Powered attack Submarines (SSNs)	25
(vii)	Tanker	30
(viii)	Landing Platform Dock (LPD)	25
(ix)	Landing Ship, Tank (LST)	25
(x)	The Landing Craft Utility (LCU)	20
(xi)	Anti-Submarine Warfare (ASW) vessels	25
(xii)	Missile Boats	25
(xiii)	Minesweepers	25
(xiv)	Coastal Security craft (XFAC/FAC)	15-20
(xv)	Survey Ships & Research Vessels	20-25
(xvi)	Offshore Patrol Vessels (OPVs)	20
(xvii)	Training Ships	20
(xviii)	OGT/MPV	20-25
(xix)	DSV	20
(xx)	TRV	20

(b) Aircraft. Life span of MR, Fighters and Helicopters is 20 years and for UAVs is 15 years.

3.9 On the issue of phasing out of vessels, planes and helicopters, the Ministry furnished the information as follows:

“Ships/ Submarines - The policy for ‘Disposal of Ships and Submarines’ has been promulgated by MoD on 10 August 2010. The policy lays down the guidelines for decommissioning of ships/ submarines, types of disposal, the disposal process, calculation of reserve price, and manpower which can be retained on board after decommissioning, till final disposal of the ship. The procedure has been further amplified through promulgation of a Navy Order within the Indian Navy (IN).

Considering that safety is of paramount importance in a ship/ submarines awaiting decommissioning/ disposal, the guidelines incorporate the procedure of hull inspection, maintaining of watertight integrity, berthing arrangements, monitoring of draught and fire safety, etc. A minimal crew is retained on the ship/ submarine for safety purposes.

Aircraft - The policy for de-induction (phasing out) of aircraft of Indian Navy has been promulgated vide GoI letter P1/Policy/NHQ/379 ID (N-IV)/ 2016 dated 09 December 2016. A detailed step by step procedure including stopping of flying, study by a Board for De-induction, analysis of Board recommendation followed by approval of Board proceeding and finally approval for disposal. The whole activity takes upto three years and all important stages are approved by MoD.

3.10 The Committee wished to be provided detailed information regarding induction and de-induction of submarines taken place during last fifteen years along with the plans envisaged for induction of submarines in LTIPP 2012-27. In this regard, the information, as follows, was submitted to the Committee:

“Induction of two Project 75 submarines has taken place in the last fifteen years viz. INS Kalvari (delivered to Indian navy (IN) 21 September 2017 and Commissioned 14 December 2017) and INS Khanderi (Delivered to Indian Navy (IN) 19 September 2019 and Commissioned 28 September 2019).

Presently, there are 15 conventional submarines and two Nuclear Submarines in the Indian Navy (IN). Majority of the conventional submarines are over 25 years old.

(a) **Induction/De-induction of Submarines in Last 15 Years.** Two conventional submarines have been inducted in the last 15 years (INS Kalvari in December 2017 and Khanderi in September 19). Further, three submarines have been de-inducted in the last 15 years (INS Vela in June 2010 and INS Vagli in December 2010, INS Sindhurakshak in June 2017).

(b) **Induction Plan.** CCS in June, 1999 had approved 30 years long term submarine Building Plan for indigenous construction of 24 conventional submarines by 2030. The programme comprises of two phases and the plan for induction of submarines in 12<sup>th</sup> plan and LTIPP 2012-27 is as follows:-

(i) **Phase I.**

(aa) **P-75.** Six submarines of Scorpene class (P 75) are to be constructed at Mazagon Dock Limited, Mumbai. Two Submarines of the project namely INS Kalvari and Khandari have been commissioned in December 2017 and September 2019 respectively. The balance submarines are likely to be

inducted every nine months. The last submarine is likely to be delivered in June 2022.

(ab) **P-75 (I)**. Six submarines are to be constructed under P-75(I) under the Strategic Partnership model promulgated by the Defence Acquisition Council (DAC) on 31 May 17. AoN for the case has been accorded by DAC on 27 February 2019. A multidisciplinary Empowered Project Committee (EPC) has been constituted by MoD on 15 February 2019 to steer the project from 'EoI issuance' to 'Contract Conclusion'. The Request for Expression of Interest (REoI) for shortlisting of SPs and Foreign, Original Equipment Manufacturer" (**OEMs**) was issued on 20 June 2019 and 02 July 2019 respectively. The response of SPs have been received on 11 September 2019. The response of Foreign OEMs have been received on 24 September 2019. The Request for Proposal (RFP) for the case would be issued in mid-2020. The induction of the submarines would be between 2027-32.

- (ii) **Phase II**. Twelve submarines of an indigenous design are envisaged to be constructed in India in this phase with the experience gained and technology absorbed from construction of submarines under Phase I.

3.11 On the issue of shortfall in submarines, a representative of Navy admitted as given hereunder:

"As regards the new submarines you referred to, we already have the Project 75. Two submarines have been commissioned. There are four more in the pipeline. With the Government's initiative of strategic partnership, 75 India, we have got the AON for six submarines for construction in India through a strategic partnership model but with the Indian OEM. This will address the adequacy. I must admit, Sir, we are slightly behind the curve. We do not have the numbers that we should have. But there are enough actions in hand to ensure that the gap is plugged."

3.12 With regard to the details of the various vessels presently under construction at various shipyards including their original targets, revised targets, if any, and also cost incurred till date in each one of them, the Ministry furnished that at many Naval vessels are under construction at various shipyards including DPSUs and private shipyards. These include 8 ships at Garden Reach Shipbuilders & Engineers Ltd, 8 ships at Mazagon Dock Shipbuilders Ltd, Indian Aircraft Carrier (IAC) at Cochin Shipyard Ltd, etc. There had been repeated time overruns in the said projects and also incurring cost overruns. In case of submarines, presently four P – 75 submarines are under construction at Mazagon Dock Shipbuilders Limited (MDL) where targets of delivery date has been revised leading to cost revisions also.

### **Modernization Plan of Naval Base Karwar – Under Project ‘Seabird’.**

3.13 The following information was submitted by MoD regarding modernization of Naval Base Karwar:

(a) Phase I. Infrastructure for 10 ships/ submarines and 10 yard crafts has been created as part of Project Seabird Phase I. The existing infrastructure includes a Naval Ship Repair Yard, berthing facilities for 10 ships/ submarines, a Shiplift of 10,000 T capacity, a 141 Bed Hospital, Armament facility, Residential Accommodation, Logistics Complex encompassing Material Organisation, Base Victualling Yard, Weapon Equipment Depot, sports and recreational facilities.

(b) Phase IIA. Project Seabird Phase IIA includes infrastructure to support 32 ships/ submarines and 23 yard craft. The CCS sanction was accorded on 06 December 2012 for Rs 13,161 crores on January 2010 rates, for augmentation of infrastructure and other facilities over a ten year period (Rs 19,603 crores with 6% escalation).

1. The following contracts are likely to be concluded in 2019-20:-

(a) MWC-03 Southern Piers Contract. MWC-03 includes construction of Piers 5, 6, covered berths for submarines at Piers 8 and 9 and Armament wharf which would provide 2320 m additional berthing space. The Contract for this package is likely to be concluded by April 2020.

(b) Maritime Warfare Centre (MWC)-04 Contract. WC-04 includes construction of four iconic 75 m high Covered Dry Berths (CDB) for undertaking repair and maintenance of ships and submarines etc. The Contract for this package is likely to be concluded by April, 2020.

(c) Residential Work Package DB-02. This package consists of construction of 2160 residential units as well as augmentation of naval hospital and other amenities. The Contract for this package is likely to be concluded by September, 2020.

(d) Residential Work Package DB-04. This package consists of construction of 1033 residential units and amenities for naval personnel as well as defence civilian employees. The Contract for this package is likely to be concluded by December 2020.

(e) Design Consultancy – Naval Air Station (DC-NAS). The contract for selection of the design and construction supervision consultant for the Naval Air Station (DC-NAS) is likely to be concluded by June 2020. The work package would envisage master planning for the air station, design of ATC and hangars, tendering action for



selection of works contractor and supervision during construction of Naval Air Station.

2. Other Bases/ Detachments. In addition to Naval Base Karwar, Indian Navy is progressing modernisation of Forward Operating Bases (FOB), Operational Turn Round (OTR) bases, Naval Detachments (NAVDETs) as follows:-

(a) Operational Turn Round (OTR) Port at Diglipur. Air Independent Propulsion (AIP) was accorded by MoD in March 2011 for setting up of OTR Port at Diglipur. The AIP includes only shore based infrastructure as the existing civil jetty at Diglipur is planned to be used by *IN* ships. DPR for Consultancy for Rs 1.4 crore has been completed by IIT Chennai and report submitted on 09 Aug 18. Inputs of all stakeholders on the interim consultancy report has been forwarded to IIT Chennai. Consultant team from IIT Chennai visited ANC from 03-05 July 2019 for discussion and finalising the layout plan. The infrastructure has been included in the 10 Year Infra Roll-on Plan of ANC, presently under deliberation at HQIDS.

(b) A Naval Detachment (NavDeT) at Androth. MoD had accorded AIP for expansion of existing NavDet by 4.82 acres in 2015. Post implementation of new land acquisition act, fresh case for land acquisition was forwarded to UTL administration on 30 Aug 16. The case is under examination for Social Impact Assessment (SIA) towards progressing with land acquisition by UTL. Approval of Administrator, UTL has been sought by NOIC (L&M) in December 2018 for acquisition of the land. Conduct of SIA for acquisition of the land is also being progressed with UTL.

(c) Naval Detachment (NAVDET) at Bitra. GoI sanction for acquisition of 2.18 acres land for establishing a NAVDET was accorded on 01 June 2016. Land acquisition is in progress. Board Proceedings (BPs) are under preparation for augmentation of infrastructure.

(d) FOB and 500 m Berth at Vizhinjam/ Enayam. Indian Navy (IN) has been pursuing acquisition of 500 m berthing space and 25 acres of land at Vizhinjam International Deepwater Multipurpose Seaport for setting up a FOB-cum-Mounting Port. The, proposed base, will facilitate basing of coastal security assets and co-location of Indian Navy (IN) amphibious assets, along with 91 Infantry Brigade based at Trivandrum. MoD has approved a Pre-Feasibility Study by VISL towards estimating the cost of the Project at this stage. M/s Adani Seaport limited, which is operating Vizhinjam International Seaport Limited (VISL) has offered a permanent 300 m jetty to Indian navy (IN) at an approx. cost of Rs 300 crores. The issue is under examination at Southern Naval Command, HQ (HQSNC).

(e) FOB at Haldia. Indian Navy (IN) had acquired 56.42 acres of land on a 99 year lease from Kolkata Port Trust (KoPT) in 1992 at an upfront payment of Rs 82,69,987 and token lease rent of Rs 1/- per acre per annum for 99 years. The land being in three different pockets, a proposal for exchange of the land with KoPT along with setting up of a FOB was pursued with MoD. AIP of GoI was accorded in May 19 for setting up of FOB at Haldia at a cost of Rs 226.89 crores including AIP for infrastructure, manpower and transport along with sanction for exchange of 56.42 acres of land with KoPT. Sitting-cum-Costing Board has been constituted by Eastern Naval Command, Head Quarter (HQENC)/ CWO for exchange of land and formulation of BPs for infrastructure.

(f) Lease of KoPT Boat Repair Yard. AIP of Honb'le RM has been accorded on 29 October 2019 for leasing 6954 sqm of land at KoPT Boat Repair Yard for 30 years for setting up of operational, administrative and training infrastructure for basing of FICs at Kolkata.

(g) Shifting of NIAT, Kochi And NASDO, Goa to Bengaluru. Indian Navy (IN) has been pursuing a case with MoD for Air Independent Propulsion (AIP) for acquisition of 84.38 acres of land at Bengaluru for shifting of the Naval Institute of Aeronautical Technology (NIAT), Kochi and Naval Aircraft Servicing Development Organisation (NASDO), Goa, and setting up a Base Depot Ship at Bengaluru, since April 2018. The case file had been cleared by MoD (Fin). However, the case was not recommended by JS (N) on the premise that the clause in the Govt of Karnataka (GoK) offer letter (as and when the State Government receives land in future from the Defence Department for the public purpose in Bengaluru City limits, the same will be adjusted based on the value and extent of the land granted now) would mandate MoD to offer another piece of land of Army/ Air Force in lieu, since *IN* has very limited land holdings in Bengaluru. Defence Secretary had, however, asked Integrated Headquarters of Ministry of Defence (Navy) IHQ MoD (N) to seek inputs of Army HQ and Air Force HQ on the issue. Inputs have been received from Indian Army (IA) and Indian Air Force (IAF), who have stated that all equal value land exchanges should be with the Service that hands over/ receives the land. The case was again forwarded to MoD, justifying that the clause is not binding, as well as the urgency to accord early AIP for the case, so that the GoK offer does not lapse. It was further highlighted that acquisition of land at Bengaluru is extremely critical, as it would partially address the acute requirement of *IN* to decongest Kochi and is one of the rare occasions when land has been offered by a State Govt, free of cost. MoD has returned the file under signature of Defence Secretary, indicating that the proposal 'does not seem workable', since IA and IAF are not committing to exchange

of land with GoK. Further course of action to take the case forward, is being deliberated at IHQ MoD (N).

