

3

**STANDING COMMITTEE
ON DEFENCE
(1995-96)**

(TENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMAND FOR GRANTS (1994-95)

(ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE 2ND REPORT OF THE
STANDING COMMITTEE ON DEFENCE (TENTH LOK SABHA)

THIRD REPORT



सत्यमेव जयते

Lc
B. 365 - FR
5.3;5
LOK SABHA SECRETARIAT
NEW DELHI

April, 1995/Chaitra, 1917 (Saka)

THIRD REPORT

STANDING COMMITTEE ON DEFENCE (1995-96)

(TENTH LOK SABHA)

MINISTRY OF DEFENCE DEMANDS FOR GRANTS (1994-95)

(Action taken by the Government on the recommendations contained in
the 2nd Report of the Standing Committee on Defence on Demands for
Grants (1994-95))

Presented to Lok Sabha on.....

Laid in Rajya Sabha on..... 3 MAY 1995



LOK SABHA SECRETARIAT
NEW DELHI

April, 1995/Chaitra, 1917 (Saka)

Price : Rs. 18.00

6
328-3657R
N5-355

PARLIAMENT LIBRARY
CENTRE
ACC N. 91808(C6)
Date 2/5/95

CORRIGENDA TO THE 3RD REPORT OF STANDING COMMITTEE ON DEFENCE

Page	Para	Line	For	Read
(i)		5	Chapter i report	Chapter I REPORT
(i)		11	respect	respect of
(iii)		31	Chun prasad Yadav	Chun Chun Prasad Yadav
1	4	2	of	of a
3		10	rations	ratio
5		13	** ** *	** ** * "
8	17	10	ministry	Ministry
9	23	9	dabate	debate
10		2	Recommendations	Recommendations/ Observations
12		6	in house	inhouse
12		24	(para)	(Parl)
13		21	upgration	upgradation
13		25	system	systems
13		30	has	has,
14		1	enure	ensure
14		15	system	systems
15		30	Inducation	Induction
16		25	Control	controls
17		4	forces	Forces
17		5	capablity	capability
17		35	effeiciently	efficiently
18		6	pril	April
18		21	MALLEABLE	Malleable
18		22	IRON	Iron
19		33	increses	increases
20		15	contunue	continue
20		19	with	without
21		3	mangement	management
23		6	wihtout	without
23		27	iols	oils
26		6	(No.15 Sl No.39)	(Sl. No.15, Para No.39)
26		9	exert	expert
26		17	gounds	grounds
29		5	SL. NO.21	Sl. No. 2
35		12	After 'report'	Add 'for presentation to the Parliament'
36		4,5	1995-96	1994-95

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE.....	(iii)
INTRODUCTION.....	(v)
CHAPTER I report.....	1
CHAPTER II Recommendations/Observations which have been accepted by Government.....	10
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies.....	29
CHAPTER IV Recommendation/ Observation in respect which reply of the Government has not been accepted by the Committee.....	31
CHAPTER V Recommendation/Observation in respect of which final reply of Government are still awaited.....	33
MINUTES OF THE SITTING.....	34

APPENDIX

Analysis of action taken by Government on the recommendations contained in the 2nd Report of the Standing Committee on Defence(Tenth Lok Sabha).....	36
--	----

COMPOSITION OF THE STANDING COMMITTEE ON
DEFENCE(1995-96)

CHAIRMAN

Shri Indrajit Gupta

MEMBERS

Lok Sabha

2. Shri Ayub Khan
3. Shri Nurul Islam
4. Shri Bhupinder Singh Hooda
5. Shri Nandi Yellaiah
6. Shri Rajaram Shankarrao Mane
7. Shri Manikrao Hodalya Gavit
8. Sqn. Ldr. Kamal Chaudhry
9. Shri Vijay Naval Patil
10. Shri Ram Niwas Mirdha
11. Shri Sharad Dighe
12. Prof. Ashokrao Anandrao Deshmukh
13. Shri Umrao Singh
14. Maj.D. D. Khanoria
15. Shri Yoganand Saraswati
16. Shri Prakash Narain Tripathi
17. Shri B. L. Sharma Prem
18. Shri Jagat Vir Singh Drona
19. Shri Gabhaji Mangaji Thakore
20. Shri Pandurang Pundlik Fundkar
21. Shri Amal Datta
22. Shri Hannan Mollah
23. Shri Pratap Singh
24. Dr. Mumtaz Ansari
25. Shri Chhedi Paswan
26. Shri Chun prasad Yadav
27. Shri C. Sreenivasan
28. Shri Abhay Pratap Singh
29. Maj. Gen. R. G. Williams

30. Shri Kamaluddin Ahmed

Rajya Sabha

31. Shri B.B. Dutta
32. Shri Misa R. Ganesan
33. Shri Hiphei
34. Shri Suresh Kalmadi
35. Shri R. K. Karanjia
36. Shri Prabhakar B. Kore
37. Shri K. R. Malkani
38. Shri A. Nallsivan
39. Shri S. Jaipal Reddy
40. Shri M.P. Abdussamad Samadani
41. Shri Satchindananda
42. Shri Sushil Kumar Sambhajirao Shinde
43. Shri Digvijay Singh
44. Shri Gopalsinh G. Solanki

SECRETARIAT

- | | |
|--------------------------|-------------------------------|
| 1. Dr. A. K. Pandey | - <i>Additional Secretary</i> |
| 2. Shri G. R. Patwardhan | - <i>Joint Secretary</i> |
| 3. Shri K.L. Narang | - <i>Deputy Secretary</i> |
| 4. Shri A. K. Singh | - <i>Under Secretary</i> |

INTRODUCTION

1. I, the Chairman of the Standing Committee on Defence (1995-96) having been authorised by the Committee to submit the Report on their behalf, present this Third Report on Action Taken by Government on the recommendations contained in the Second Report of Committee (Tenth Lok Sabha) on Demands for Grants for the year 1994-95.

2. The Second Report was presented to Lok Sabha /laid in Rajya Sabha on 22nd April, 1994. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 14 th November, 1994. The Draft Action Taken Report was considered and adopted by the Standing Committee on Defence (1995-96) at their sitting held on April 19, 1995.

3. An analysis of action taken by Government on recommendations contained in the Second Report of the Standing Committee on Defence (Tenth Lok Sabha) is given in Appendix.

4. For reference facility and convenience, the observations/recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI
April, 19, 1995

Chaitra, 29, 1917 (Saka)

INDRAJIT GUPTA,
Chairman,
Standing Committee on Defence.

CHAPTER 1

REPORT

1. The Report of the Committee deals with the action taken by the Government on the recommendations contained in their Second Report (Tenth Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 1994-95 which was presented to Lok Sabha on 22nd April, 1994.

2. Action Taken Notes have been received from the Government in respect of all the 17 recommendations contained in the Report. These have been categorised as follows:--

- (i) Recommendations/ Observations which have been accepted by the Government : Sl. Nos.1, 4 to 8, and 10 to 17.
- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies: Sl. Nos. 2 and 9.
- (iii) Recommendation/Observation in respect of which reply of the Government has not been accepted by the Committee: Sl. No. 3.
- (iv) Recommendation/Observation in respect of which final reply of the Government is still awaited : Nil

3. The Committee will now deal with the Action Taken by the Government on some of their recommendations.

Leaner and Meaner Army

Recommendation (Sl. No.1, Para No. 21)

4. The Committee had recommended that considering the very rapid re-armament in our region, combined with the admitted nuclear capability of potential adversary, adequate funding has to be ensured for defence to overcome certain vital deficiencies. Particular attention has to be paid to impart greater mobility, fire power and the capability of carrying out battle in the electronic battlefield scenario by providing more modern equipments to achieve the long term objective of a leaner and meaner Army.

5. In the reply the Ministry have *inter alia* stated as follows:

" In the recent past, the security environment in our region has steadily worsened, with our neighbours modernising and enhancing their armed forces. We are alive to these emerging trends and have taken a number of counter-measures to meet the qualitative and quantitative improvements currently in the offing amongst our potential adversaries.

The Defence budget has been under considerable strain on account of the overall financial resource crunch, and the need to bring about a greater degree of fiscal discipline in Government expenditure. Therefore, the interests of maintaining a high level of operational preparedness, have to be optimised in such a way as not to impede economic growth in other areas. In the context of increasing stringency of financial resources, serious efforts have been made to bring about radical improvements in financial management systems. A concerted exercise is undertaken every year to determine modernisation priorities keeping in view resource limitations. This involves a critical scrutiny of all areas of expenditure to eliminate possibilities of waste; to reduce manpower requirements wherever feasible; to decrease the size of ordnance inventories; to bring about energy and fuel efficiency and to find ways of increasing revenues through the sale of surplus and obsolete assets. Based on this scrutiny, the modernisation priorities are determined in such a way that optimum use is made of available resources for satisfying emergent requirements.

In the light of budgetary constraints, the Principal thrust has been towards meeting the deficiencies in ammunition reserves, upgradation of critical weapon systems through overhaul, refurbishment and technological improvements, introduction of simulators, and selective introduction of strategically important force multipliers, particularly in the field of Electronic Surveillance and Electronic Warfare. The budget for 1994-95 is a distinct improvement resulting from perceived needs and from Government's commitment to invest adequately in Defence.....

Three major reviews have been carried out in the last three years or so, to optimise the organisational structure of the Army, and make it more cost-effective. These reviews were carried out by three inhouse Committees. The implementation of the very exhaustive recommendations made by these Committees has resulted in the

generation of manpower resources in a phased manner, and have enabled the Army to use existing manpower resources, for essential and inescapable modernisation schemes, through redeployment and re-training. This is an on-going exercise, and the Army hopes to continue to make the best use of existing manpower, by redeploying them in more cost-efficient manner.

An area of major achievement, which has resulted from the recommendations of the afore-cited Committees, is the streamlining of our logistics system, and consequently improving the 'teeth to tail' ratios. It needs to be highlighted that the 'teeth to tail' ratio of the Indian Army is at present one of the best amongst the large Armies of the world, and currently stands at an impressive figure of 70:30. This ratio was 62:38 in 1970, and 68.2:31 in 1980. During the period 1990-93, while amalgamating the static logistic infrastructure with the field formations, by instituting a 'Modified Logistics Support System' appreciable reduction in the 'tail' has been effected. This exercise of reducing financial liabilities and generating additional manpower is continuing, so that our long term objective of a leaner and meaner Army is achieved."

6. The Committee had recommended adequate funding to overcome certain vital deficiencies and all around modernisation to achieve long-term objective of a leaner and meaner Army. The Committee note the initiatives and efforts made by the Ministry in this direction particularly three major reviews conducted in the last three years to optimise the organisational structure of the Army and make it more cost effective. The Committee are happy to note that implementation of recommendations made by these inhouse committees have streamlined and enhanced the utilisation of existing manpower resources for essential and inescapable modernisation schemes through re-deployment and re-training and consequently improving the 'teeth to tail' ratio of Indian Army making it best amongst the largest Armies of the world.

7. The Committee apart from stressing the optimum utilisation of available resources would also like the Ministry to impress upon the Ministry of Finance to ensure allocations adequate enough to keep the Army in the high level of operational preparedness given the prevalent security environment in the region.

Rashtriya Rifles**Recommendation (Sl. No. 3. Para No. 23)**

8. In regard to Rashtriya Rifles, the Committee recommended as follows:

" The attempts to augment the paramilitary forces by raising the Rashtriya Rifles with the training ethos and discipline of the Army, but exclusively for internal security role is a welcome development. However, the continued control of this paramilitary force, and the expenditure thereon, by the Army, will besides inflating the army budget make it difficult to achieve the intended objective of minimising the role of the Army in maintenance of internal security. The depletion of strength of the Army consequent to the deputation of Army personnel in large numbers to the Rashtriya Rifles, it has been stated, will not be made up immediately. These areas need deeper study by the Ministry of Defence to see that on one hand, the Rashtriya Rifles does not become only a change in nomenclature and the Army continues to be saddled with the internal security duties and on the other, sizeable deputations outside the Army do not adversely affect its personnel requirements and preparedness."

9. The Ministry of Defence have *inter alia* stated in their reply as follows:

" The militant/ terrorist groups of today are extremely well trained and equipped with sophisticated weapons, explosive devices and communication equipments. They have external support and access to a vast reservoir of funds, besides having sanctuaries and training facilities in certain neighbouring countries and assured safe havens with certain segments of the local population.

(2) The qualitative change in the tactics and operations of the militants in different parts of the country has increased, necessitated involvement of the Army in Internal Security duties. It was considered that such commitments over a long period would affect the operational readiness of the troops for war.

(3) Considering all the factors related to the external security environment and our internal security situation, the need for

augmenting a force with the operational ethos of the Army which can effectively handle internal security situations, ensure security of rear-areas, assist the States in managing law and order in times of crisis, and most importantly, restore the operational and tactical balance along the international borders and the LOC so that a dissuasive-cum-deterrent capability in Western front can be retained, becomes evident. The Rashtriya Rifles, as envisaged will be the most suitable force for carrying out these tasks.

**

**

**

(4) The Ministry of Defence have been of the view that the expenditure on Rashtriya Rifles be reflected under the MHA budget. No final decision has been taken on issue yet.

**

**

**

10. In a note the Ministry informed:

"The Cabinet decision is that this Force will be funded from the MOD budget."

11. However, in another reply the Ministry have submitted:

"... The Defence Budget has limited capability for funding the Rashtriya Rifles. Further-more pressures from the international agencies for enforcing reduction in the Defence Budget and international conditionalities linking monetary aid/loans to overall defence expenditure are likely to increase in future. Hence, there is no justification to fund this force from the Defence Budget."

12. The Committee, while welcoming the raising of 'Rashtriya rifles', the para-military force with the training ethos and discipline of the Army for internal security duties, had not favoured its continued control by the Army and showing expenditure thereon in the Army Budget. The Committee had also cautioned against the sizeable deputation from Army adversely affecting the manpower recruitment and preparedness of the Armed Forces.

13. The Committee note that the Ministry of Defence have been of the view that expenditure on Rashtriya Rifles be reflected under the Ministry of Home Affairs Budget and are, therefore, surprised at the decision of the Cabinet to continue to reflect the budget provisions for

Rashtriya Rifles under the Ministry of Defence, unlike other paramilitary forces. The Committee note that the Rashtriya Rifles a Force with the operational ethos of the Army, has been raised under the administrative control of the Ministry of Defence, to perform the counter insurgency role and assist the State authorities in maintenance of law and order. However, in the period of war, they are to look after the rear area security. Since the main objectives of the creation of Rashtriya Rifles are to assist State authorities for internal security and maintenance of law and order during insurgency conditions, the Committee feel that while administrative control of Rashtriya Rifles may vest under the Ministry of Defence, there is no justification for budgetary provisions under Ministry of Defence. The Committee reiterate their earlier recommendation that the provision for Rashtriya Rifles may be budgetted under the Ministry of Home Affairs like other paramilitary forces raised for internal security duties. The Committee would like the Government to review the decision in the matter and the Committee informed accordingly.

14. The Committee would also desire an expeditious action and a time bound strategy for provision of the manpower for Rashtriya Rifles from lateral entrants, ex-servicemen and also by deputation from other paramilitary forces to progressively reduce Army deputationists so as to minimise the adverse impact on strength of the combat units of the Army.