(h) Formerly Neyveli Lignite Corporation Limited (NLC) at Gandhinagar Based on MoD directives, HQGD&D was shifted from Gandhinagar and started functioning from Porbandar w.e.f 27 November 2017. Subsequently, in February 2018, a case for setting up a NLC at Gandhinagar, consisting of two officers and six sailors (accretion basis) was taken up with MoD. The case file was once returned to IHQ MoD (N) in June 2018 with certain queries. The queries were suitably replied and the case file was forwarded to MoD in July 2018. The case though recommended by JS (N) (without manpower sanction), had been returned by AS (JN), seeking status on the number of buildings presently being hired by Indian Navy (IN) at Gandhinagar, without MoD approval. FOGNA is presently hiring two Govt bungalows and an office space at Karmayogi Bhawan at Gandhinagar. These have been hired under delegated powers and the rent is being paid by the DEO. The same was indicated and the case file was forwarded to MoD in July 2019. However, MoD had returned the file on 11 September 2019 directing that the case be resubmitted with a fresh proposal without manpower accretion, and confirming that hired office/ residential space is as per laid downscales. A fresh SoC has been forwarded to MoD on 04 October 2019 to progress the case.

(i) Alternate Naval Base on East Coast. Post AIP of the Vice Chief of the Naval Staff (VCNS), the case for leasing of the 260 m berth at M/s L&T shipyard, Kattupalli for a period of eight years (2022-2030) for interim berthing of IAC 1 on the East Coast has been taken up with MoD. The total financial implications for leasing the berth along with 'ready to use' infrastructure are Rs. 30.48 crores / year + Rs. 48 crores refundable deposit. The case is being progressed for early approval of MoD.

(j) Aerated Wastewater Treatment Systems (AWTS) at Kakinada. The case for AWTS, though recommended by JS (N), was returned by AS (JN) with approval of Defence Secretary raising questions on the fundamentals of the necessity of AWTS. A Note from VCNS to Defence Secretary (DS) highlighting the unsuitability of the existing training institutions to meet the requirements of the AWTS as well as emphasising the critical need to establish the AWTS at Kakinada was forwarded on 08 March 2019. The case was forwarded to MoD for reconsideration. MoD has returned the file on 23 September, 2019 under signature of the Defence Secretary asking Indian Navy (IN) to send a proposal (if required) to start this training at one of the existing training facilities. Further course of action to take the case forward is being deliberated at IHQ MoD (N).

3. Material Organisations/ Naval Aircraft Yards. Modernisation of following MOs/ NAYs is also being undertaken:-

(a) Material Organisation (Goa). Case for Modernisation of MO(Goa) has been concluded with M/s Ultra dimension Pvt Ltd Visakhapatnam at cost of Rs. 41.19 crore on 21 January 2019.

(b) Naval Aircraft Yards (Goa) and (Kochi). A case for modernisation of NAY's is being pursued by this directorate on Turnkey basis. DPR has been accorded on 20 March, 2019 at an estimated cost of Rs 540.8 crore. The RFP is likely to be issued in the fourth quarter of 2019.

4. Naval Airfields. The following projects are being progressed towards modernisation of Naval Airfields:-

(a) NAISS. Contract for setting up of Naval Airfield Integrated Security System (NAISS) for six Naval Air Stations was concluded with BEL (Bengaluru) for 605.16 crore on 22 January 2019. EDC for completion of project for all six Naval Air Stations is July 2021.

(b) MAFI. Modernisation of Airfield Infrastructure (MAFI) phase II is being progressed for nine Naval Air Stations by IAF as lead service. The CNC for the case has been concluded in Aug 19 and the report has been submitted for approval of CFA. Total cost of the project is Rs 1189 crore. Indian Navy share for various equipment to be installed at nine Naval Air Stations would be Rs 294.17 crore.

(c) ASR with MSSR. The case for procurement of 11 Airport Surveillance Radars with Monopulse Secondary Surveillance Radar (nine for Indian Navy (IN) and two for ICG) is being progressed by Indian Navy (IN). AoN was accorded for the case for Rs 697.30 crore on 24 February, 2014 under Buy and Make Indian Category. The Case is at CNC stage.

(d) PAR. A Contract for procurement of nine Precision Approach Radars (three for Indian Navy (IN) and six for IAF) was signed with M/s Data Patterns (India) Pvt Ltd for Rs 380.16 crore on 26 August, 2019. EDC for delivery of all nine Radars to Indian Navy (IN) and IAF is March 2023.

(e) RESS. A Contract was signed with M/s Three D Integrated Solutions Ltd, Gurgaon on 20 September, 2017 for procurement of 25 Rapid Erect Sun Shelter (RESS) at a cost of Rs 25.72 crore to provide covered parking for aircraft at six Naval Air Stations.

(f) Runway Extension. Runway extension at three Naval Air Stations is planned as infrastructure development:-

(i) Shibpur, A & N Islands. The length of runway at Shibpur will be extended by 400 feet at a cost of 35 crore in Phase I and further extension of runway to 10000 feet at a cost of 363 crore in Phase II.

(ii) Campbell Bay, A & N Islands. The existing runway will be extended by 1050 feet at a cost of 35 crore in Phase I and further extension by 5500 feet in Phase II for which RIC work is in progress.

(iii) Ramnad. Runway extension is planned from 3000 feet to 8000 feet at a cost of 937 crore.

### **Safety**

3.14 The implementation of Safety Consciousness is a process in continuation. However, the above remedial measures facilitate improvement in the working environment from the safety point of view, without curbing the traditional naval ethos of initiative and boldness. The Navy continuous to keep safety at work and in operations in prime focus and constantly endeavors to minimize accidents/ incidents through the established process of sensitization of personnel, adherence to safety check lists/ procedures and proper briefings/ debriefings

### **Manpower**

3.15 The status of Officers and sailors Personnel Below Officer Ranks (PBOR) manpower as on 30 June 2019 is as follows:-

(a) Officers. The shortage of Officers as on 30 June 2019 has been reduced to 11.2% from 21.46% in 2011 despite an increase in the Sanctioned Strength from 10405 to 12368 (18.86%). The details are tabulated as under:-

Year	Sanctioned Strength (SS)	Borne Strength (BS)	Shortage	% Short
2011	10405	8172	2233	21.46
2018	12180	10651	1529	12.60
2019/June	12368	10979	1389	11.20

(b) **Sailors.** The shortage of sailors has been nearly maintained despite an increase in the Sanctioned Strength from 63130 to 74272 (**17.64%** i.e. 11142) since 2011. However, with increased training capacity at INS Chilka, from earlier 1633 to 2800 and subsequent increase to 3000 by 2021, the shortages are expected to reduce at a faster rate and are likely to be mitigated in few years period. The details of Sailors' (PBORs) manpower as on 30 June 2019 is as follows:-

Year	Sanctioned Strength (SS)	Borne Strength (BS)	Shortage	% Short
2011	63130	48833	14297	22.65
2019/June	74272	58073	16199	21.89

(c) The results indicate that the measures undertaken are effective and are being continued.

3.16 The details of the training institutes for officers/sailors in the Navy are enumerated in the succeeding paragraphs.

1. **Officers' Training.**

Ser	Designation	Location
(a)	Indian Naval Academy (INA), Ezhimala	Kerala
(b)	Naval War College (NWC) Goa	Goa
(c)	Maritime Warfare Centre (MWC) Kochi	Kerala
(d)	Centre for Excellence for Leadership and Behavioural Studies, Kochi	Kerala
(e)	Naval Constructor Wing (Kochi)	Kerala

2. **Sailors' Training.**

Ser	Designation	Location
(a)	INS Agrani	Tamil Nadu
(b)	INS Chilka	Orissa
(c)	School of Medical Assistants (SOMA)	Maharashtra

3. **Officers' & Sailors' Training.**

<b><u>Ser</u></b>	<b><u>Designation</u></b>	<b><u>Location</u></b>
(a)	ASW School	Kerala
(b)	Diving School	Kerala
(c)	INS Dronacharya	Kerala
(d)	INS Hamla	Maharashtra
(e)	Institute of Naval Medicine (INM)	Maharashtra
(f)	Naval Institute of Aeronautical Technology (INM)	Kerala
(g)	Naval Institute of Hydrography (NIH)	Goa
(h)	Naval Special Warfare Tactics and Training Centre (NSWTTC)	Goa
(j)	NBCD School	Maharashtra
(k)	ND School	Kerala
(l)	Observer School	Kerala
(m)	INS Satavahana (Submarine School and Escape Training School)	Andhra Pradesh
(n)	School of Advance Undersea Warfare (SAUW)	Andhra Pradesh
(p)	School of Naval Airmen (SFNA)	Kerala
(q)	Indian Naval Ship (INS) Shivaji	Maharashtra
(r)	Signal School	Kerala
(s)	INS Valsura	Gujarat
(t)	Indian Naval Physical Training (INPT) School	Goa
(u)	INS Vishwakarma	Andhra Pradesh
(v)	Naval Provost & Regulating School (NP&RS)	Goa
(w)	Naval School of Music (INS Kunjali)	Maharashtra
(x)	Naval Institute of Educational Training Technology (NIETT)	Kerala
(y)	School of Naval Oceanography & Meteorology (SNOM)	Kerala
(z)	Seamanship School	Kerala

4. Periodic review of training, based on induction of new weapon/sensor systems is being undertaken regularly. The details are follows:-

(a) **Technicalisation of the Indian Navy.** Indian Navy has pursued the objective of 'Every-officer-a-B Tech' over the last decade. This is to enable Technicalisation of Indian Navy to meet requirement of modern technology. B Tech as basic educational qualification for all officers in the Indian Navy was a major initiative. B Tech at Indian Naval Academy was started in 2009 and B Tech at National Defence Academy (NDA) has commenced in 2016.

(b) **Simulator Based Training.** In keeping with the advancements in technology, modern and sophisticated training aids including working models of the real equipment are being induced into the Navy. Additionally, modern simulators/emulators for ships, submarine and aviation system have also been installed. For example, Damage Control Simulator is being used extensively for imparting training on simulated damage control on flooding exercises at Lonavala and Kochi; a Fire Fighting Simulator is being utilised at Lonavala; high end Ship Handling and International Regulations for Prevention of Collisions at Sea {Rules of Road (RoR)} simulators for simulated training to hone navigational and ship-handling skills are being effectively utilised at INA, ND School and in the Naval Commands. Aircraft simulators for Sea King helicopter, and Mig-29K fighters, etc. are also being extensively used. Likewise, two axis motion submarine simulators are also installed and being used. In addition, computer- based training packages are being extensively exploited for imparting training in all professional schools for both officers and sailors across the Navy.

(c) **Revision of Training Curriculum.** Indian Navy has a robust mechanism for upgradation of training curriculum to meet requirements of modern warfare. The system is based on 360<sup>0</sup> feedback from trainees, trainers and the ships/units. With the advancement in technology and the modern techniques, manpower in Indian Navy is trained at par with the best Navies in the world.

(d) **Training on Niche Technologies.** In consonance with the Govt. of India focus on capacity enhancement in the field of Artificial Intelligence (AI), Indian Navy (IN) has taken steady steps towards leadership in AI in the defence sector. Other technologies like Big Data Analysis (BDA), Machine Learning (ML), Operational Research (OR), etc. are also being given due impetus. Personnel are being trained in the subject in collaboration with industry and academia. Towards this, IN is subscribing to the Operations Research and Military Application Course (ORSA-MAC) at the Army Logistics University, USA. IITs and other reputed institutes are being engaged for the specialised training to equip Indian Navy personnel with skills and expertise in military decision making with respect to allocation of scarce resources, selection of new equipment and processes, optimal deployment of given resources to achieve required missions.



3.17 Further with regard to the measures being taken to bridge the shortfall in manpower the Committee were apprised that numerous steps have been taken by the *IN* to mitigate the deficiencies of manpower with enhanced emphasis on improved image projection/ publicity in audio, visual, print, internet, social media and holding career fairs, exhibitions, advertisements, motivational lectures in schools and colleges, etc. The major initiatives taken to mitigate the shortages are as follows:-

(a) **Enhancing the Infrastructure Capabilities of the Indian Naval Academy.**

The current capacity of Indian Naval Academy (INA) is 750 trainees. The interim expansion of the capacity to accommodate 1200 officer trainees is likely to be completed by 2020. The enhanced training capacity would enable larger inductions, thereby reducing shortages at a faster rate.

(b) **Additional Services Selection Board (SSB).** To augment the interviewing capacity provided by existing SSBs, a SSB at Diamond Harbour, Kolkata, has been commissioned in May 2019. In addition, CCS approval has been accorded for setting up of one more Selection Centre comprising three SSBs for the Navy. Against this approval, one SSB is already operational at a temporary location at Visakhapatnam since 28 July 2014. The construction of the Selection Centre is being progressed on priority. Once operational, more number of candidates could be sent for SSB interviews, thereby further facilitating large inductions.

(c) **Augmentation of INS Chilka Capacity for Sailors.** The training capacity of INS Chilka has been enhanced from 1633 to 2800 trainees per six months and is planned for further enhancement to 3000 trainees by 2020/21. The inductions of larger numbers in synchronisation with the augmented training capacity are being undertaken to mitigate the shortages and thereafter the endeavour would be to maintain the borne strength at the optimal levels.

(d) **Incentives to NCC Cadets.** In order to make the naval career attractive to the country's youth, the *IN* offers the following incentives to NCC Cadets opting to join the Navy as Officers and Sailors:-

(i) **Officers Induction.** 12 vacancies out of the 90 annual vacancies of the Graduate Cadet Special Entry Scheme (GSES) are reserved for NCC 'C' certificate candidates. These candidates are exempted from appearing the Combined Defence Services Examination conducted by UPSC.

(ii) **Sailors Recruitment.** The NCC candidates are given additional credit points which are added to the marks obtained in the written examination for

preparation of merit list. Additional credit of 6, 4 and 2 points are given to NCC 'C', NCC 'B' and NCC 'A' Certificate holders respectively.