Upgradation of MIG Fleet

Recommendation(Sl. No. 5, Para No. 25)

15. Stressing the need for upgradation of existing MiG fleet, the Committee recommended as follows:

"The Committee appreciates the efforts to improve operational availability of aircraft by enhanced spares availability and intensive maintenance effort. However, the deficiencies which remain become all the more a matter of concern in view of the emerging possibility of acquisition by Pakistan of additional F-16s. The Air Force needs, therefore, to urgently upgrade its capabilities be they for interception, deep strike or ground support. The upgradation programmes of the existing MiG fleet need to be addressed on priority. The Ministry of Defence will also have to acquire additional aircraft according to the operational and training requirements of the Air Force and take adequate measures to enhance the capability of the aircraft by the fitment of superior avionics, weapon systems etc. Adequate funding has to be ensured for them."

16. In their action taken reply, the Ministry of Defence have stated as follows:

"Government is closely monitoring the efforts being made by Pakistan to acquire additional F-16 Ac from USA in relaxation of the Pressler amendment.

The Government has, based on a close examination of the threat, initiated a number of steps for effectively countering it. The steps already initiated *inter alia* include acquisition of Global Positioning system for fitment on various types of aircrafts.

This would ensure that the most accurate navigational aid is available to the pilots flying the aircraft equipped with this system. In addition, capabilities of IAF in other fields are also being upgraded constantly to make the IAF operationally viable in the face of the emerging threat scenario.

The proposal for upgradation of MiG-21 aircraft has already been accepted by the Government and based on the discussions held with various agencies in India and abroad, the specifications for upgradation of the aircraft have also been finalised. The agencies and vendors for undertaking the upgradation work and supplying various systems have also been identified.

Based on the experience gained in executing the upgradation programme of MiG-21 BIS aircraft, upgradation of MiG-27 and MiG-29 aircraft may also be considered by the Government at a later stage to increase their effectiveness and ensure optimal utilisation.

The Government have noted the recommendations of the Committee regarding fitment of superior avionics, weapon system etc. on aircraft. Adequate funds would be made available to the IAF for meeting their requirements and maintaining a balanced force level within the overall resources available to Ministry of Defence.

The Government is also aware of the fact that a substantial portion of the combat fleet of IAF would need to be replaced in the first decade of the next century. Appropriate steps, would therefore, be initiated for ensuring optimisation of the force levels after taking into account the likely threat scenario. So far as the acquisition of trainer Aircraft is concerned, the proposal for the acquisition of the Advanced Jet Trainer has already been approved by the Government and negotiation commenced with the short-listed vendors."

17. The Committee had voiced concern for the emerging possibilities of the acquisition of F-16s by Pakistan, and underlined the need of upgrading the capabilities of Air Force and ensuring adequate funding for the same. The Committee have been informed about the steps being taken by the Ministry to upgrade the capabilities of Air Force as to make it operationally viable in the face of emerging threat scenario. The Committee also note that the proposal for the upgradation of the MiG-21 Bis aircraft has also been finalised. The Ministry have also informed that adequate funds would be made available to the Indian Air Force for fitment of superior avionics and weapon systems on aircraft within overall resources available to the ministry and that they would initiate appropriate steps for ensuring optimisation of force levels in view of the fact that the substantial portion of the combat fleet of Indian Air Force would need to be replaced in the first decade of the next Century.

18. The Committee note with satisfaction the measures taken in the programme for upgradation of MiG- 21 Bis aircraft but at the same time would like the Ministry to execute the same within a fixed time frame.

19. The Committee are also concerned at the slow pace at which the matter regarding replacement of combat fleet of the Indian Air Force is being handled. The Committee desire that the matter may be taken up urgently in right earnest and the plans drawn up well in advance for acquisitions/ replacements so as to ensure that there is no depletion in the combat fleet of Air Force once the phasing out of the existing fleet commences in the first decade of the next Century.

Report of the Committee on Defence Expenditure

Recommendation (Sl. Nos. 13 & 14, Para Nos. 36 and 37)

20. The Committee had while examining the Demands for Grants of the Ministry of Defence for the year 1993-94 recommended in their first report that "the report of the Committee on Defence Expenditure be made public as early as possible". The Committee on being informed that the report was till then under examination by the Committee of Secretaries, had been of the view that a little more openness even in the matters relating to the Defence would not militate against the national interest and had therefore, reiterated their earlier recommendation to make the Report public as early as possible.

21. In the reply Ministry stated:

"The Report of the Committee on Defence Expenditure was classified

'Secret' by the Committee itself. The matter has again been re-examined by the Government. The CDE Report contains information regarding structure and decision making mechanism/procedures pertaining in the Defence Ministry and has several sensitive and controversial recommendations. It will, therefore, not be desirable to make the report public at this stage when the matter is still under the consideration of Government."

22. The Committee in their Second Report while examining the Demands for Grants of the Ministry of Defence for the year 1994-95 reiterated their earlier recommendations made in their First Report that "the Report of the Committee on Defence Expenditure be made public as early as possible".

23. The Ministry of Defence in their action taken reply have stated that Committee on Defence Expenditure (CDE) Report contains 'several sensitive and controversial recommendations. It will, therefore, not be desirable to make the report public at this stage when the matter is still under consideration of Government'. Recommendations made by Arun Singh Committee are being referred to in the Press from time to time in greater details. The Committee do not think there is now much 'secret' left in the Report. But the Government still want to keep it secret and keep the Committee in the dark. Moreover public dabate on 'sensitive and controversial recommendations', in the opinion of the Committee, would rather help enable the Government to take reassuring, balanced, wise and correct decisions on these matters. The Committee reiterate that the Report of the Committee on Defence Expenditure be made public without further delay.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 1, Para No. 21)

"In view of the very rapid re-armament in our region, combined with the admitted nuclear capability of a potential adversary, adequate funding has to be ensured to overcome certain vital deficiencies. Particular attention has to be paid to impart greater mobility, fire power and the capability of carrying out battle in the electronic battlefield scenario by providing more modern equipments to achieve the long term objective of a leaner and meaner army."

Reply of the Government

In the recent past, the security environment in our region has steadily worsened, with our neighbours modernising and enhancing their armed forces. We are alive to these emerging trends and have taken a number of counter-measures to meet the qualitative and quantitative improvements currently in the offing amongst our potential adversaries.

The Defence budget has been under considerable strain on account of the overall financial resource crunch, and the need to bring about a greater degree of fiscal discipline in Government expenditure. Therefore, the interests of maintaining a high level of operational preparedness, have to be optimised in such a way as not to impede economic growth in other areas. In the context of increasing stringency of financial resources, serious efforts have been made to bring about radical improvements in financial management systems. A concerted exercise is undertaken every year to determine modernisation priorities keeping in view resource limitations. This involves a critical scrutiny of all areas of expenditure to eliminate possibilities of waste; to reduce manpower requirements wherever feasible; to decrease the size of ordnance inventories; to bring about energy and fuel efficiency and to find ways of increasing revenues through the sale of surplus and obsolete assets. Based on this scrutiny, modernisation priorities are determined in such a way that optimum use is made of available resources for satisfying emergent requirements.

In the light of budgetary constraints, the principal thrust has been towards meeting the deficiencies in ammunition reserves, upgradation of critical weapon systems through overhaul, refurbishment and technological improvements.

introduction of simulators, and selective introduction of strategically important force multipliers, particularly in the field of Electronic Surveillance and Electronic Warfare.

The budget for 1994-95 is a distinct improvement resulting from perceived needs and from Government's commitment to invest adequately in Defence.

Greater Mobility

Significant efforts have been made during the recent years to upgrade the tank fleet of the Army. Success was achieved in a programme to repower the Vijayanta Tanks with a new engine. The T-55 tank overhaul programme has continued on schedule and near full capacity utilisation has been achieved in the overhaul facility. T-72 tanks and BMP-2 ICV vehicles manufactured by the HVF Avadi/the Medak factory continue to be inducted. Steps are being taken to update the T-72 tanks. The MBT Arjun has performed very satisfactorily in user trials.

Fire Power

The 155 mm Towed Howitzer Gun has been fully inducted into service, with all initial teething problems having been successfully overcome. The Army also continues to hold a sizeable number of 130 mm Guns and 105 mm light Field Guns. The possibilities of converting the 130 mm Guns to 155 mm and indigenously producing T-72 chassis based 155 mm Self Propelled Gun system are being considered, as a cost effective option towards upgrading our Artillery capabilities.