(e) **Indian Navy Entrance Test (INET)**. Introduction of computer based online examination-Indian Navy Entrance Test (INET) has facilitated deep penetration and selection of candidates from a larger pool, thus enhancing quality. Also with the introduction of the INET, more number of eligible youth are able to apply for appearing in the exam at enhanced number of locations. The first test was conducted on 25 February 2018 for Artificer Apprentice entry with overwhelming participation of nearly 43000 candidates for 415 vacancies. The response has increased exponentially in all entry schemes. In February 2019, 6.33 lac candidates appeared for 2900 vacancies in sailor entry schemes. Since September 2019, the INET has been extended to all sailor entries and also to non-UPSC Direct Entry Graduate officer entries with overwhelming response (11765 candidates appeared in INET (Officers) held in mid September 2019 for 200 vacancies and 6,66,008 candidates appeared for sailor's entry for 3000 vacancies).

(f) **Recruitment Publicity**. Following publicity actions are being undertaken to increase awareness about various entries and jobs in the Indian Navy:-

(i) Printing of recruitment publicity material like calendar, diaries, pamphlets, posters blow-ups etc.. This publicity material will be distributed to students of various Schools/Colleges.

(ii) Special stalls/help desks are set up at various Exhibitions and Job Fairs.

(iii) Advertisements are also being placed in popular magazines/papers with Quick Response (QR) codes.

(iv) Visits to schools and colleges, including talks by alumni.

(v) Naval officers posted at Sainik/ Military Schools and RIMC to motivate students.

(g) **Films on the Indian Navy**.

(i) A movie on Navy titled 'Mission Navy' hosted on 'You Tube' and screened on National Geographic and also on Rajya Sabha Channel for popularising the Service amongst youth.

- (ii) A movie on National Geographic title “Inside Naval Academy” has been produced to motivate youth to join the Indian Navy.
- (h) **Candidate Friendly Recruitment Process.** A candidate friendly recruitment process has been implemented, incorporating the following:-
  - (i) Online applications.
  - (ii) Automated alerts and status updates.
  - (iii) MoU signed with Common Services Centres Special Purpose Vehicle (CSC SPV) to increase the reach of the Indian Navy’s Recruitment efforts, especially in the rural areas. By virtue of the MoU, youth can visit any of more than 1.45 lakh CSCs across the country and take their assistance, for filling up applications to join the Indian Navy at a very nominal fee.
- (j) **Navy Week Activities.** The following activities are conducted during Navy Week every year, to increase awareness about the Indian Navy:-
  - (i) Ships and establishments are opened to general public.
  - (ii) Visits by Naval ships are organised to small and medium ports of the country.
  - (iii) Medical Camps are organised at remote locations to make the Navy conspicuous and also render social service.
  - (iv) Navy Melas are organised to increase popularity of the Service.

## **CHAPTER IV**

### **JOINT STAFF**

The Committee have been given to understand that the role and charter of Joint Staff (JS) include bringing Jointness to Integrate war fighting, policy doctrine, training, intelligence and procurement by the three Services. From HQIDS ANC in 2001 with a budget of Rs. 50.21 crore to a budget of Rs. 4461.44 crore in 2020-21, the mandate of Joint Staff has been ever expanding. The task at hand is comprehensive and exhaustive involving Risk Assessment of potential adversaries, Formulating policy on Joint Employment/ Training for all Services, Long Term Integrated Perspective Plan/ Five year/ Roll on Plans & Defence Acquisition Council functions, Co-ordination of Defence Intelligence, Humanitarian Aid & Disaster Relief (HADR), Joint Staff Budget: Planning/ Allocation/ Monitoring, Cyber Security & Electro Magnetic Spectrum for Defence Services, Command & Control of Defence Space based Assets, Joint Employment of Special Forces, etc.

4.1 Details regarding the projections and allocations in respect of Joint Staff during the last five years including FY 19-20 and FY 20-21 are as follows:-

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2014-15	2825.24	2617.86	2576.09	2363.80	2280.90
2015-16	3415.39	2722.30	3036.82	2507.77	2532.72
2016-17	3927.66	3185.97	4012.66	3142.19	2921.21
2017-18	4185.53	3139.07	4127.46	3469.24	3026.98
2018-19	5796.53	3796.94	4776.21	3890.66	3661.61
2019-20	5422.83	4109.41	4,813.30	4,199.13#	2,617.93*
2020-21	5,893.10	4,461.44#			

\*Figures are upto December, 2019

# Figures are as per ceilings conveyed by Ministry of Finance and are subject to approval of the Parliament.

## **Revenue Allocation**

4.2 Revenue allocation has two components, salary and non-salary. The details for salary account are as given hereunder:

(Rs. in crore)

<b><u>Joint Staff - Salary Allocations (Less SFC)</u></b>			
<b>Sub Head</b>	<b>BE 19-20</b>	<b>RE 19-20</b>	<b>BE 20-21</b>
A (Salary Service Pers)	1866.99	1866.99	2160.83
B (Salary Civilians)	292.94	282.59	309.97
Total Revenue Salary	2159. 93	2149.58	2470.80

- **Increase over BE 2019-20 by 14.4 %**
- **Increase over RE 2019-20 by 15 %**
- **79 % of total Revenue & 60 % of total allocations to Jt Staff (Less SFC)**

4.3 As far as non-salary revenue budget is concerned, it includes expenses for travels and transport, stores, disaster management, miscellaneous, etc. In the year 2015-16, the allocation was 83 per cent of projection while in the year 2020-21, the allocation is 42 per cent of the projection. The Committee during power point presentation, were informed that the BE allocation is 70 crore lesser than BE 2019-20 and Rs. 196 crore less than RE 2019-20 which accounts for 9 per cent and 23 per cent respectively.

(Rs. in crore)

<b>Year</b>	<b>BE</b>	
	<b>Projection</b>	<b>Allocation</b>
2015-16	677	563
2016-17	856	580
2017-18	996	626
2018-19	1177	655
2019-20	1512	851
2020-21	1548	655

4.4 The various sub-heads under non-salary revenue include - Miscellaneous expenditure projection was Rs. 660.94 crore while allotment is 294.00 crore. The Committee were informed during ppt that the carry forward burden from previous year is Rs. 32.14 crore. Hence, the net availability is Rs. 261.86 crore. Thus, the net shortfall is Rs. 399.08 crore. The Implications of shortfall in miscellaneous expenditure include inability to operationalisation of Defence Space Agency (DSA) / Defence Cyber Agency (DCA) / Armed Forces Special Operations Division (AFSOD). Lower Operational readiness of the Andaman and Nicobar Command (ANC) Ships as impact on annual refit plans, maintenance of SIGINT equipment, Impact on Administration of Training Institutes and operational units. In case of travels and transportation, the projection was Rs. 179.40 crore and allotment Rs. 88.70 crore. Also, the carry forward liability of Rs. 10.00 crore from last year leads to net availability of Rs. 78.70 crore only and hence net shortfall is Rs. 100.70 crore. The implications of shortfall in this budget is Likelihood of 'Breakdown' of Essential Services, Transport contracts (land/sea/air) likely to be violated leading to legal implications which will further lead to carry forward liabilities. In case of stores, the projection is Rs. 338.50 crore and allotment is Rs. 184.00 crore, and a carry forward liability of 40.00 crore leaves net availability of Rs. 144.50 crore and net shortfall of Rs. 194.50 crore. The implications would include Non-payments to M/s IOC (fuelling of ANC ships), delay in operationalisation of DSA, denial of IT training and creation of IT infrastructure at training institutes like NDA, Defence Services Staff College (DSSC) and College of Defence Management (CDM), denial of entitled items to cadets undergoing training at national defence academy. Other requirement is tariff charges which accounts for 120.00 crore alone. The maintenance of vingage infrastructure of training institutes is also affected. Allocations under revenue works is only Rs. 83.53 crore against a projection of Rs. 329.01 crore. Which is grossly inadequate.

- Operational readiness of ANC Ships
- Operational Works of Field Units
- Op Readiness of
- Training
  - Training at NDA /DSSC /CDM will be affected
  - Upgradation of Training Infrastructure
  - Provisioning of entitled Items to NDA cadets.
- Administrative
  - Hiring of CHTs /Porter /Ponies / Offshore Supply Vessels
  - TA /DA / Permt Mov/ LTC Payments

- Outsourcing of Manpower Contracts
- Revenue Works including Maintenance Works
- Impact on Infrastructure Maintenance of Operational Units
- Poor Maintenance of Vintage infrastructure of Trg Institutes

### **Capital Budget**

(Rs. in crore)

Sub-head	BE 19-20	RE 19-20	BE 20-21
Acquisition	322.45	262.93	306.92
Land/Works	544.09	613.94	652.01
Total Capital	866.54	876.87	958.93

- Increase over BE 2019-20 by 10.6 %
- Increase over RE 2019-20 by 9.4 %
  - BE 20-21 Allocations are considered adequate Status shall be reviewed at RE stage

### **Budget Analysis 2019-20**

4.5 Details of additional requirements projected under Revenue and Capital heads in respect of Joint Staff at RE 19-20 stage is as under:-

(Rs. in crore)

	Revenue	Capital	Total
BE Allocation	3,180.51	928.90	4,109.41
RE Projection	3,621.65	1,191.65	4,813.30
Additional amount sought in RE	441.14	262.75	703.89
RE Allocation	3,270.23	928.90	4,199.13

2. In first supplementary, Jt. Staff had sought: Rs. 13.40 crore under Revenue and Rs. 12.51 crore under Capital Head in the FY 2019-20. However, the Ministry did not receive any additional allocations in the first supplementary.

3. The allocated funds were optimally and fully utilized toward operational activities. It was ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness.

## **Observations/Recommendations**

### **ARMY**

#### **Budgetary Allocations**

1. The Committee find that the total budgetary projection of Army in BE 2020-21 including both Capital and Revenue parts, was Rs. 2,15,601.88 crore against which an allocation of Rs. 1,78,248.26 crore has been made. This amounts to a shortfall of Rs. 37,353.62 crore. The allocation to Army in RE 2019-20 was Rs. 1,72,440.73 crore. So, there is an increase of Rs. 5,807.53 crore in BE 2020-21 when compared to RE 2019-20. With regard to the gap between projection and allocation, the representatives of Ministry of Defence candidly admitted that gap between projections and allocations had been a common feature across all Departments. Nevertheless, the Ministry of Defence has undertaken a number of measures to bridge the gap. There are certain domains where money is not spent, so some of the schemes roll over to the next financial year and accordingly, Army prioritizes their scheme and expenditure. However, the Committee were assured that Army maintain an all-time operational efficiency to undertake any mission or challenge coming their way. An analysis of Revenue and Capital budget is specified in succeeding paras.

2. The Committee also find that the Budgetary projection of Army under Revenue Head, for 2020-21 was Rs. 1,65,228.28 crore and the allocation Rs. 1,45,785.88 crore, hence, a shortfall of Rs. 19,442.40 crore is registered. The allocation in 2020-21 is slightly higher than RE 2019-20 allocation of Rs. 1,42,773.83 crore. The Committee were given to understand that the allocation are made as per ceilings conveyed by Ministry of Finance and budgeting constraints. The Committee observe that the budget shall cater to the requirements of inflation, tariff payments and Goods and Services Tax which are consequential charges implied by Governmental decree. The Revenue Budget comprises of two segments, Pay and Allowances and Non-salary. Under the Pay and Allowances head projection was Rs. 1,15,976 crore and allocation, Rs. 1,12,525 crore. The Committee express their concern over shortfall of Rs. 3, 451



crore in Pay and Allowances Head as it is a mandatory outgo. The representatives of Ministry of Defence submitted that Pay and Allowances being First Charge, the Shortfall will be met at RE stage. The Committee comprehend that Pay and Allowances is a unqualified estimation therefore, budget under this Head shall be unqualified. Although, the deficit is not of conspicuous magnitude, yet the implication could be on other expenses in RE stage. The Committee, therefore, recommend that the at RE stage budget for Pay and Allowances shall be exclusive and should not affect any other sub-Head of Revenue Budget.

3. The Non-salary Revenue projection of Army in BE 2020-21 was to the tune of Rs. 50,603 crore whereas the allocation, Rs. 35,189 crore, hence accounting to a shortfall of Rs. 15,414 crore. The Non-salary Revenue budget fosters requirement of store, maintaining war reserves, works, transportation, ex-servicemen contributory health scheme and miscellaneous grants. The Committee were apprised that the shortfall has been distributed based on prioritization and critical requirements under various Heads and additional funds will be required at RE stage. The Committee observe that the impact of shortfall under this Head would be on stores, training and routine sustenance and maintenance of equipment and infrastructure which are critical components of operational preparedness of Army.

4. In continuation of the observations made in above paras on Revenue Budget, the Committee find that during the previous years, Army had been able to completely exhaust their funds under Revenue Head. In 2017-18, Army had spent an amount of Rs. 1,27,507.48 crore against the RE allocation of Rs. 1,21,451.80 crore. Again in 2018-19, the final expenditure of Rs. 1,34,241 crore surpassed the RE allocation of Rs. 1,29,812.34 crore. While keeping in view the expenditure pattern of Army in respect of Revenue budget over the past financial years and the enormous mandate at the hands of Army, the Committee urge upon and recommend that Ministry of Defence shall consider providing adequate funds to them in Revised Estimates of 2020-21 at least.

5. The projection in Capital budget of Army for 2020-21 was Rs. 50,279 crore while the allocation, Rs. 32,436 crore, leading to a deficit of Rs. 17,843 crore. The Capital budget comprises of two components, Capital acquisition and infrastructure. In case of Capital budget, there is an increase of 10 per cent over the BE of previous year. The budget for Capital acquisition includes modernization against which an amount of Rs. 15,959 crore have been earmarked. Also, Rs. 4,405 crore had been dedicated for emergent procurements and Rs. 5,705 crore for in-service replacements/upgrades by ordnance factories. The Committee are happy to note that capital acquisition and modernization needs of Army have been given the necessary allocation. However, the impact of shortfall of Capital budget, as revealed to the Committee would include deferment of committed liabilities of DPSUs, hampering new schemes for modernization, major repairs, and non-servicing of Committed liabilities for construction works. On gleaning through the documents submitted by Ministry, the Committee explored the spending pattern of Army during the past financial years and found it to be satisfactory. In 2017-18, RE allocation was Rs. 26,815.71 crore and expenditure, Rs. 27,438.66 crore. The RE allocation in the FY 2018-19 was Rs. 26,815.71 crore and expenditure, Rs. 27,438.66 crore. The Committee opine that the modernization thrust in Army shall not only be limited to equipment and arms and ammunition, but due impetus shall also be given to upgradation of basic amenities and infrastructure. Accordingly, they recommend that Ministry of Defence shall channelize necessary fund towards Capital expenditure and provide adequate funding at RE stage.

#### Ratio between Revenue and Capital allocation

6. From the examination of Demands for Grants of Ministry of Defence, the Committee take note of the fact that the Revenue to Capital ratio Army has been inclining towards the Revenue side cumulatively. In the present FY it is 83:17. During deliberations on Demands for Grants, the Committee were apprised that the ideal ratio between Revenue and Capital budget is 60:40 which is also a guideline. However, further, it was added by the representatives of Army that owing to unsettled borders and constrained internal security environment in Jammu and

Kashmir and also in the North-Eastern parts of India, boots on the ground are quintessence and therefore a large standing army is inevitable. This is one of the causes that the ratio at the moment is more biased towards Revenue expenditure than Capital acquisitions. Nevertheless, it was also brought to the knowledge of the Committee that Army is leveraging technology and also adopting other measures in respect to better efficiency in spending where revenue expenditure could be reduced. The Committee acknowledge the kind of tasks to be performed by Army at this juncture. However, they desire that consistent efforts are made towards optimum utilization of budget for Capital acquisition and modernization of infrastructure in Army which shall be reflected in budget pattern during coming years.

#### **Budget for modernization**

7. The Committee, while examining Demands for Grants 2020-21 found that in the FY 2028-19, under Modernisation (Capital Acquisition) Head, Army had sought additional allocation of Rs. 16,293.19 crore in first and Rs. 13,400.08 crore in second and third supplementary stages for meeting expenditure on account of Committed Liabilities for HAL projects; cash outgo for Apache; vehicles being procured ex-trade by Master General Ordnance; emergency power procurement and critical 10(i) and Committed Liabilities of existing contractual terms and liabilities. However, the Ministry did not receive any additional allocations at the supplementary stages. In FY 2019-20, Army had sought additional allocation of Rs. 13,978.42 crore in first supplementary stage and Rs. 8,118.00 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on account of payments to HAL; Foreign Committed Liabilities, DPSUs; Brahmos; private vendors, critical vehicles, etc. However, the Ministry did not receive any additional allocations in the first supplementary and second supplementary stage as it is yet to be approved by the Parliament. The Committee also find that in financial year 2019-20, Rs. 15,798.70 crore had already been spent as on 31.12.2019 for Capital acquisition. In this connection, the Committee recommend that the allocation of Rs. 8,118.00 crore under modernization shall be considered for approval, otherwise, some of the important projects would be derailed consequently augmenting carry over liabilities to 2020-21 summing up to the financial constraints of Army. Moreover, deferred

payments may invite legal implications. To obviate such a situation of truncated finances, the Committee recommend that Army may be given additional funds at the supplementary grants stage so that the capital acquisitions are not hampered. With regard to modernization, the Committee further recommend that due emphasis shall be given to induction of robotics and laser technologies in Army and requisite funds be channelized towards this.

### **Indigenization**

8. The Ministry of Defence informed the Committee that during the year 2018-19 and current year 2019-20 (upto 31.12.2019), out of the total 22 contracts signed, 12 contracts were signed with the Indian vendors for capital procurement of defence equipment such as bullet proof jackets, electronic fuses, Light Strike Vehicles, FAT, EW System, TI Sights, Bridges for Indian Army. The expenditure on Capital acquisitions for Army during 2018-19 and 2019-20, on indigenous contracts was Rs. 16,896.59 crore and Rs. 8,366.63 crore (upto December,2019) respectively. The Committee note that after completion of three quarters of 2019-20, only Rs. 8,366.63 crore had been spent on indigenous procurement which is only about half of the FY 2018-19.

9. Further, with regard to indigenization, the Committee wished to be updated on whether any funds are dedicated exclusively for acquisition from indigenous sources. The Ministry of Defence apprised the Committee that no separate funds have been dedicated for acquisition from indigenous or foreign sources. The Committee, recommend that the Ministry of Defence shall explore possibilities of earmarking some percentage of funds while allocating annual funds for acquisition from Indian sources. This would complement the indigenization efforts. Obviously, while doing so national security should be held paramount as such efforts would lead to self-sufficiency in the long run.

10. The Committee wished to be apprised whether the Ministry of Defence had evaluated the cost of production, quality of products and technological advancement of products procured by Army through Ordnance Factories. The Committee came to

know that Ordnance Factories are also involved in manufacturing of caps, socks, belts, badges, shoes etc. They learn that a major portion of Army's budget is consumed in procurement from Ordnance Factories Board. In this respect, the Committee were intimated that presently the Ministry have started identifying and categorizing the things to be procured from Ordnance Factories as core and non-core items. The services have to procure core items from OFB. For non-core items, the services do not have to mandatorily go to OFB. Regarding cost, the representatives of Ministry admitted to having costing issues and assured the Committee that the aspect is being looked into. For the purpose a committee under the Principal Adviser(Cost) have been set up to look for the best methodology of costing OFB products and trying to make them more competitive. The Committee duly acknowledge that OFB was set up with a particular mandate and created a lot of infrastructure to meet strategic requirements. Therefore, they need minimum orders to keep sustaining. However, the Committee, at the same time, urge upon the Government to assess the cost that Army has to bear due to excesses of products procured through OFB. The Committee recommend that essential steps are taken in this direction so that Army is able to utilize its share of funds more efficiently in a competitive milieu.

### **Planning**

11. The Committee found that the Ministry of Defence stated that the acquisition of Weapon Systems and equipment for the Army flows from the Long Term Integrated Perspective Plan (LTIPP). The current LTIPP spells out the capability desired to be achieved by the Army over the 15 years duration from 2012 to 2027. The LTIPP is translated into specific assets to be acquired, in the form of Services Capital Acquisition Plan, covering a five year period. From the Services Capital Acquisition Plan (SCAP), a list of equipment and weapon systems required to be procured immediately is approved in the form of the Annual Acquisition Plan (AAP). The AAP is a 2 year roll on plan. During the 12<sup>th</sup> Plan period 106 contracts with a total value of Rs. 53,273.51 crore have been signed for Capital Acquisition of the equipment critical for Indian Army. During the 13<sup>th</sup> plan (2017-18, 2018-19 & 2019-20 up to 31.12.2019),

47 contracts with an approximate total value of Rs. 62,280.12 crore have been signed for Capital Acquisition of the equipment critical for Indian Army not mentioned in the Report. The Committee recommend that a regular monitoring of the progress of procurement cases is done at the highest level so as to ensure that the Armed Forces are equipped to meet the entire spectrum of security challenges.

### Clothing

12. During the course of examination of Demands for Grants, the Committee expressed concern over availability of clothing, and snow goggles for troops of Army in Northern and Eastern sectors. The Ministry of Defence assured the Committee that the necessary items are adequately provided with. Contracts are annually signed for procurement of clothing etc. In this respect, the Committee recommend that a proper mechanism should be developed to publicize the accurate information so that any miscommunication in public domain is promptly rebutted.

### Manpower

13. With regard to the status of manpower, the Committee found that as against authorised strength of 50,312 officers and 12,23,381 JCOs/OR of Indian Army there is held strength of 42,913 officers and 11,85,146 JCOs/ORs as on 01 January, 2019. Further, it was brought to the knowledge of the Committee that order to meet this deficiency, a proposal to enhance the intake through Short Service Commission by making it more attractive is at an advanced stage of consideration at the Tri Service level. Besides, a total of 88,207 vacancies of JCOs and ORs have been released for recruitment during the recruiting year 2019-20. The recruitment is currently under progress. As on date, a total of 58,836 recruits are under training. Hence the existing deficiency in Junior Commissioned Officers/Other Ranks will automatically get made up on passing out of the recruits, post completion of training. The Committee believe that the cumulative effect of the above stated measures would expedite the process so that the gap is bridged at a faster rate.

14. On the issue of manpower, the Committee opine that optimization of manpower in Army shall be considered in Ministry of Defence. During, evidence, the Committee were apprised that proposal for induction of officers and JCOs for a fixed period (10-15) years and thereafter releasing them with a lump sum amount along with certification is well under consideration. The Committee endorse the proposal as this would also help keep Army young. However, the Ministry of Defence shall also contemplate upon endowing post-release avenues of employment so that the individual can take up a second round of career in accordance with the skill acquired during tenure in Army. Any efforts made in this direction may be brought to the knowledge of the Committee.

#### **Protection from corona virus.**

15. The Committee desired to be apprised about the measures being taken to protect our troops from spread of corona virus. In this regard, they were assured by the representatives of Ministry of Defence that all necessary precautions to safeguard our troops from the virus is being taken. Since, the virus can spread in animals also, all the meat products for supply to soldiers are properly examined. Army is also in regular contact with Ministry of Health and Family Welfare and all the instructions are being stringently followed. Further, the Committee were informed that even for civilians, Army had arranged camps at some places including Manesar, Jaisalmer, Pune etc. for monitoring those who had come back from China. The Committee appreciate the efforts made by Army in this direction and desire that the same are continued as per the developments. They would also like to be apprised of favorable and unfavorable developments that take place subsequently after augmenting all the measures as brought out in this paragraph.

#### **Exhibitions in various constituencies**

16. In course of examination of Demands for Grants, during deliberations, the Committee desired that Army shall endeavor to organize exhibitions for Members of Parliament and general public in various constituencies with an aim to increase

interest and awareness about the Force. In this connection, the representatives of Army intimated that the Hon'ble Members of Parliament and Legislative Assemblies do organize a fete 'Know your Army' in their respective Parliamentary constituencies, where a display of equipments and other capabilities is arranged. The Committee desire that Army increasingly boost such programmes with involvement of political representatives of the area including Hon'ble Members of Parliament and Legislative Assemblies so that a better connect with public at large is established and optimum outcome of such activities is generated.

## **AIRFORCE**

### **Budgetary Provisions**

17. The Committee learn that the Budgetary projection of Air Force for BE 2020-21 including both Revenue and Capital Head was Rs. 1,10,111.46 crore and the allocation actually provided is Rs. 73,244.57 crore. This amounts to a shortfall of Rs. 36,866.89 crore. In this regard, the Committee were informed that the allocations are as per ceilings conveyed by Ministry of Finance.

18. The projection in case of Revenue Budget of Air Force in BE 2020-21 was Rs. 43,904.17 crore and allocation Rs. 29,962.66 crore. The Revenue Budget include salary and non-salary components. A shortfall by a magnitude of Rs. 13942.51 crore is conspicuous with respect to the sustenance and maintenance, training, 10(i) procurements, etc. Any compromises also has a cascading effect on the operational preparedness. Time and again, humanitarian assistance task is also bestowed upon Airforce thereby increasing the fuel and other maintenance cost of air assets. In light of all this, the Committee urge upon and recommend the Government to consider provision of adequate funding under Revenue Head to Indian Air Force as the national security is paramount.



19. The projection in case of Capital Budget of Air Force in BE 2020-21 was Rs. 66,207.29 crore and allocation Rs. 43,281.91 crore. There is a shortfall of Rs. 22,926.38 crore. The acquisitions planned by Air Force for the year 2020-21 include Transport Aircraft and associated critical Equipment as a replacement of Avro aircraft, MAFI Phase-II, Upgrade of UAV Systems, Project 'Cheetah', Digitisation of Pechora, LCA, LCH (LSP), Avionics Upgrade of IL-76, IL-78 and AWACS& Re-engining of IL-78 Aircraft, Harop (P-IV), Addl AWACS (IL-76), Procurement of CQB Carbines and SPS for Wide Bodied Corporate Jets. The Committee note that a demand-supply deficit of funds by almost one-third of the quantum would certainly hamper the pace of planned acquisitions. The Committee wish that the critical capabilities are not overlooked and Air Force consistently advances on the path of modernization trajectory. The Committee specifically recommend for giving impetus to induction of Unmanned Aerial Vehicles (UAVs) and drones in Indian Air Force. The Government shall assure influx of essential funds towards this objective.

#### Revenue to Capital ratio

20. In course of examination of Demands for Grants 2020-21 of the Ministry of Defence, the Committee observed that there had been a steady rise in share of Revenue budget of Air Force in comparison to the Capital budget of Air Force. In the FY 2014-15, the share was 8.95 per cent which hiked to 9.70 per cent in the year 2019-20. Whereas, the Capital budget share was 23.67 per cent in 2014-15 which came down to 22.59 per cent in 2019-20. The Committee observe that Air Force is primarily a capital intensive Service, therefore, a consistent tilt towards Revenue budget merits attention. Regular infusion of fighter squadrons and trainer aircraft as well as their upkeep is a pre-requisite of any accomplished Air Force. The Ministry of Defence shall contemplate upon the issue and find out ways of making Air Force Revenue budget more prudent through leveraging technology.