The 5.56 mm family of small arms developed by the DRDO is now ready for mass production by the Ordnance Factories. The weapons will begin to be inducted into service from 1994 onwards. The 7.62 mm weapons are required by our Police and Paramilitary Forces and will be made available to them. The induction of 5.56 mm weapons will give infantry soldiers a lighter, smaller weapon, with a longer range, which is more accurate and has greater fire power, and it will substantially improve their ability to meet terrorist and insurgent threats.

Electronic Warfare

In order to effectively counter perceived threats in the area of electronic warfare from potential adversaries, the Army has drawn up a detailed plan for future EW acquisitions. A variety of equipment in the area of COMINT, Signal Intelligence and Speech Secrecy Devices have been acquired. ELINT systems and non-communication EW systems are also under procurement. Indigenisation

possibilities through transfer of technology as well as concurrent engineering are also being resorted to, to develop self-reliance in the field.

Leaner and Meaner Army

Three major reviews have been carried out in the last three years or so, to optimise the organisational structure of the Army, and make it more cost-effective. These reviews were carried out by three in house Committees. The implementation of the very exhaustive recommendations made by these Committees has resulted in the generation of manpower resources in a phased manner, and have enabled the Army to use existing manpower resources, for essential and inescapable modernisation schemes, through redeployment and re-training. This is an ongoing exercise, and the Army hopes to continue to make the best use of existing manpower; by redeploying them in a more cost-efficient manner.

An area of major achievement, which has resulted from the recommendations of the afore-cited committees, is the streamlining of our logistics system, and consequently improving the 'teeth to tail' ratio. It needs to be highlighted that the 'teeth to tail' ratio of the Indian Army is at present one of the best amongst the large Armies of the world, and currently stands at an impressive figure of 70:30. This ratio was 62:38 in 1970, and 68.2:31 in 1980. During the period 1990-93, while amalgamating the static logistics infrastructure with the field formations, by instituting a 'Modified Logistics Support System' appreciable reduction in the 'tail' has been effected. This exercise of reducing financial liabilities and generating additional manpower is continuing, so that our long term objective of a leaner and meaner Army is achieved.

(Ministry of Defence O.M. No. 11019/5/94/D (Para) /Dated: Nil)

Comments of the Committee

Please see para Nos. 6 & 7 of the Chapter I of the Report.

Recommendations (SL. No.4, Para No. 24)

The priorities for the Navy for 1994-95 as finalised by the Ministry of Defence include modernisation of a number of surface vessels and submarines along with induction of force multipliers in the shape of sophisticated electronic warfare equipments, radio and satellite communications system etc. Besides this, the Ministry has to plan the replacements of the ageing aircraft carriers of the Indian Navy in not too distant a future and to meet the requirement of modern submarines. Keeping in view our maritime obligations, the present size of the Navy has been stated to be just adequate. However, sufficient number of modern vessels with

commensurate mobility and armament need to be ensured so that the Navy is able to discharge its primary roles of protecting our long coast line and sea lanes.

Reply of the Government

Review of force levels and modernisation planning are ongoing exercises in the context of threat perceptions and the geostrategic environment and the availability of the budgetary resources. However, Naval force level development has long lead time since ship construction requires six to eight years per vessel. Keeping this in view, projects have been undertaken on the concept design of an Air Defence Ship which will be a replacement for one of the aircraft carriers. This task has been completed.

Similarly, Project 75 has been conceived for indigenous design and construction of submarines with superior fire power capability to replace the Foxtrot class submarines by the turn of the century.

[Ministry of Defence, O.M. No. H. 11019/5/94/D (Parl) Dated Nil]

Recommendations (Sl. No. 5, Para No. 25)

The Committee appreciates the efforts to improve operational availability of aircraft by enhanced spares availability and intensive maintenance effort. However, the deficiencies which remain become all the more a matter of concern in view of the emerging possibility of acquisition by Pakistan of additional F-16s. The Air Force needs, therefore, to urgently upgrade its capabilities be they for interception, deep strike or ground support. The upgradation programmes of the existing MiG fleet need to be addressed on priority. The Ministry of Defence will also have to acquire additional aircraft according to the operational and training requirements of the Air Force and take adequate measures to enhance the capability of the aircraft by the fitment of superior avionics, weapon system etc. Adequate funding has to be ensured for them.

Reply of the Government

Government is closely monitoring the efforts being made by Pakistan to acquire additional F-16 ac from USA in relaxation of the Pressler amendment.

The Government has based on a close examination of the threat, initiated a number of steps for effectively countering it. The steps already initiated *inter-alia* include acquisition of Global Positioning System for fitment on various types of aircrafts.

This would ensure that the most accurate navigational aid is available to the pilots flying the aircraft equipped with this system. In addition, capabilities of IAF in other fields are also being upgraded constantly to make the IAF operationally viable in the face of the emerging threat scenario.

The proposal for upgradation of MiG-21 aircraft has already been accepted by the Government and based on the discussions held with various agencies in India and abroad, the specifications for upgradation of the aircraft have also been finalised. The agencies and vendors for undertaking the upgradation work and supplying various systems have also been identified.

Based on the experience gained in executing the upgradation programme of MiG-21 Bis aircraft, upgradation of MiG-27 and MiG-29 aircraft may also be considered by the Government at a later stage to increase their effectiveness and ensure optimal utilisation.

The Government have noted the recommendations of the Committee regarding fitment of superior avionics, weapon system etc. on aircraft. Adequate funds would be made available to the IAF for meeting their requirements and maintaining a balanced force level within the overall resources available to Ministry of Defence.

The Government is also aware of the fact that the substantial portion of the combat fleet of IAF would need to be replaced in the first decade of the next century. Appropriate steps, would therefore be initiated for ensuring optimisation of the force levels after taking into account the likely threat scenario. So far as the acquisition of trainer Aircraft is concerned, the proposal for the acquisition of the Advanced Jet Trainer has already been approved by the Government and negotiation commenced with the shortlisted vendors.

(Ministry of Defence, O.M. No. H. 11019/5/94/D (Part) Dated. 1994)

Comments of the Committee

Please see Para Nos. 17 to 19 of the Chapter I of the Report.

Recommendation (Sl. No. 6. Para No. 26)

The Committee observe that in the modern warfare, the Electronic Warfare System, Electronic Counter-Measures and Counter-Counter Measures, Air-borne Warning and Control System and other similar 'force multipliers' play a crucial role and as amply demonstrated in recent wars in other parts of the world, may prove to be the deciding factors. The Committee, therefore, recommend that

specific attention may be paid to this area so that our defence forces do not suffer from such inadequacies in any possible electronic battle field scenario.

Reply of the Government

The Ministry have taken note of the recommendations of the Committee. The status of preparedness in the area of electronic warfare *vis-a-vis* the capability of potential adversaries is being given the requisite importance. In order to effectively perceive threats in the area of EW, the Services have drawn up detailed plans for future EW, acquisitions. Current holdings include a variety of equipment in the field of COMINT and ELINT. While deficiencies in this field are being made up through procurements, EW systems are also being developed indigenously through our laboratories in the DRDO. Indigenous effort is being given special emphasis, as EW systems procured ex-import are liable to be compromised as a result of our adversaries acquiring the same technologies. To this effect, Task forces have also been set up for each Service in order to monitor and review our efforts towards enhancing our EW capabilities through indigenous sources.

In this regard a major development programme *viz* Integrated Electronic Warfare Programme (IEWP) has recently been approved for the Army, and similar development programmes are also underway for the Air Force and Navy, to enhance the degree of self-reliance that we possess in this field. In order to achieve these within an optimal time-frame, measures such as Transfer of Technology, Reverse Engineering and Concurrent Engineering are being resorted to.