### **Budget for Modernization**

21. The Committee found in FY 2019-20, an amount of Rs.36,409.89 crore at BE stage and Rs. 41,799.89 crore at RE stage were allocated to Air Force under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes) and against these allocations, an expenditure of Rs. 35,027.06 crore has been incurred in FY 2019-20 upto December, 2019. The funds have been expended on the projects for procurement of Five firing units of S-400 Long Range Surface to Air Missile (LRSAM) system, Supply of 70mm Rockets for ALH(WSI), Procurement of Two Explosive Decompression Chamber and Rapid Recompression Chamber, Seven Sqns of Akash Missile Systems, Precision Approach Radar (PAR), and CBRP Schemes (22+49=71 Schemes). Air Force had sought additional allocation of Rs. 40,002.87 crore in first supplementary and Rs. 27,580.63 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on Committed Liabilities, outstanding dues against DPSUs/ PSUs, etc. However, the Ministry did not receive any additional allocations in the first supplementary and second supplementary is yet to be approved by the Parliament. The Committee were informed that there are planned acquisitions for the year which include various critical assets and platforms.

## **INDIAN NAVY**

### **Budgetary Provisions**

22. The Committee can see that the projections and allocations in respect of Navy in BE 2020-21 are Rs. 77,506.27 crore and Rs. 49,623.03 crore respectively. This amounts to a shortfall of Rs. 27,883.24 crore. The allocation in BE 2019-20 was Rs. 45,367.14 crore which was raised to Rs. 48,943.14 crore in Revised Estimates of 2019-20. Evidently, there is an increase of Rs. 4,255.89 crore when compared to BE 2019-20, which account to an approximate hike of 9 per cent. However, in relation to RE of 2019-20, there is minor addition of Rs. 679.89 crore in BE 2020-21. For Navy also, the Committee were apprised that the figures are as per ceilings conveyed by Ministry of

Finance and are subject to approval of the Parliament and the allocated funds were optimally and fully utilized toward operational activities. It was ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Indian Navy. The Naval budget constitutes two segment, Revenue and Capital. A separate examination of both the segments is explained in succeeding paragraphs dealt hereunder.

23. In case of Revenue Budget the projection for BE 2020-21 was Rs. 32,237.96 crore, whereas allocation, Rs. 22,934.75 crore. Hence, amounting to a shortfall of Rs. 9,303.21 crore. While deliberating on Demands for Grants 2020-21, the Committee also looked for the past record of Naval spending and found it to be satisfactory. In case of Revenue Budget, in 2017-18, against a RE allocation of Rs. 18,878.93 crore, Navy had eventually expended Rs. 18,715.05 crore which the Committee appreciate. In the year 2018-19, against RE allocation of Rs. 20,795.04 crore, an amount of Rs. 20,856.23 crore were actually spent. On taking into account the expenditure pattern exhibited by Navy, the Committee feel that appropriate funds shall be provided to Navy under Revenue Head so that maintenance and training curriculum are not compromised as they are imperative for operational preparedness of Navy.

24. The Capital budget projection of Navy in BE 2020-21 was Rs. 45,268.31 crore and the allocation, Rs. 26,688.28 crore, thus, leading to a shortfall of Rs. 18,580.03 crore. The allocation is nearly only 60 per cent of the projection. In respect of Capital Budget, the Committee had noted that Naval spending in previous years were optimal. In the year 2017-18, Rs. 20,118.58 crore were expended against an allocation of Rs. 19,348.16 crore. Later in 2018-19, Rs. 20,890.87 crore were allocated and Rs. 21,509.60 crore were spent. In the current financial year i.e. 2019-20, RE allocation was Rs. 26,156.43 crore, and meanwhile Rs. 23,050.79 crore had already been spent in three quarters i.e. upto December, 2019. The Committee opine that a vibrant capital expenditure echoes technological advancement and infrastructure modernization, therefore providing a budget which is merely sixty per cent of the projected requirement is inadequate. They recommend that necessary funds commensurate to

the requirements of Navy should be channelized towards its capital budget in additional/supplementary grants stage.

25. On the issue of budgetary constraints, the Committee were apprised during oral evidence, that Ministry of Defence is initiating to explore some extra budgetary resources such as creating a renewal fund and executing certain projects through self-financing model. The Committee are happy at the initiative of exploring extra-budgetary resources which they feel have been long-due. The measures taken in this direction shall be brought to the knowledge of the Committee.

#### **Budget for Modernization**

26. The Committee found that there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). However, in FY 2019-20, amount of Rs.21,177.00 crore at BE stage and Rs. 24,226.00 crore at RE stage were allocated to Navy under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Capital Acquisition and New Schemes is carried out by Service Headquarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 21,645.39 crore (upto December, 2019) has been incurred in FY 2019-20. Scrutiny of the facts and figures given to the Committee reveal that in FY 2019-20, Navy had sought an additional allocation of Rs. 16,494.67 crore in first supplementary and Rs. 12,926.53 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on account of P8I, MRH and other Aviation schemes; Weapon equipment/ systems, missiles, torpedoes; Emergency procurements, custom duty payments; shipping projects, submarine cases; Varsha, Seabird, marine projects including Strategic Infrastructure Projects, etc. However, the Ministry did not receive any additional allocations in the first supplementary and second supplementary is yet to be approved by the Parliament.

27. In this connection, the Committee find it pertinent to mention that under Modernisation (Capital Acquisition) Head, Navy had sought additional allocation of Rs. 1,850.00 crore in first supplementary, Rs. 9378.73 Crore at second Supplementary stage and Rs. 2,602.00 Crore in third supplementary in FY 2018-19 for meeting expenditure on account of requirement of 10(i)/ emergency procurement; Naval air-field integrated security system; milestone payment of Dornier and ALH for coastal security scheme; likely contract conclusion of ASW shallow water craft; outgo envisaged in various projects- Varsha, Strategic projects, Seabird, etc. However, the Ministry did not receive any additional allocations at the supplementary stages.

28. The Committee observe that major portion of Modernization budget of the Financial Year 2019-20 has been already been consumed till December 2019 and many important procurements of Navy are there in the pipeline. In light of the budgetary position expressed above, the Committee recommend that Government shall consider approving essential funds for capital acquisition of Navy in supplementary grants unlike 2018-19 when Ministry did not receive any additional allocations at the supplementary stages.

#### **Revenue to Capital Ratio**

29. During the course of deliberations on Demands for Grants 2020-21, on gleaning through the documents and sifting of the information submitted by the Ministry of Defence, the Committee find that there had been a consistent rise in share of Revenue budget in comparison to the Capital budget of Navy. The said percentage has increased from 6.10 per cent in 2014-15 to 7.28 per cent in 2019-20. In case of Capital segment, percentage share was 10.41 per cent in 2014-15 which declined to 7.58 per cent in the year 2019-20. The Committee view that a constant shift towards Revenue budget showcases apathy towards modernization expenditure as the later emanates from Capital budget. The Committee recommend the Ministry of Defence to pay optimal attention for capital expenditure ensuring Navy's progress on modernization trajectory is not hampered.

30. On the issue of reduction of overall share of Naval budget, the Committee were given to understand that during earlier years for some reason Navy had not been able to consume funds optimally and had been large quantum of surrenders. Therefore, the share had also plummeted over the earlier years. However, in the recent years, after improvement in the expenditure pattern, Naval budget has also started rising. The Committee observe that Navy holds prominence not only from security point of view but also country's trade. There is vast maritime domain under jurisdiction of Indian Navy with large number of shipping lines. Humanitarian assistance during natural calamities is also a vital task at the hands of Indian Navy. Considering the position stated above, Navy surely holds great prominence in international diplomacy and in the 'Blue Economy' as well. Therefore, it is desirable that Navy persistently gets reasonably justifiable share of Defence budget and it also ably utilize the budget allocations.

#### **Force Level**

31. During course of examination on Demands for Grants, the Committee find that Induction and de-induction of air assets and vessels in Navy are a continuous process. A large number of platforms of Navy is under construction at various shipyards. The Committee desire that various acquisitions/procurements are processed within stipulated timeframe and persistent cost and time overruns are prevented. Steps taken in this direction are brought to the knowledge of the Committee.

32. After going through the data submitted by Ministry, the Committee find that most of the existing submarines in Navy are more than 25 years old and extension is given after refits etc. At the same time, the Committee also found that envisaged life span of a submarine is 25 years. In this regard the representatives of Navy admitted that presently they are behind the curve, in this particular area but ensured the Committee that certain measures are being taken to plug the gap. The Committee earnestly desire that necessary steps are taken to acquire new submarines as they hold great significance when it comes to naval potency.

### **Modernisation Plan of Naval Base Karwar – Under Project Seabird.**

33. The Committee find that Modernization of Naval Base Karwar is undertaken under Project Seabird in two phases. Infrastructure for 10 ships/ submarines and 10 yard crafts has been created as part of Project Seabird Phase I. Project Seabird Phase IIA includes infrastructure to support 32 ships/ submarines and 23 yard craft. The Committee hope that phase – II is completed within envisaged timelines and all project deadlines are scrupulously followed. The details may be brought to the knowledge of the Committee in Action Taken Notes.

### **Safety**

34. The Committee had expressed concern for the safety of Naval assets and manpower. In this respect, the Ministry of Defence assured the Committee that the implementation of Safety consciousness is a process in continuation. However, the remedial measures facilitate improvement in the working environment from the safety point of view, without curbing the traditional naval ethos of initiative and boldness. The Navy continuous to keep safety at work and in operations in prime focus and constantly endeavors to minimise accidents/ incidents through the established process of sensitisation of personnel, adherence to safety check lists/ procedures and proper briefings/ debriefings. The Committee desire that the measures be adopted by Navy so that they are helpful in making Navy accident-free zone.

### **Manpower**

35. The Committee find that the shortage of Officers as on 30 June 2019 has been reduced to 11.2% from 21.46% in 2011 despite an increase in the Sanctioned Strength from 10405 to 12368 (18.86%). The shortage of sailors has been nearly maintained despite an increase in the Sanctioned Strength from 63130 to 74272 (17.64% i.e. 11142) since 2011. However, as given to understand, with increased training capacity at INS Chilka, from earlier 1633 to 2800 and subsequent increase to 3000 by 2021, the

shortages are expected to reduce at a faster rate and are likely to be mitigated in few years period.

36. With regard to more measures being taken to bridge the shortfall in manpower, the Committee were apprised that numerous steps have been taken by the Indian Navy to mitigate the deficiencies of manpower with enhanced emphasis on improved image projection/ publicity in audio, visual, print, internet, social media and holding career fairs, exhibitions, advertisements, motivational lectures in schools and colleges, etc. The major initiatives taken to mitigate the shortages include enhancing the Infrastructure Capabilities of the Indian Naval Academy, Additional Services Selection Board (SSB) etc. The Committee observe that the efforts are effective and they desire the measures be continued. They also recommend that all efforts be done to attract the youth to opt coveted Indian Navy as career option.

### **JOINT STAFF**

#### **Budgetary Provisions**

37. The Committee note that in BE 2020-21, Rs. 5,893.10 crore was projected by Joint Staff against which an allocation of Rs. 4,461.44 crore have been made. The Committee also find that in the year 2019-20, RE allocation to Joint Staff was Rs. 4,199.13 crore, however, the Department has been able to spend Rs. 2,617.93 only crore upto December 2019. The Committee were apprised that the figures are as per ceilings conveyed by Ministry of Finance and are subject to approval of the Parliament. The Committee find it pertinent to mention that in first supplementary, Joint Staff had sought Rs. 13.40 crore under Revenue and Rs. 12.51 crore under Capital Head in the FY 2019-20. However, the Ministry did not receive any additional allocations in the first supplementary. Further, they were apprised that the allocated funds were optimally and fully utilized toward operational activities. It was ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness. The above figure of BE 2020-21 constitute overall budget to Joint Staff including both Revenue and Capital allocation.



### **Revenue Allocation**

38. The Committee have learnt that Revenue allocation has two components, Salary and Non-salary. The allocation under Salary head in BE 20-21 is Rs. 2,470.80 crore. In BE 2019-20, the allocation was Rs. 2,159.93 crore. There is an increase in BE 2020-21 over BE 2019-20 by 14.4 per cent. As far as Non-salary Revenue budget is concerned, it includes expenses for travels and transport, stores, disaster management, miscellaneous, etc. A detailed analysis of various sub-heads under Non-salary Revenue is given in the succeeding para.

39. The projection under miscellaneous expenditure was Rs. 660.94 crore while allotment is 294.00 crore. The Committee were informed during evidence that the carry forward burden from previous year is Rs. 32.14 crore. Hence, the net availability is Rs. 261.86 crore. Thus, the net shortfall is Rs. 399.08 crore. The Implications of shortfall in miscellaneous expenditure include inability to operationalisation of DSA /DCYA /AFSOD. Lower Operational readiness of ANC Ships as impact on annual refit plans, maintenance of SIGINT equipment, Impact on Administration of Training Institutes and operational units. In case of travels and transportation, the projection was Rs. 179.40 crore and allotment Rs. 88.70 crore. Also, the carry forward liability of Rs. 10.00 crore from last year leads to net availability of Rs. 78.70 crore only and hence net shortfall is Rs. 100.70 crore. The implications of shortfall in this budget is Likelihood of 'Breakdown' of Essential Services, Transport contracts ( land/sea/air) likely to be violated leading to legal implications which will further lead to carry forward liabilities. In case of stores, the projection was Rs. 338.50 crore and allotment Rs. 184.00 crore. A carry forward liability of 40.00 crore leaves net availability of Rs. 144.50 crore and net shortfall of Rs. 194.50 crore.

40. The implications as the Committee can see would include Non-payments to M/s Indian Oil Corporation (fuelling of ANC ships), delay/denial of IT training and creation of IT infrastructure at training institutes like NDA, DSSC and CDM, denial of entitled items to cadets undergoing training at National Defence Academy, etc. Other

requirement is tariff charges which accounts for 120.00 crore alone. The maintenance of vintage infrastructure of training institutes is also affected. Allocations under revenue works is only Rs. 83.53 crore against a projection of Rs. 329.01 crore. After taking into account the details enumerated above, the Committee feel that the Revenue allocation is grossly inadequate and therefore, in no uncertain words recommend that the budgetary allocations to Joint Staff under Revenue Head shall be reviewed at RE/Supplementary stage.

### **Capital Budget**

41. Total Budget allocation in Capital Budget is Rs. 958.93 crore including both capital acquisition and Land/works. In BE 2019-20, the allocation was Rs. 866.54 crore. There is an increase of around 10 per cent. The Committee desire that the allocated budget are scrupulously and prudently spent and any additional requirements shall be reviewed at RE stage.

42. During the course of examination of Demands for Grants 2020-21, the Committee have found that the gap between projection and allocation of funds have inflated over the years. In the year 2015-16, the allocation was 83 per cent of projection while in the year 2020-21, the allocation is 42 per cent of the projection. The Committee recommend that Ministry of Defence to look into the matter especially in light of the ever increasing mandate of Joint Staff.

New Delhi  
12 March, 2020  
22 Phalguna, 1941(Saka)

JUAL ORAM  
Chairperson  
Standing Committee on Defence

## **STANDING COMMITTEE ON DEFENCE**

### **MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON DEFENCE (2019-20)**

The Committee sat on Monday, the 17 February, 2020 from 1400 hrs. to 1800 hrs. in Committee Room No. 62, Parliament House, New Delhi.

#### **PRESENT**

**SHRI JUAL ORAM**

-

**CHAIRPERSON**

#### **Lok Sabha**

2. Shri Ajay Bhatt
3. Shri Kapil Moreshwar Patil
4. Shri Jugal Kishore Sharma
5. Shri Brijendra Singh
6. Shri Kotagiri Sridhar
7. Dr. Kalanidhi Veeraswamy

#### **Rajya Sabha**

8. Dr. Ashok Bajpai
9. Shri Prem Chand Gupta
10. Shri V. Lakshmikantha Rao
11. Lt. Gen. Dr. D. P. Vats
12. Dr. Sudhanshu Trivedi

## **SECRETARIAT**

- |    |                     |   |                      |
|----|---------------------|---|----------------------|
| 1. | Smt. Kalpana Sharma | - | Additional Secretary |
| 2. | Dr. Sanjeev Sharma  | - | Director             |
| 3. | Shri Rahul Singh    | - | Deputy Secretary     |

## **LIST OF WITNESSES**

## **MINISTRY OF DEFENCE**

Sl. No.	Name & Designation
1.	Gen. Bipin Rawat, CDS & Secy. DMA
2.	Dr Ajay Kumar, Defence Secretary
3.	Smt. Gargi Kaul, Secy. Def. Fin.
4.	Smt. Sanjeevanee Kutty, Secy. (ESW)
5.	Shri Raj Kumar, Secy. DDP
6.	Shri Jiresh Nandan, Additional Secretary
7.	Smt. Deepa Bajwa, DGDE
8.	DG K Natarajan, DGICG
9.	Ms. Mala Dutt, AS & FA
10.	Dr. Chitra Rajagopal, DG(R&M) & DS
11.	Lt. Gen SK Saini, VCOAS
12.	Lt. Gen Gopal R, QMG
13.	Lt Gen SS Hasabnis, DCOAS(P&S)
14.	Lt. Gen SK Upadhya, MGO
15.	Lt. Gen Raj Shukla, DG PP
16.	Lt. Gen TK Chawla, DG FP
17.	Lt. Gen Sanjay Verma, DGWE
18.	Lt. Gen RK Anand, DG LW&E
19.	Lt. Gen Arvind Dutta, Adjutant General
20.	Lt. Gen Manoj C Pande, DG (DC&W)

21.	Shri Pudi Hari Prasad, JS(ESW)
22.	Smt. Nazli J. Shayin, JS(L&W)
23.	Shri Subir Mallick, Addl. FA & JS
24.	Shri Alok Gupta, Sr. Addl. DG
25.	Shri Ravi Shankar, Addl. DG
26.	Smt. Sonam Yangdol, Addl. DG (Cantt.)
27.	Shri Rakesh Mittal, Addl, DG (Adm/Coord/ IT)
28.	Shri Rajesh Sharma, Addl. FA & JS
29.	Shri AN Das, Addl FA & JS
30.	Shri RK Karna, Addl. FA & JS
31.	Shri Ashwini Kumar, Addl FA & JS
32.	Shri Vedveer Arya, FM(MS)
33.	Shri Ghayas Uddin Ahmed, FM(LS)
34.	Shri Puneet Agarwal, FM(Air)
35.	Maj Gen H Dharmarajan, ADG FP
36.	Maj Gen AK Channan, ADG PP 'B'
37.	Maj Gen JV Prasad, MD ECHS
38.	Maj Gen MK Sagoch, DG(Res.)
39.	IG KR Suresh, DDG (Ops & CS)
40.	Cmde SK Chauhan, PD DGR
41.	Air Cmde Sreeji, Director (Trg)
42.	Brig Mrigendra Kumar, Secy., KSB
43.	Brig SBK Singh, Dy MD ECHS
44.	DIG SC Gupta, PD(P&B)
45.	DIG Yoginder Dhaka, D(Plans)
46.	Shri Purusottam Bej, Director, Budget, Finance & Material Management
47.	Shri K.C. Gupta, DDG
48.	Shri Harendra Singh, DDG
49.	Shri Madhukar Naik, DDG(Lands-I)
50.	Smt. Shalini Pandey, DDG(Cantt)

51.	Smt. Sharmistha Maitra, DDG(Adm/Coord)
52.	Dr. Ravindra Singh, Director
53.	Shri Pankaj Srivastava, Director (Lands)
54.	Gp Capt Regi Sukumaran, Director (P&FC) ECHS
55.	Shri Ambarish Barman, Director (Budget)
56.	Shri Pankaj Srivastava, Director (Lands)
57.	Dr. PP Sharma OSD(Res.II)
58.	Brig UK Ojha, Brig FP(B)
59.	Brig Tarun Agrawal, Brig FP(A)
60.	Brig Hardev Singh Sohi, Brig DIAV
61.	Brig Vikramjit Singh Gill, MA to VCOAS
62.	Brig Sukriti S Dahiya, Brig Budget
63.	Brig SB Singh, Brig P&M
64.	Brig Yogesh Chaudhary, Brig P&M
65.	Brig Gurpreet Singh, Brig PP (Plans)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2020-21 on the subjects 'General Defence Budget, Ministry of Defence (Civil), Directorate General Defence Estates (DGDE), Ex-Servicemen Welfare, Ex-Servicemen Contributory Health Scheme (ECHS) and Coast Guard Organization'. He also welcomed Dr. Sudhanshu Trivedi, a new Member to the Committee. The Committee then invited the representatives of the Ministry of Defence and the Services/Organisations. The Chairperson welcomed the representatives to the Sitting of the Standing Committee on Defence and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings. He further emphasized that the Ministry should vet the draft Reports from security view-point within the prescribed timeline, i.e., two days.

3. Thereafter, the Chairperson requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day. The Defence Secretary initiated the discussion by touching upon Defence Services Estimates and other Demands for Grants of the Ministry of Defence.

4. Then, a Power Point Presentation on General Defence Budget was made before the Committee. This was followed by detailed deliberations on the following issues:

- i. Difference between projection and allocation of funds;
- ii. Reforms initiated by the Ministry of Defence to streamline expenditure and mobilize additional resources;
- iii. Challenges faced due to increasing Defence pension liabilities and steps taken/contemplated to address it;
- iv. Responsibilities of the Chief of Defence Staff;
- v. Bringing about jointness and integration amongst the three Services;
- vi. Initiatives to promote Research and Development in Defence sector;
- vii. Modernization of the Forces;
- viii. Revenue generation by commercialization of suitable Defence lands;
- ix. Steps taken to promote Defence exports
- x. Technology used for countering infiltration;
- xi. Safe storage of arms and ammunition in Ammunition Depots;
- xii. Rescue of jawans hit/trapped by avalanches; and
- xiii. Mechanisms to eliminate suicide cases amongst the Forces .

5. Thereafter, a Power Point Presentation by the representatives of the Directorate General Defence Estates (DGDE) was made. This was followed by extensive discussion on the following points:

- i. Need for amendment of Cantonment Board Act, 2006;
- ii. Proposal to convert civil areas of Cantonments into municipalities;
- iii. Commercial use of leased properties in Cantonment areas;
- iv. Feasibility of extension of lease period for residential purposes in Cantonment Areas and steps being taken for a permanent lease policy;

- v. Commercial use of suitable Defence Lands; and
- vi. Issues related to convenience of the civilian population residing in the Cantonment areas.

6. Next, a Power Point Presentation was made by the representatives of the Department of Ex-Servicemen Welfare. This was followed by detailed deliberations on following issues:

- i. Difference between projection and allocation of funds;
- ii. Issues related to welfare of Ex-Servicemen such as toll tax exemption, construction of Sainik Rest Houses, payment of ex-gratia to the dependents of martyrs;
- iii. Anomalies in allowance to personnel posted in North-Eastern parts;
- iv. Rationalization of manpower in Army; and
- v. Modernisation.

7. Consequently, a Power Point Presentation was made by the representatives of the Ex-Servicemen Contributory Health Scheme (ECHS), which was followed by discussion on following issues:

- i. Issue of pendency of payments of bills of hospitals empanelled under ECHS;
- ii. Authorised and actual manpower for ECHS Polyclinics;
- iii. Merger of Military hospitals with existing ECHS Polyclinics; and
- iv. Major achievements of ECHS.

8. Thereafter, the Chairperson invited representatives of the Coast Guard Organisation. The representatives of the Coast Guard Organisation commenced their briefing through a Power Point presentation. This was followed by discussion on following issues:

- i. Budgetary provisions for Indian Coast Guard; and
- ii. Steps taken to address challenges and constraints faced by the Indian Coast Guard.



9. The Chairperson directed the representatives of the Ministry to furnish written replies/information on the points raised by the Members at the earliest.

**The Committee then adjourned.**

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

**STANDING COMMITTEE ON DEFENCE (2019-20)**

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2019-20)**

The Committee sat on Tuesday, the 18 February, 2020 from 1400 hrs. to 1800 hrs. in Committee Room No. 62, Parliament House, New Delhi.

**PRESENT**

**SHRI JUAL ORAM**

–

**CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ajay Bhatt
3. Shri Nitesh Ganga Deb
4. Shri Annasaheb Shankar Jolle
5. Shri Kapil Moreshwar Patil
6. Shri Anumula Revanth Reddy
7. Dr. Shrikant Eknath Shinde,
8. Shri Brijendra Singh
9. Shri Mahabali Singh
10. Shri Kotagiri Sridhar
11. Dr. Kalanidhi Veeraswamy

**RAJYA SABHA**

12. Dr. Ashok Bajpai
13. Shri Prem Chand Gupta
14. Shri V. Lakshmikantha Rao
15. Dr. T. Subbarami Reddy
16. Lt. Gen. Dr. D.P. Vats
17. Dr. Sudhanshu Trivedi

## **SECRETARIAT**

1. Smt. Kalpana Sharma - Additional Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

## **LIST OF WITNESSES**

### **MINISTRY OF DEFENCE**

<b>Sl. No.</b>	<b>Name &amp; Designation</b>
1.	Gen. Bipin Rawat, CDS & Secy. DMA
2.	Dr Ajay Kumar, Defence Secretary
3.	Smt. Gargi Kaul, Secy. Def. Fin.
4.	Ms. Mala Dutt, AS & FA
5.	Shri Jiwesh Nandan, Additional Secretary
6.	Shri VL Kantha Rao, Addl. Secy. (DP)
7.	Lt. Gen TK Chawla, DG FP
8.	Lt. Gen SK Upadhya, MGO
9.	Lt. Gen Sanjay Chauhan, DGQA
10.	Lt. Gen Paramjit Singh, DGMO
11.	Lt. Gen SK Shrivastava, E-in-C
12.	Lt. Gen Sanjay Verma, DGWE
13.	Lt. Gen SK Saini, VCOAS
14.	Lt Gen SS Hasabnis, DCOAS(P&S)
15.	Lt. Gen Raj Shukla, DG PP
16.	Lt Gen Rajeev Chopra, DGNCC
17.	Lt. Gen Harpal Singh, DGBR
18.	Ms. Nazli Shayin, Joint Secy. (Trg.)
19.	Shri Rajeev Singh Thakur, JS(E,L&V)
20.	Shri Shantanu, JS(Works & PA)
21.	Ms. Richa Misra, JS(BR)

22.	Shri AN Das, Addl FA & JS
23.	Shri RK Karna, Addl. FA & JS
24.	Shri Ashwini Kumar, Addl FA & JS
25.	Shri Subir Mallick, Addl. FA & JS
26.	Shri Rajesh Sharma, Addl. FA & JS
27.	Shri Vedveer Arya, FM(MS)
28.	Shri Ghayas Uddin Ahmed, FM(LS)
29.	Shri Puneet Agarwal, FM(Air)
30.	Maj Gen H Dharmarajan, ADG FP
31.	Maj Gen RK Malhotra, ADGQA(A)
32.	Maj Gen SK Khanna, DG Works
33.	Maj Gen Virendra Singh
34.	Maj Gen AK Channan, ADG PP 'B'
35.	Shri Rajeev Ranjan, ADG(Adm)
36.	Shri AK Agarwal, DDG(West)
37.	Brig J James
38.	Brig UK Ojha, Brig FP(B)
39.	Brig Tarun Agarwal, Brig FP(A)
40.	Brig Mohit Nautiyal, DDGW(PPC&Est)
41.	Brig Vinayak Saini
42.	Brig Vikramjit Singh Gill, MA to VCOAS
43.	Brig Sukriti S Dahiya, Brig Budget
44.	Brig SB Singh, Brig P&M
45.	Brig Yogesh Chaudhary, Brig P&M
46.	Brig Gurpreet Singh, Brig PP (Plans)
47.	Cmde G. Rambabu
48.	Shri AK Jain, SE(Civil)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. deliberation on the subjects 'Army, Border Roads Organization (BRO), Military Engineer Services (MES), Directorate General of

Quality Assurance (DGQA), National Cadet Corps (NCC) and Sainik Schools' in connection with examination of Demands for Grants 2020-21. The Committee then invited the representatives of the Ministry of Defence and the Services/Organisations.