The acquisition of EW capability for the Armed Forces is also an important element of the Defence plan. The build up of EW capability envisages the following:--

- (a) Induction of suitable surveillance system to detect, monitor and jam enemy systems.
- (b) Induction of active jamming devices and passive systems for countering enemy surveillance and guided weapon systems.
- (c) Induction of active jamming devices for disrupting hostile communications channels to throw enemy command and control functions out of gear.
- (d) Upgrade our systems to avoid enemy interferences.

Apart from filling the voids through acquisitions, DRDO have been making

constant efforts to develop expertise in order to keep pace with the fast changing EW scenario.

In addition, in order to build up expertise in its electronic warfare capability, the Services have been provided with dedicated EW Cells which are manned by highly skilled and specialized man power, who have been trained abroad on sophisticated systems. These have been created to achieve the objectives as briefly defined below:-

- (a) Realistic Assessment of EW capabilities of our adversaries, raise awareness in EW, suggest suitable Electronic Counter Measures in entire Electro-magnetic Spectrum.
- (b) Assess adversaries present and future electrical, electronic and opto-electronic equipment, over entire Electro-magnetic Spectrum, used for war, and plan its exploitation with own EW resources.
- (c) Co-ordinate EW effort with other agencies co-operating in the war effort of the country.
- (d) Raise EW units and procure EW equipment to provide a force multiplier to own Forces.
- (e) Assist in the early indigenisation of EW equipment through trials etc.
- (f) Training of personnel in Electro-magnetic Spectrum Management, EW and Electro-magnetic Interference/Electro-magnetic Compatibility in order to build up a nucleus of man power capable of comprehending complex EW requirements and to keep pace with the rapid strides being made in this field.

Recommendation (SL. No. 7, Para No. 27)

The Department of Defence Production Control 39 Ordnance Factories and 8 Defence Public Sector Undertakings. The Ordnance Factories Board has in recent years set up very modern plants with the capability of producing the most sophisticated defence weapons and munitions in adequate numbers. The defence public sector units too have a similar capability in respect not only of defence weaponry and other equipments, but also for a variety of products with the civilian end use. The Committee welcome the effort of the Department of Defence Production to diversify its lines of manufacture and gain a larger share of the civil market for items which its facilities are capable of producing. The part of its turnover sold in the civil market has reached a new high of Rs. 2183 crores. The

Committee note that diversification is with the primary objective of raising turn over and lowering costs. The Committee feel strongly that no erosion can be permitted in the commitment of the Defence Production Units to subserve our Armed forces and that the *raison d'etre* of diversification is really to enhance their capability to support our defence preparedness. It would be all too-easy to fritter away the capabilities which have taken many decades to build up. The Committee also note that after the Report of Rajadhyaksha Committee in the year 1979, no systematic and comprehensive study of Ordnance Factories has been done. The need for such a study in the wake of Industrial Policy of 1991 can hardly be over emphasised. The Committee recommend to the Ministry of Defence to mount a comprehensive study on the future of the Ordnance Factories and Defence PSUs with the objective of identifying the lines of production which, on the one hand, will put their spareable capacities to profitable use and will, on the other hand, enable them to provide high tech, critical and strategic defence items.

Reply of the Government

Ordnance Factories

Infrastructure in the Ordnance Factories has been created as dedicated production base for supply of lethal as well as non-lethal stores to the Armed Forces. The primary objective of the Ordnance Factories has been to meet the emerging requirements of the services. Therefore, all upgradations in technological base as also addition of new facilities has been done for manufacture of items required by the Armed Forces. In the new economic scenario the Ordnance Factories, though departmentally owned captive units, are expected to perform to the standards of efficiency and cost effectiveness prevailing in the commercial industrial sector. Keeping this in view, Ordnance Factories have taken up work for non-defence sector so as to utilise their spareable capacities and thereby raising the turnover and lowering the costs without any erosion to their commitment to meet fully the requirements of the defence forces.

The recommendation of the Standing Committee was communicated to the Ordnance Factory Board who have confirmed that no erosion will be permitted in their commitment to subserve the Armed Forces and only spareable capacities would be utilised for non-defence sector. However, for a production oriented organisation like Ordnance Factories to remain dynamic there is a need for constant review of the lines of production not only to match the changing requirements of the Armed Forces but also to serve them efficiently. In this regard comprehensive studies have already been taken up systematically in nodal Ordnance Factories for identification of production lines in which capacities can be spared for non-Defence sector without erosion to the needs of the defence forces. In order to assess the potential to which commitment can be made to the civil sector, requirements of defence forces in the next 4 years have been assessed

in consultation with the defence forces. Accordingly, an in-house study has been conducted by OFB with the objective of raising the turnover and productivity so that the cost of production is reduced.

Technology-wise eight nodal factories were identified by OFB for in-depth detailed study. M/s. Tata Consultancy Services (TCS) were engaged by the Ordnance Factory Board (OFB) in April, 1992 as a consultant to conduct study and evolve a plan for diversification of product/marketing of existing products with the objective of productive utilisation of the existing facilities in those Ordnance Factories and the marketing structure required.

After close interaction with the Ordnance Factories, M/s. TCS have identified possible areas of development and marketing in products like, refrigerated trucks, battery operated vehicles, wind mills transmission towers, granite cutting machinery and components like copper tubes, grinding media balls and various components with a view to utilise spareable infrastructure primarily in supporting engineering factories. M/s. TCS has also recommended a comprehensive marketing organisational structure in OFB with its regional offices to help the OFB in matter of commercial intelligence and customer contact etc.

OFB has also engaged M/s. Metallurgical and Engineering Consultant (MECON) India Ltd., in the field related to metallurgy. M/s. MECON were engaged to suggest rationalisation and optimisation of the capacity of Grey Iron Foundry (GIF) and furnish market survey report for Grey Iron (GI), MALLEABLE IRON (MI) and Spheroidal Grey (SG) Iron castings. M/s. MECON are likely to complete the optimisation report shortly.

An exercise is also being taken up to assess the emerging technologies required for the Armed Forces in the next 15 years, keeping in view long term perspective plans of the defence forces. A further comprehensive study with the objective of identifying lines of production/factories which would require upgradation by way of introduction of balancing equipment, with reference to the high technology, critical and strategic defence items have to be carried out as a continuing exercise. It will be ensured that diversification is achieved in Ordnance Factories by utilising the in-built flexibility in their capacities, for meeting the demands of the services for defence hardware and diverting the spareable capacities for production for the civil sector. This requirement of in-built flexibility will be kept in view while going for modernisation or creation of capacities for new military hardwares. No erosion in the commitment of the Ordnance Factories towards the defence forces will be permitted.

Defence Public Sector Undertakings

The defence PSUs have, for a number of years, been active in the commercial industrial sector and are equipped to expand their role in that sector. Over the years they have entered fields such as earthmoving and mining equipment, off shore oil installations, telecommunications, broadcasting, bridges, engines and rail coaches. However it is being ensured that while resorting to diversification, their commitment to the defence forces is not diluted in any manner. The recommendation of the Standing Committee was communicated to the boards of the defence PSUs and they have resolved that, consistent with the objectives of the defence PSUs, the defence services will continue to be the primary customer and any requirement of the defence services will receive overriding priority. Other business would be undertaken by the PSUs to the extent it ensures balanced growth of the enterprises and profitability without eroding their commitment to the defence services.

Comprehensive studies have been carried out in some of the PSUs while similar studies are in hand in others, to identify lines of products and services into which the companies should enter. This is aimed not only for utilising spare capacities but also to adjust to the changing requirements of the defence services. The motive factor for such exercises is the raising of turnover and productivity so that cost of production is reduced. There is also the benefit of enhancing integration between the defence production and the commercial industrial sectors so that both may benefit from mutually reinforced linkages. Diversification, therefore, involves the commercial utilisation of spare machine capacities, skills, manpower and other assets. It also enlarges turnover by expanding the range of products and services addressed to the defence forces, para-military and police forces, the civil sector and for exports. Higher productivity leads to lowering of costs and of prices charged from the Armed Forces and the surpluses earned from sales to non-defence customers are used for further lowering of the prices to the Armed Forces. This enables the latter to place orders for larger quantities which leads to further increase in turnover and productivity. Diversification reduces the vulnerability of defence production units to fluctuations and orders from the Armed Forces which might be caused due to budgetary constraints. It increases exposure of the defence production units to the commercial industrial sector leading to greater sensitivity to costs, prices, productivity and commercial practices.