3. The Vice Chief of Army Staff commenced the briefing by giving an overview on Army to the Committee and thereafter, a Power Point presentation was made. This was followed by detailed deliberations on following issues:

- i. Budgetary allocation to Army;
- ii. Maintaining ideal ratio between Revenue and Capital Budget;
- iii. Modernization of Army;
- iv. Indigenization efforts of Army;
- v. Clothing in difficult areas;
- vi. Optimization of manpower;
- vii. Protection of troops from Corona virus; and
- viii. Exhibitions in various constituencies.

4. Thereafter, a Power Point presentation on Border Roads Organization (BRO) was made. This was followed by extensive discussion on the following points:

- i. Manpower strength;
- ii. Feasibility of levying toll tax on commercial vehicles to generate revenue; and
- iii. Environmental/forest clearances to BRO.

5. Thereafter, a Power Point presentation was made by the representatives of Military Engineer Services (MES) covering following issues:

- i. Budgetary provisions for MES; and
- ii. Initiatives in MES.

6. Thereafter, the Chairperson invited representatives of Directorate General of Quality Assurance (DGQA). The representatives of DGQA commenced their briefing through a Power Point presentation which was followed by discussion on following issues:

- i. Complete utilisation of budget;
- ii. Manpower strength;
- iii. Quality check of imports; and
- iv. Testing of ammunition.

7. Thereafter, the Chairperson invited representatives of the National Cadet Corps (NCC). They made a Power Point presentation before the Committee which was followed by discussion on following issues:

- i. Intake of NCC students in the Armed Forces;
- ii. Percentage of selection of 'C' certificate holders in SSB;
- iii. Reservation for NCC students in higher education or employment in State and Centre;
- iv. CSR funds from the PSUs; and
- v. Employment opportunities for NCC trained youth in Defence Production corridors.

8. Thereafter, the Chairperson invited representatives of the Sainik Schools. The representatives of the Sainik Schools commenced their briefing through a Power Point presentation which was followed by discussion on following issues:

- i. Defence Scholarships;
- ii. Role of the State Government;
- iii. Intake of Sainik School students in NDA and Naval Academy;
- iv. Difference between projection and allocation in budget;
- v. Exploration of CSR funding;
- vi. Earmarking separate head of 'Grant-in-aid' for Sainik Schools;
- vii. Budgetary provisions for Sainik Schools;

9. The Chairperson directed the representatives of the Ministry to furnish written replies/information on the points raised by the Members at the earliest.

**The Committee then adjourned.**

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

**STANDING COMMITTEE ON DEFENCE (2019-20)**

**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2019-20)**

The Committee sat on Wednesday, the 19 February, 2020 from 1400 hrs. to 1700 hrs. in Committee Room No. 53, Parliament House, New Delhi.

**PRESENT**

**SHRI JUAL ORAM**

–

**CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ajay Bhatt
3. Shri Annasaheb Shankar Jolle
4. Shri Kapil Moreshwar Patil
5. Shri Anumula Revanth Reddy
6. Shri Jugal Kishore Sharma
7. Shri Brijendra Singh
8. Shri Kotagiri Sridhar
9. Dr. Kalanidhi Veeraswamy

**RAJYA SABHA**

10. Dr. Ashok Bajpai
11. Shri Prem Chand Gupta
12. Shri V. Lakshmikantha Rao
13. Lt. Gen. Dr. D.P. Vats
14. Dr. Sudhanshu Trivedi



## **SECRETARIAT**

1. Smt. Kalpana Sharma - Additional Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

### **LIST OF WITNESSES**

### **MINISTRY OF DEFENCE**

<b>Sl. No.</b>	<b>Name &amp; Designation</b>
1.	Gen. Bipin Rawat, CDS & Secy. DMA
2.	Dr Ajay Kumar, Defence Secretary
3.	Smt. Gargi Kaul, Secy. Def. Fin.
4.	Ms. Mala Dutt, AS & FA
5.	Shri Jiresh Nandan, Additional Secretary
6.	Shri VL Kantha Rao, Addl. Secy. (DP)
7.	Air Mshl HS Arora, VCAS
8.	Air Mshl Sandeep Singh, DCAS
9.	Air Mshl BR Krishna, DG Air (Ops)
10.	Air Mshl Rajeev Sachdeva, DCIDS(PP&FD)
11.	VAdm G Ashok Kumar, VCNS
12.	VAdm R Hari Kumar, CISC
13.	Lt. Gen Gopal R, QMG
14.	Lt. Gen SK Upadhyaya, MGO
15.	Lt. Gen TK Chawla, DG FP
16.	Lt. Gen Sanjay Verma, DGWE
17.	Lt. Gen SK Saini, VCOAS
18.	Lt Gen SS Hasabnis, DCOAS(P&S)
19.	Lt. Gen Raj Shukla, DG PP
20.	Shri Vishal Gagan, Joint Secretary (Coord)

21.	Shri AN Das, Addl FA & JS
22.	Shri RK Karna, Addl. FA & JS
23.	Shri Ashwini Kumar, Addl FA & JS
24.	Shri Subir Mallick, Addl. FA & JS
25.	Shri Rajesh Sharma, Addl. FA & JS
26.	Shri Vedveer Arya, FM(MS)
27.	Shri Ghayas Uddin Ahmed, FM(LS)
28.	Shri Puneet Agarwal, FM(Air)
29.	Maj Gen H Dharmarajan, ADG FP
30.	Maj Gen RV Singh, ACIDS(FP)
31.	Maj Gen AK Channan, ADG PP 'B'
32.	RAdm Sameer Saxena, ACNS(P&P)
33.	RAdm Kapil Mohan Dhir, JS(Navy)
34.	AVM J Mishra, ACAS (Proj)
35.	AVM SK Jha, JS(Air)
36.	Air Cmde VN Srinivas, Fin P
37.	Brig UK Ojha, Brig FP(B)
38.	Brig Tarun Agarwal, Brig FP(A)
39.	Brig Vikramjit Singh Gill, MA to VCOAS
40.	Brig Sukriti S Dahiya, Brig Budget
41.	Brig SB Singh, Brig P&M
42.	Brig Yogesh Chaudhary, Brig P&M
43.	Brig Gurpreet Singh, Brig PP (Plans)
44.	Cmde Joginder Chandna, Cmde (Budget)
45.	Shri Ambarish Barman, Dir. (Budget)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting. The Committee then invited the representatives of the Ministry of Defence and the Defence Services. The Chairperson welcomed the representatives to the sitting of the Standing Committee on Defence and requested them to

brief the Committee on various issues included in the agenda for the day. He also drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

3. The representatives of the Ministry of Defence commenced their briefing through a Power Point presentation on Navy. This was followed by detailed deliberations on the following issues:

- (i) shortfall in demand and allocation of budget,
- (ii) planning projects on self financing model,
- (iii) manpower and training,
- (iv) depletion in fleet strength,
- (v) obsolescence,
- (vi) delay in delivery of vessels by Shipyards,
- (vii) modernization of naval airfields,
- (viii) international maritime cooperation,
- (ix) implementation of safety measures,
- (x) challenges in Indian Ocean Region and preparedness of Navy, etc.

4. Thereafter, a presentation on Joint Staff was made which was followed by discussion on following points:

- (i) role and responsibilities of Joint Staff,
- (ii) intelligence gathering and dissemination, etc.

5. Subsequent to a briefing by the Vice Chief of the Air Staff regarding overview on modernization plan of Indian Air Force (IAF), a Power Point presentation was made. This was followed by detailed deliberations on following issues:

- i. aircraft maintenance issues by Hindustan Aeronautics Limited (HAL);
- ii. squadron strength and geo-political challenges in the region;
- iii. proposal for IAF pilots travelling to space;
- iv. shortfall in budget;

- v. decline in percentage of budget;
- vi. increasing use of Unmanned Air Vehicles and drones;
- vii. use of missiles in air defence ;
- viii. Difference between projection and allocation of funds and effect on Air defence preparedness, etc.

6. Thereafter, a presentation was given by Canteen Stores Department and followed by discussion on following points:

- (i) Commencement of online shopping facilities,
- (ii) Manpower Strength,
- (iii) Budgetary Provisions,
- (iv) Qualitative requirements of opening Unit Run Canteens in an area,
- (v) Use of Technology in Central Warehousing System in CSD, etc.

7. The Chairperson directed the representatives of the Ministry to furnish written replies/information on the points raised by the Members at the earliest.

**The Committee then adjourned.**

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

**STANDING COMMITTEE ON DEFENCE (2019-20)**

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2019-20)**

The Committee sat on Thursday, the 20 February, 2020 from 1400 hrs. to 1630 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**SHRI JUAL ORAM**

–

**CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ajay Bhatt
3. Shri Annasaheb Shankar Jolle
4. Shri Pashupati Kumar Paras
5. Shri Kapil Moreshwar Patil
6. Shri Anumula Revanth Reddy
7. Shri Jugal Kishore Sharma
8. Shri Brijendra Singh
9. Shri Kotagiri Sridhar

**RAJYA SABHA**

10. Dr. Ashok Bajpai
11. Shri Prem Chand Gupta
12. Shri V. Lakshmikantha Rao
13. Shri Sanjay Raut
14. Lt. Gen. Dr. D.P. Vats

## SECRETARIAT

1. Smt. Kalpana Sharma - Additional Secretary
2. Shri Rahul Singh - Deputy Secretary

## LIST OF WITNESSES MINISTRY OF DEFENCE

Sl. No.	Name	Designation
1.	Gen. Bipin Rawat	CDS & Secy. DMA
2.	Dr Ajay Kumar	Defence Secretary
3.	Smt. Sanjeevane Kutty	Secy. (ESW)
4.	Smt. Gargi Kaul	Secy. Def. Fin.
5.	Shri Sanjiv Mittal	CGDA
6.	Mrs. Mala Dutt	Addl. Secy. & FA (Acq)
7.	Shri Jiresh Nandan	Additional Secretary
8.	Shri VL Kantha Rao	Addl. Secy. (DP)
9.	Shri Apurva Chandra	DG(Acq)
10.	VAdm G Ashok Kumar	VCNS
11.	Lt. Gen TK Chawla	DG FP
12.	Lt. Gen SK Upadhya	MGO
13.	Lt. Gen RK Anand	DG LW&E
14.	Lt. Gen Sanjay Verma	DGWE
15.	Lt. Gen SK Shrivastava	E-in-C
16.	Lt. Gen Arvind Dutta	Adjutant General
17.	Lt. Gen Manoj C Pande	DG (DC&W)
18.	Lt. Gen SK Saini	VCOAS
19.	Lt Gen SS Hasabnis	DCOAS(P&S)
20.	Lt. Gen Raj Shukla	DG PP
21.	Lt. Gen Gopal R	QMG
22.	Air Mshl HS Arora	VCAS
23.	Air Mshl Sandeep Singh	DCAS
24.	Air Mshl Rajeev Sachdeva	DCIDS(PP&FD)
25.	Air Mshl BR Krishna,	DG Air (Ops)
26.	Dr. Md Nazumuddin	Eco Adv & JS (DOMW)
27.	Shri Vishal Gagan	Joint Secretary (Coord)
28.	Shri Pudi Hari Prasad	JS(ESW)
29.	Shri Sanjai Singh	JS&AM(MS)
30.	Shri Shantanu	JS(Works & PA)
31.	Smt. Dipti Mohil Chawla	JS&AM(LS)
32.	Shri Sanjai Singh	JS&AM(Air)
33.	Shri AN Das	Addl FA & JS
34.	Shri RK Karna	Addl. FA & JS

35.	Shri Ashwini Kumar	Addl FA & JS
36.	Shri Subir Mallick	Addl. FA & JS
37.	Shri Rajesh Sharma	Addl. FA & JS
38.	Shri Vedveer Arya	FM(MS)
39.	Shri Ghayas Uddin Ahmed	FM(LS)
40.	Shri Puneet Agarwal	FM(Air)
41.	Ms. Anuradha Mitra	Addl. CGDA
42.	Shri Vishvajit Sahay	PCDA(Pension)
43.	RAdm Sameer Saxena	ACNS(P&P)
44.	RAdm Kapil Mohan Dhir	JS(Navy)
45.	Maj Gen H Dharmarajan	ADG FP
46.	Maj Gen Jagdeep Singh Ishar	DG MAP
47.	Maj Gen AK Channan	ADG PP 'B'
48.	AVM J Mishra	ACAS (Proj)
49.	IG TP Sadanandan	DDG(M&M)
50.	Shri Kanwaldeep Singh	Jt CGDA (Pen &PD)
51.	Smt. Vinakshi Gupta	Jt. CGDA
52.	Shri Virender Kumar Adhana	Dir. (Acq)
53.	Brig Paritosh Shah	
54.	Brig UK Ojha	Brig FP(B)
55.	Brig Tarun Agrawal	Brig FP(A)
56.	Brig Vikramjit Singh Gill	MA to VCOAS
57.	Brig Sukriti S Dahiya	Brig Budget
58.	Brig SB Singh	Brig P&M
59.	Brig Yogesh Chaudhary	Brig P&M
60.	Brig Gurpreet Singh	Brig PP (Plans)
61.	Dr. PP Sharma	OSD(Res.II)
62.	Shri Jitender Kumar	DS(Res.I)
63.	Shri Ajay Kumar Agarwal	DS(Pen/P)
64.	Air Cmde VN Srinivas	Fin P
65.	Shri T.D. Diwivedi	Director (Air-II)
66.	Shri Ambarish Barman	Dir. (Budget)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting. The Committee then invited the representatives of the Ministry of Defence. The Chairperson welcomed the representatives to the sitting of the Standing Committee on Defence and requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

3. The representative of the Ministry then gave power point presentation on Married Accommodation Project. This was followed by detailed discussions on the subjects and Members asked questions on the following issues:

- (i) Budgetary allocations for MAP,
- (ii) NBCC model for MAP,
- (ii) requirement of equal value infrastructure,
- (ii) review of satisfaction level of the Forces,
- (iii) early completion of MAP,
- (iv) use of latest technologies in construction of MAP.