Recommendation (SL. No. 8, Para No. 29)

The Committee observe that the increase in the allocation of Defence Research and Development in 1994-95 (Rs. 1044 crores) is marginal as against the revised estimate of 1993-94 (Rs. 976.08 crores), which is about 4.5% of the

Defence Budget. The requirement of funds for the important DRDO projects such as the LCA, the MBT, the Missile Programme and Electronic Warfare System has to be ensured by enhancing the allocation to the Defence R&D so that these programmes are completed on schedule.

Reply of the Government

The Department of Defence Research & Development (DRDO) has assessed the additional requirement of funds to the tune of Rs. 136 crores in the current financial year for the important DRDO Projects such as the LCA, the MBT and the IEWP (Integrated Electronic Warfare Programme).

Ministry of Defence (Finance) would consider enhancement to this extent at the stage of Revised Estimates, based on the expenditure status at that time.

[Ministry of Defence O.M. No.H. 110019/5/94D(PARL) Dated 1994.]

Recommendation (Sl. No. 10, Para No. 33)

The Committee welcome various economy measures taken by the Ministry and hope it will continue to get due priority in the coming year also, without in anyway compromising the primary objective of defence preparedness.

Reply of the Government

Effecting economy in expenditure is a continuous endeavour. The economy measures initiated in the last few years are being continued, with compromising the operational requirements of the services.

The main economy measures by the Army are in the fields of manpower, training, fuel economies, transportation model, repair, land norms and inventory reductions.

At the Naval Headquarters 10% posts have been surrendered and manpower growth is rigidly controlled. Economies have been effected in war wastage reserves by suitably enhancing the shelf life of missiles and torpedoes. The new Management Strategy which is an innovative measure aims at achieving greater efficiency through better management of resources and thereby achieving better value for money. Field officers will have greater flexibility for decision making but with accountability in terms of Budget Management. This aims at achieving allround economy.

The Air Force continues to effect economies by tightly controlling the

manpower requirements. It is further proposed to evolve an Integrated Inventory Management on line System to rationalise the entire process of inventory management. Air Force is also laying emphasis on fuel efficiency.

[Ministry of Defence O.M.No. H. 11019/5/94/D (PARL) Dated the 31st October, 1994]

Recommendation (Sl. No.11,Para No.34)

The Committee further note the need to modernise the existing ordnance depots of 1942 vintage. The measures taken by the Ministry in this direction should be accelerated to improve the storage facilities in the depots.

Reply of the Government

The Central Ordnance/Ammunition Depots are the centralised repository of the entire Army inventory including general stores, clothings, arms, ammunitions, Personnel and Armoured vehicles, tanks, electronic equipment, etc. Each Central Depot is responsible for storing particular classes of stores and their related spares. There are 8 such Central Depots, the locations of which are given below:-

- | | |
|--------|-----------------|
| (i) | COD Delhi Cantt |
| (ii) | COD Dehu Road |
| (iii) | COD Chheoki |
| (iv) | COD Kanpur |
| (v) | COD Agra |
| (vi) | COD Bombay |
| (vii) | COD Jabalpur |
| (viii) | CAD Pulgaon |

All these Depots were established in the pre-independence period and the buildings constructed are of temporary/semi-permanent specifications. These depots do not have the modern material handling and storage systems and are spread over large areas. Due to the extensive changes in the technologies for material handling, warehousing, automations, etc., it was felt desirable to modernise these depots. The modernisation programme will include the re-designing and restructuring of the depots in the same locations in such a manner so as to yield savings in land and manpower by introducing compact and more efficient structures, large scale automation, installation of modern material handling and inventory management systems, cost effective fire precautions/safety devices, etc.

As there is no in-house expertise in Defence establishments to handle such

a complex job, it has been decided to take up the modernisation activity, on an experimental basis, in one depot only i.e., the COD Kanpur, by involving the indigenous firms engaged in the related areas.

The following major activities are likely to be performed in the modernisation of the COD Kanpur:-

- (a) Demolition of existing structures built to temporary specifications during World War II.
- (b) Construction of new buildings/storage accommodation and associated facilities including material handling systems based on modern concepts.
- (c) Modernisation of fire fighting and security systems.
- (d) Installation of computers for inventory management.

The initial expectation of project cost was around Rs. 105 crores. However, the actual cost would depend upon the Detailed Project Report (DPR), which will be prepared by the outside Consultants. The order for preparation of DPR will be awarded shortly.

For preparation of the DPR on modernisation of COD, Kanpur, tenders were floated from leading organisations. Against this tender, offers from 14 consultancy organisations were received.

The lowest offer of Rs. 12.50 lakhs of M/s. NIDC and the second lowest offer is at Rs. 29.50 lakhs by M/s. MECON. Both these firms are in the public sector and have been selected for preparation of DPR.

The contract for preparation of DPRs will be awarded shortly. Based on the DPRs, the modernisation activity in this Depot shall be taken up. After successful implementation of this modernisation programme, Government will take up modernisation of other Depots subject to the availability of funds.

[Ministry of Defence O.M. No.H.11019/5/94/D (Part) Dated: Nil]

Recommendation (SL. No. 12, Para No. 35)

"The Committee in their first report had recommended vigorous measures regarding conservation of petroleum products to be undertaken by all organisations under the Ministry of Defence. It is, however, noted that the budget estimates under this item for 1993-94 was revised from Rs.212.65 crores to Rs.352.65

crores. A still higher amount of Rs.409.99 crores is to be spent in 1994-95. In view of this rising trend the Committee once again emphasize the need for economy in this area."

Reply of the Government

As an ongoing measure of conservation of petroleum and petroleum products, the Defence Services are to the extent feasible, without adversely effecting operational efficiency reducing consumption of fuel, oil and lubricants by imposing quantitative restrictions as well as through innovative conservation efforts. From 1988-89, cuts ranging between 10% to 25% on consumption of petrol, diesel and kerosene were imposed by the Army. The Navy and the Air Force imposed cuts ranging between 10% to 20% from 1990-91 onwards. These cuts have resulted in substantial savings in the consumption of these petroleum products.

The Defence Services are quite keen to economise on petroleum consumption, and instructions have been issued to the lower echelons, to educate personnel at all levels about the need for conservation of petroleum products. The Defence Services are also conducting 'Oil Conservation Weeks' annually, involving the following activities:-

- (a) Organising seminars/discussions on fuel conservation in defence sector.
- (b) Display of banners and posters conveying message of conservation of petroleum products.
- (c) Preparation and distribution of leaflets emphasising the need for fuel conservation.
- (d) Arranging lectures by experts from PCRA and Oil Companies.

Several other steps taken by Armed Forces to conserve the use of petroleum products are as under:-

(a) Army:

- (i) Multi grade lube oils, in place of monograde oils, are being introduced in Army from the current year, which will help, in optimising equipment functioning and reduction of fuel consumption, as also reduction in the frequency of lube oil changes.
- (ii) Upward revision of consumption norms in terms of kilometers per litres (KPL) of fuel oils for vehicles as per following details:-

<i>Sl. No.</i>	<i>Vehicle</i>	<i>Old KPL</i>	<i>Revised KPL</i>
(a)	Motor Cycle	27.24	30.00
(b)	Jeep	5.31	5.70
(c)	TATA Lorry (6.5 Tones)	5.00	5.50

- (iii) Fuel efficient vehicles are being introduced to reduce fuel consumption.
- (iv) Training programmes for Army drivers for fuel efficient driving habits have been organised with the help of PCRA (Petroleum Conservation Research Association). This has helped in inculcating better driving habits among the drivers and thus achieving saving fuel consumption.
- (v) Use of field kits for oil testing.
- (vi) Use of compressed natural gas has been taken up on trial basis in a few Army vehicles.
- (vii) The maximum despatches to depots are being made in bulk to avoid handling losses by spillages/ leakages.
- (viii) Efforts are being made to retrieve maximum quantity of Used Engine Oils which is auctioned to registered refiners.

(b) Air Force:

- (i) Regular monitoring of fuel consumption in units/formations and quarterly consumption return obtained.
- (ii) Regular practical demonstration on fuel conservation by proper maintenance and good driving habits are organised to improve KPL.
- (iii) Induction of fuel efficient vehicles.
- (iv) More emphasis on co-ordination on runs by advanced planning for optimum use of vehicle.

(c) Navy:

- (i) Regular maintenance of MT vehicles.

- (ii) Pooling of vehicles.
- (iii) Ensuring that meters of all vehicles are functioning to monitor the KPL.
- (iv) Instituting cash incentives for good drivers and maintenance staff for professional efficiency.
- (v) Ensuring that the mileage restrictions as laid down for various types of vehicles are not exceeded.
- (vi) Limiting the running of staff car to 12,000 kms per annum.
- (vii) Induction of fuel efficient vehicles.
- (viii) Organising refresher driving and maintenance courses for MT personnel.

While there had been reductions in the consumption of oils by the Defence Services, the total expenditure has not shown a proportionate reduction primarily due to the upward revisions in the administered prices of POL. Had these prices not gone up, and had the Army's involvement in internal security duties not been on such a large scale, the expenditure on fuel oils by Defence Forces would have shown a marked reduction.

Recommendation

(Sl. No. 13, Para No. 36 and Sl. No. 14, Para No.37)

36. The Committee while examining the Demands for Grants of the Ministry of Defence for the year 1993-94 had recommended in their first report that "the report of the Committee on Defence Expenditure be made public as early as possible". The Committee have been informed that the report is still under examination by the Committee of Secretaries.

37. The Committee are of the view that a little more openness even in the matters relating to the Defence will not militate against the national interest, and therefore, reiterate their earlier recommendation to make the Report public as early as possible.

Reply of the Government

The Report of the Committee on Defence Expenditure was classified 'Secret' by the Committee itself. The matter has again been re-examined by the Government. The CDE Report contains information regarding structure and decision making mechanism/ procedures pertaining in the Defence Ministry and has several

sensitive and controversial recommendations. It will therefore not be desirable to make the report public at this stage when the matter is still under the consideration of Government.

Comments of the Committee

Please see Para Nos. 22 & 23 of the Chapter I of the Report.

Recommendation (No.15 Sl. No.39)

(i) The Committee desire that the very concept of Cantonment, its relevance in modern times and its future, may also be examined alongwith the recommendations of the expert group.

(ii) The Committee find that vast areas of Cantonment lands are lying unutilised at present offering ample opportunities to the unscrupulous elements for encroachments. The Committee desire that some time bound long term planning may be made by the Ministry, to utilise those unutilised lands.

Reply of the Government

(i) Cantonments are primarily stations where the Army Units have permanent location and personnel undergo training. A large portion of the Cantonment consists of barracks & bungalow areas, parade grounds etc., while the civilian population is generally confined to peripheral bazar areas. As a consequence the health & welfare of the Armed Forces personnel is a dominant consideration in the administration of cantonments.

The relevance of cantonments has been debated by Parliament Committees from time to time. After the examination of pros & cons of the issue, Government had decided that the *status quo* in regard to the existing cantonments be maintained. No new cantonment has been set up after 1962, except military stations.

It may be mentioned that Government had examined the question of excision of civil areas of cantonments for being handed over to the adjacent municipalities in the context of the recommendations of a Committee headed by Shri S.K. Patil, constituted for the purpose. As a result, Government carried out excision of part of the civil areas in 6 cantonments (Agra, Ahmednagar, Allahabad, Banaras, Delhi & Jhansi) in the 1950s. Much later, parts of civil areas of Ambala & Khashyol were excised by the Government in 1977 & 1986 respectively. A proposal for excision in regard to Danapur was not pursued as the State Government was not agreeable.

A decision on excision is dependent on the administrative cum financial implications of the proposal the views of the local military authorities, the wishes of the local population, and the willingness of the State Governments concerned. Hence excision of civil areas/cantonments has been feasible only to a certain extent.

(ii) Cantonment Planning generally takes into account the current & future land requirements of Defence. Portions of unutilised Defence lands, as such, are earmarked for specific purposes. Most of these areas are in A-1 land, under the active occupation of the Army, in the form of training and parade grounds, firing ranges etc. The Army has a system of zonal planning by which Married and other than Married Accommodations requirements are translated into reality in phases depending on the availability of funds. The zonal plans of the Army are interwoven with the KLP requirements which in turn are subjected to review from time to time.

[Ministry of Defence O.M. No.H.11019/9/93/D (par1) Dated Nil]

Recommendation (Sl.No.16 , Para No 40)

The Committee also hope that the Cantonment Act, 1924, would be suitably amended soon to give the local MPs due representation on the Cantonment Boards.

Reply of the Government

In an earlier Action Taken Note in response to the recommendations of the 1st Report of the Standing Committee on Defence, the Ministry had informed that the Cantonments Act, 1924, in its present form does not provide a direct role for MLAs/MPs, or representatives of local areas of the Cantonment Boards. The suggestions regarding representation of local MLAs, MPs, and other representatives of the local area would be kept in view when amendments to the Cantonments Act, 1924, are considered, in the wake of coming into effect of the 74th Constitutional Amendment Act.

[Ministry of Defence O.M. No.H.11019/9/93/D (Parl) Dated Nil]

Recommendation Sl.No. 17. Para No. 41

Historically, the Sainik Schools were envisaged to perform a feeder role for the Military Services. Over the years, these Schools have contributed 150-160 officers every year to the Defence Forces. The Committee are, however, of the view that in the present day scenario, this is not an essential activity for the

Ministry of Defence and the Sainik Schools could be appropriately looked after by some other Ministry. The Committee have been informed that the process is in an advanced stage for the transfer of these Schools to the Ministry of Human Resource Development. This needs to be expedited.

Reply of the Government

In order to expedite the proposal for transfer of Sainik Schools to the Ministry of Human Resource Development, the issue was discussed by Addl. Secy. Ministry of Defence with Addl. Secy. Deptt. of Education, Ministry of Human Resource Development. It was decided in this meeting that in the Deptt. of Education too, "in principle" approval of the Minister of Human Resource Development would be obtained and communicated to Ministry of Defence. Following this Ministry of Defence would take further steps to obtain the consent of respective State Governments, and the Board of Governors of the Sainik Schools Society. Simultaneously, the modalities for effecting the transfer would be worked out. However, recently i.e. on 19.9.94, a note outlining the problems that are likely to come up due to the proposed transfer of the Sainik Schools to Ministry of Human Resource Development has been received from the Department of Education. The problem areas relate to transfer of school properties which have been created and are maintained by the State Governments, transfer/absorption of Sainik School employees in the new set up, switch over from English to Hindi as medium of instruction for certain subjects, conversion of schools to the Kendriya Vidyalaya/ Navodaya Vidyalaya pattern and funding of these Schools after transfer from the Ministry of Defence. Detailed response to these issues is being worked out. The matter is being pursued for early transfer of Sainik Schools to Ministry of Human Resource Development.

CHAPTER III

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

Recommendation (SL.NO. 21,Para No. 22)

The prevailing internal security conditions dictate large commitment of the Army towards internal security duties. This imposes a high cost on the Army in terms of training and battle readiness as well as financial burden. A suitable solution will have to be found for it including the possibility of reimbursing such costs to the Army Budget.