4. Thereafter, a Power Point presentation by representative of Ministry of Defence on Defence Procurement Policy was made. This was followed by extensive discussion on the following points:

- i. Ensuring quality of products manufactured under 'Make in India'
- ii. Servicing of equipment provided by new indigenous companies and their sustainability;
- iii. Efforts to encourage indigenization in Defence Sector to reduce dependence on imports;
- iv. Value of contracts in terms of amount being awarded to foreign vendors; and
- v. Steps taken to achieve timely, effective and efficient procurement;

5. Thereafter, a Power Point presentation on Ministry of Defence (Pension) was made by representative of Ministry of Defence. This was followed by extensive discussion on the following points:

- (i) Review of financial implications of Defence Pensions,
- (ii) Broad banding of soldiers and officers.
- (iii) Issues related to One Rank One Pension (OROP)
- (iv) Income Tax provisions for battle casualties i.e. service personnel who were invalidated from active services



6. The Chairperson directed the representatives of the Ministry of Defence and other organisations 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.**

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**STANDING COMMITTEE ON DEFENCE (2019-20)**

**MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2019-20)**

The Committee sat on Friday, the 21 February, 2020 from 1100 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**SHRI JUAL ORAM**

–

**CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ajay Bhatt
3. Shri Nitesh Ganga Deb
4. Shri Annasaheb Shankar Jolle
5. Shri Pashupati Kumar Paras
6. Shri Jugal Kishore Sharma
7. Shri Brijendra Singh
8. Shri Mahabali Singh

**RAJYA SABHA**

9. Dr. Ashok Bajpai
10. Shri Prem Chand Gupta
11. Shri V. Lakshmikantha Rao
12. Shri Sanjay Raut
13. Lt. Gen. Dr. D.P. Vats
14. Dr. Sudhanshu Trivedi

## **SECRETARIAT**

1. Smt. Kalpana Sharma - Additional Secretary
2. Shri Rahul Singh - Deputy Secretary

### **LIST OF WITNESSES**

#### **MINISTRY OF DEFENCE**

<b>Sl. No.</b>	<b>Name &amp; Designation</b>
1.	Shri Raj Kumar, Secretary(DP)
2.	Dr. G Satheesh Reddy, Secy. DR&D
3.	Smt. Gargi Kaul, Secy. Def. Fin.
4.	Shri Hari Mohan, DGOF & Chairman/OFB
5.	Shri Jiwesh Nandan, Additional Secretary
6.	Shri CS Vishwakarma, AV (OFB)
7.	Ms. Mala Dutt, AS & FA
8.	Dr. MSR Prasad, DS&DG(MSS)
9.	Dr. Sudhir Kumar Mishra, DS&DG(BrahMos)
10.	Ms. J. Manjula, DS&DG(ECS)
11.	Dr. Guru Prasad, DS&DG (PC&SI)
12.	Dr. Chitra Rajagopal, DS&DG(R&M)
13.	Dr. Samir V Kamat, DS&DG(NS&M)
14.	Dr. Tessy Thomas, DS&DG(Aero)
15.	Shri Pravin K Mehta, DS&DG(ACE)
16.	Shri Sudhir Gupta, OS&DG(TM)
17.	Shri KS Varaprasad, DS&DG(HR)
18.	Dr. AK Singh, DS&DG(LS)
19.	Dr. Sudhir Kamath, OS&DG(MED & CoS)
20.	Ms. Nabanita R Krishnan, OS&DG(SAM)
21.	Lt. Gen SK Saini, VCOAS
22.	Shri Vishal Gagan, Joint Secretary (Coord)
23.	Dr. Amit Sahai, JS(P&C)
24.	Shri Puneet Agarwal, JS(LS)
25.	Dr. Md. Nazmuddin, Eco Advisor
26.	Shri RK Karna, Addl. FA & JS
27.	Shri Ashwini Kumar, Addl FA & JS
28.	Shri Subir Mallick, Addl. FA & JS
29.	Shri Rajesh Sharma, Addl. FA & JS
30.	Shri Vedveer Arya, FM(MS)
31.	Shri Ghayas Uddin Ahmed, FM(LS)

32.	Shri Puneet Agarwal, FM(Air)
33.	Shri Prateek Kishore, OS & Dir., P&C
34.	Shri Atul D Rane, OS & Dir, DIC
35.	Shri Purusottam Bej, OS & Dir, Budget, Finance & Material Management
36.	Dr. Chandrika Kaushik, OS& Dir, DISB
37.	Dr. Ravindra Singh, Dir., Parl. Affairs
38.	Shri VM Rao, DDG/Coord, OFBNDO
39.	Shri Vijay Mittal, DDG/OFBNDO
40.	Shri Vivek C Verma, Secretary, OFB
41.	Shri PK Dash, DDG/P&P, OFB
42.	Shri N.I. Laskar, DDG/Bud, OFB
43.	Shri B Krishnamoorthy, Director/OFBNDO
44.	Ms. Mala Dutt, AS & FA
45.	Shri VL Kantha Rao, Addl. Secy. (DP)
46.	Lt. Gen SK Upadhya, MGO
47.	Lt. Gen Sanjay Verma, DGWE
48.	Lt. Gen TK Chawla, DG FP
49.	Lt Gen SS Hasabnis, DCOAS(P&S)
50.	Lt. Gen Raj Shukla, DG PP
51.	Lt. Gen Gopal R, QMG
52.	Cmde Siddharth Mishra (Retd), CMD BDL
53.	Shri R. Madhavan, CMD HAL
54.	Shri D.K Hota, CMD BEML
55.	Cmde B. B Nagpal, NM, CMD GSL
56.	Dr. D.K Likhi, CMD MIDHANI
57.	RAdm V K Saxena (Retd), CMD GRSE
58.	VAdm Narayan Prasad, IN(Retd), CMD MDL
59.	Shri Chandraker Bharti, JS(Aero)
60.	Shri Sanjay Jaju, JS(DIP)
61.	Shri Shrish kumar, OSD(SK)
62.	Maj Gen H Dharmarajan, ADG FP
63.	Maj Gen AK Channan, ADG PP 'B'
64.	Maj Gen Surender Pavamani, ADG EM
65.	Mrs. Anandi Ramalingam, Dir. (Marketing) BEL
66.	Cdr JP Gupta, Dir (CP&P), HSL
67.	Brig UK Ojha, Brig FP(B)
68.	Brig Tarun Agrawal, Brig FP(A)
69.	Brig Vikramjit Singh Gill, MA to VCOAS
70.	Brig Sukriti S Dahiya, Brig Budget
71.	Brig SB Singh, Brig P&M
72.	Brig Yogesh Chaudhary, Brig P&M
73.	Brig Gurpreet Singh, Brig PP (Plans)
74.	Shri Ambarish Barman, Dir. (Budget)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting. The Committee then invited the representatives of the Ministry of Defence. The Chairperson welcomed the representatives to the sitting of the Standing Committee on Defence and requested them to brief the Committee on various issues included in the agenda for the day. He also drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

3. The representatives of the Ministry of Defence commenced their briefing through a Power Point presentation on Defence Public Sector Undertakings. This was followed by detailed deliberations on the following issues:

- 1) Use of CSR funds of DPSUs for Sainik Schools.
- 2) To make efforts to achieve 90% of Indian made technique, knowledge and skill in Defence Production by DPSUs.
- 3) Inadequate capacity utilization due to low order book of DPSUs which leads to higher cost of production.
- 4) Efforts being made by Department of Defence Production to minimize the imported items.
- 5) Modification of Defence Procurement Procedure, 2016 and giving preference to 'Buy Indian' which means Indian designing, developing and manufacturing.
- 6) Efforts of Defence PSUs to indigenise, import substitution, patent filing etc.
- 7) Overhauling of imported Aircraft engines in the country.
- 8) Limitation of exports due to sensitive nature of items
- 9) Issue of Orders from Middle-East for guns and tanks etc.
- 10) Need to release money and improve reserve position of HAL.
- 11) Quality of Radars manufactures by BEL.
- 12) Development of long-range radars by DRDO and BEL.
- 13) Decline in production of DPSUs.
- 14) Measures to be taken to increase Defence Exports by DPSUs.

4. Thereafter, a Power Point presentation was given by the representatives of the Ordnance Factory Board (OFB), which was followed by discussion on the following points:

- 1) Use of ammunition for practice by Armed Forces
- 2) Present status of MBT Arjun
- 3) Exporting of Ordnance Factories' products to other countries
- 4) Upgradation of technology used by Ordnance Factories
- 5) Shortage of manpower
- 6) Supply of products on 'No profit No loss' to Armed Forces
- 7) Procurement of ammunition by Army through Ordnance Factories
- 8) Ordnance factories interaction with Army for development of products
- 9) Late receipt of indents from Army
- 10) Lack of orders from Army
- 11) Export of High caliber ammunition
- 12) Socks, shoes and Uniform to be declared non-core items.

5. Thereafter, a Power Point presentation was given on Defence Research and Development which was followed by discussion on the following points:

- 1) Requirement of additional funds to take up futuristic projects,
- 2) Development of new technologies
- 3) Manpower requirement in DRDO
- 4) Role of DRDO in selection process of officers
- 5) Coordination in Research and Development with private Sector
- 6) Basic Research in Academia
- 7) Coordination between DRDO and Service Users
- 8) Opening of eight centres of excellence in advanced areas
- 9) Self-reliance in technology
- 10) Free of cost Technology transfer to private industries
- 11) Skill development and training by DRDO to local youths of two Defence Industrial Corridors-Tamil Nadu and Uttar Pradesh.

6. The Chairperson then directed the representatives of the Ministry of Defence to furnish written replies to all the queries which remain unanswered 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 ELEVENTH SITTING OF THE STANDING COMMITTEE ON DEFENCE (2019-20)**

The Committee sat on Thursday, the 12 March 2020 from 1000 hrs. to 1030 hrs.  
in Committee Room 'C', Parliament House Annexe, New Delhi.

#### **PRESENT**

**Shri Jual Oram**

-

**Chairperson**

#### **LOK SABHA**

- |    |                                 |
|----|---------------------------------|
| 2  | Shri Hanuman Beniwal            |
| 3  | Shri Ajay Bhatt                 |
| 4  | Shri Devusinh J. Chauhan        |
| 5  | Shri Annasaheb Shankar Jolle    |
| 6  | Prof (Dr.) Ram Shankar Katheria |
| 7  | Shri Kapil Moreshwar Patil      |
| 8  | Shri Jugal Kishore Sharma       |
| 9  | Dr. Shrikant Eknath Shinde      |
| 10 | Shri Brijendra Singh            |
| 11 | Shri Kotagiri Sridhar           |
| 12 | Dr. Kalanidhi Veeraswamy        |

#### **RAJYA SABHA**

- |    |                           |
|----|---------------------------|
| 13 | Dr. Ashok Bajpai          |
| 14 | Shri V. Lakshmikantha Rao |
| 15 | Smt. Vijila Sathyananth   |
| 16 | Shri Kamakhya Prasad Tasa |
| 17 | Lt. Gen. Dr. D. P. Vats   |



## **SECRETARIAT**

- |                        |   |                      |
|------------------------|---|----------------------|
| 1. Smt. Kalpana Sharma | - | Additional Secretary |
| 2. Dr. Sanjeev Sharma  | - | Director             |
| 3. Shri Rahul Singh    | - | Deputy Secretary     |

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 the following draft Reports:-

1. Fifth Report of the Standing Committee on Defence (17th Lok Sabha) on 'Demands for Grants of the Ministry of Defence for the year 2020-21 on General Defence Budget, Border Roads Organisation, Indian Coast Guard, Military Engineer Services, Directorate General Defence Estates, Defence Public Sector Undertakings, Canteen Stores Department, Welfare of Ex-Servicemen, Ex-Servicemen Contributory Health Scheme, Defence Pensions and Sainik Schools (Demand Nos. 18, 19, 20 and 21)';
2. Sixth Report of the Standing Committee on Defence (17th Lok Sabha) on 'Demands for Grants of the Ministry of Defence for the year 2020-21 on Army, Navy, Air Force and Joint Staff (Demand Nos. 19 and 20)';
3. Seventh Report of the Standing Committee on Defence (17th Lok Sabha) on 'Demands for Grants of the Ministry of Defence for the year 2020-21 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodations Project (Demand No. 19 and 20)'; and
4. Eighth Report of the Standing Committee on Defence (17th Lok Sabha) on 'Demands for Grants of the Ministry of Defence for the year 2020-21 pertaining to Ordnance Factories, Defence Research and Development Organisation, Directorate General of Quality Assurance, and National Cadet Corps (Demand Nos. 19 and 20) '.

3. After some deliberations, the Committee adopted the above reports without any modifications. Hon'ble Chairperson also informed the Members that in case they have any suggestion to make in the draft reports, they may do so by giving it writing.

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.**

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