Reply of the Government

'Aid to Civil Authority' for maintenance of law and order/internal security is a statutory obligation of the Armed Forces under the Cr.P.C. When the integrity of the nation comes under threat, it is incumbent upon the State to use all the instruments available to it. As such, the question of reimbursement of costs on this account does not normally arise. For assistance provided in case of natural calamities and other duties, a system of claiming reimbursement from aid requisitioning authorities already exists.

It has been the policy of the Government to keep the use of the Army in Aid to Civil Authority for the maintenance of law & order/internal security to the barest minimum. State Governments have been advised that the Army should be requisitioned only as a last resort, after the local police/paramilitary forces and other State Government agencies have been deployed and have proved ineffective.

Recommendation (Sl.No 9,Para No.30)

The Committee note that a ten year Self-Reliance Plan has been drawn up on the recommendation of a Committee of specialists under the Chairmanship of the Scientific Advisor to Raksha Mantri to achieve a self-reliance index of 0.7 as compared to 0.3 at present. The Committee desire that they may be kept informed of the progress made in this area from time to time.

Reply of the Government

The Government have accepted the recommendations of the "Review Committee to evolve a ten-year Plan for Self-Reliance in Defence Systems" and have constituted a "Self-Reliance Implementation Council (SRIC)", under the

Chairmanship of the Scientific Advisor to Raksha Mantri, to accomplish the National mission of enhancing the Self-Reliance Index in Defence Systems from 0.3 to 0.7 by the year 2005. The Council consists of representatives from the three Services, Ministry of Defence, Department of Defence Production & Supplies, Defence (Finance) and Defence Planning Staff.

The salient features of the Terms of Reference of the SRIC include, setting annual targets, facilitating progressive induction of indigenously developed systems and implementing development programmes in critical technology areas.

[Ministry of Defence, O.M. No. H. 110019/5/94/D (Parl.) Dated 1994].

CHAPTER IV

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH REPLY OF THE GOVERNMENT HAS NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Sl. No. 3, Para No. 23)

The attempts to augment the paramilitary forces by raising the Rashtriya Rifles with the training ethos and discipline of the Army, but exclusively for internal security role is a welcome development. However, the continued control of this paramilitary force, and the expenditure thereon, by the Army, will besides inflating the Army Budget make it difficult to achieve the intended objective of minimising the role of the Army in maintenance of internal security. The depletion of strength of the Army consequent to the deputation of army personnel in large numbers to the Rashtriya Rifles, it has been stated, will not be made up immediately. These areas need deeper study by the Ministry of Defence to see that on one hand, the Rashtriya Rifles does not become only a change in nomenclature and the Army continues to be saddled with the internal security duties and on the other, sizeable deputations outside the Army do not adversely affect its personnel requirements and preparedness.

Reply of the Government

The militant/terrorist groups of today are extremely well trained and equipped with sophisticated weapons, explosive devices and communication equipments. They have external support and access to a vast reservoir of funds, besides having sanctuaries and training facilities in certain neighbouring countries and assured safe havens with certain segments of the local population.

The qualitative change in the tactics and operations of the militants in different parts of the country has increased, necessitated involvement of the Army in Internal Security duties. It was considered that such commitments over a long period would affect the operational readiness of the troops for war.

Considering all the factors related to the external security environment and our internal security situation, the need for augmenting a force with the operational ethos of the Army which can effectively handle internal security situations, ensure security of rear-areas, assist the States in managing law and order in times of crises, and most importantly, restore the operational and tactical balance along the international borders and the LOC so that a dissuasive-cum-deterrent capability in Western front can be retained, becomes evident. The Rashtriya Rifles, as envisaged will be the most suitable force for carrying out these tasks.

Paramilitary Forces under the Ministry of Home Affairs and the Armed Police under most State Governments are not organised and trained for combating such militants having superior training and equipment. This can only be carried out by a Para Military Force (PMF) which is led and trained by Army officers and has an Army ethos. To this extent, until Central and State PMFs are properly trained for such tasks and suitably equipped and led, it may become inescapable for Army deputationists to under take these tasks. The main objective, therefore, of raising Rashtriya Rifles is to ensure that the main body of the Army is kept free to train and prepare for its primary role of the Defence of the country, while at the same time making available a force with the same leadership, ethos and training for antimilitant operations and serious law and order problems.

The Ministry of Defence have been of the view that the expenditure on Rashtriya Rifles be reflected under the MHA Budget. No final decision has been taken on issue yet.

Initially RR will comprise entirely of personnel on deputation from the Army. However, it will be ensured that while taking deputationists from Combat units, the strength of the units is not reduced to an extent to adversely affect its Combat potential. Ultimately 75% of the manpower will be from lateral entrants/ex-sevicemen and 25% from deputationists from Army. The personnel in the RR will be over and above the Army's ceiling and additional recruitment to fill up the voids in Army units will be carried in phases out to preclude adverse effect on the Army.

[Ministry of Defence, O.M. No. H 11019/5/94/D (Parl) Dated 1994]

Comments of the Committee

Please see Para Nos. 12 to 14 of the Chapter I of the Report.

CHAPTER V

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF
WHICH FINAL REPLY OF THE GOVERNMENT IS STILL
AWAITED**

- NIL -

NEW DELHI

April, 19, 1995

Chaitra, 29, 1917 (Saka)

INDRAJIT GUPTA,

Chairman,

Standing Committee on Defence.

MINUTES OF THE 3RD SITTING OF THE STANDING COMMITTEE
ON DEFENCE (1995-96)

The Committee sat on Wednesday, the 19th April, 1995 from 1500 hrs. to 1730 hours.

PRESENT

Shri Indrajit Gupta — *Chairman*

MEMBERS

Lok Sabha

2. Shri Ayub Khan
3. Shri Nandi Yellaiah
4. Sqn. Ldr. Kamal Chaudhry
5. Shri Sharad Dighe
6. Shri Umrao Singh
7. Shri Yoganand Saraswati
8. Shri Jagat Vir Singh Drona
9. Shri Gabhaji Mangaji Thakore
10. Shri Amal Datta
11. Shri Hannan Mollah
12. Shri Pratap Singh
13. Dr. Mumtaz Ansari
14. Maj. Gen. R.G. Williams

Rajya Sabha

15. Shri B.B. Dutta
16. Shri Misa R. Ganesan
17. Shri Suresh Kalmadi
18. Shri Satchindananda
19. Shri Sushil Kumar Sambhajirao Shinde
20. Shri Digvijay Singh

Secretariat

- | | | | |
|----|----------------------|---|-----------------------------|
| 1. | Dr. A.K. Pandey | - | <i>Additional Secretary</i> |
| 2. | Shri G.R. Patwardhan | - | <i>Joint Secretary</i> |
| 3. | Shri K.L. Narang | - | <i>Deputy Secretary</i> |
| 4. | Shri A.K. Singh | - | <i>Under Secretary</i> |

2. ** ** **
 ** ** **

3. The Committee then considered the draft Report on action taken by the Government on the recommendations contained in their Second Report on the Demands for Grants of the Ministry of Defence for the year 1994-95 and adopted the same.

4. The Committee authorised the Chairman to finalise the report.

5. ** ** **
 ** ** **

The Committee then adjourned.

APPENDIX

Analysis of the Action Taken by Government on the recommendations contained in the 2nd Report of the Standing Committee on Defence (Tenth Lok Sabha) on the Demands for Grants of the Ministry of Defence for the year 1995-96:

	% of Total
(I) Total number of recommendations	17
(II) Recommendations/Observations that have been accepted by Government. (<i>vide</i> Rec. at Sl. 1,4-8, 10-17)	14 82.35
(III) Recommendations/Observations which the Committee do not desire to pursue in view of Government's Reply. (<i>vide</i> Rec.at SL. Nos. 2 and 9)	2 11.77
(IV) Recommendation/Observation in respect of which Government reply has not be accepted by the Committee. (<i>vide</i> Rec.SL. No. 3)	1 5.88
(V) Recommendation/Observation in respect of which final reply of Government is still awaited.(<i>vide</i> Rec. No. Nil)	