

**15**

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

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

[Action taken by the Government on the observations / recommendations contained in the Sixth Report of the Committee (Sixteenth Lok Sabha) on Demands for Grants(2015-16) of the Ministry on Defence on Civil Expenditure of the Ministry of Defence and Capital Outlay on Defence Services & Demand No. 21, 22 and 28)]

**FIFTEENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**February, 2016/ Phalguna, 1937 (Saka)**

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(2015-2016)**

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*Presented to Hon'ble Speaker, Lok Sabha on 27.01.2016*

*Presented to Lok Sabha on 26.02.2016*

*Laid in Rajya Sabha on 26.02.2016*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**February, 2016/ Phalguna, 1937 (Saka)**

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

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

-

**Chairperson**

### **Members**

#### **Lok Sabha**

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

#### **Rajya Sabha**

1. Shri K. R. Arjunan
2. Shri Anand Sharma
3. Shri Rajeev Chandrasekhar
4. Shri A.U. Singh Deo
5. Shri Harivansh
6. Shri Vinay Katiyar
7. Shri Hishey Lachungpa
8. Shri Madhusudan Mistry
9. Smt. Ambika Soni
10. Shri Tarun Vijay

**SECRETARIAT**

- |    |                     |   |                 |
|----|---------------------|---|-----------------|
| 1. | Smt. Kalpana Sharma | - | Joint Secretary |
| 2. | T.G. Chandrasekhar  | - | Director        |

## **INTRODUCTION**

I, the Chairperson of the Standing Committee on Defence (2015-16), having been authorised by the Committee to submit the report on their behalf, present this Fifteenth report on Action Taken by the Government on the Observations/Recommendations contained in the Sixth Report of the Standing Committee on Defence(16th Lok Sabha) on 'Demands For Grants (2015-16) of the Ministry of Defence on Civil Expenditure of the Ministry of Defence and Capital Outlay on Defence Services vis. Demand No. 21, 22 and 28).

2. The Sixth Report was presented to Lok Sabha / laid on the Table of Rajya Sabha on 27 April, 2015. The Action Taken Notes on the Observations/Recommendations were received from the Ministry of Defence in October 2015.

3. The Committee considered and adopted this Report at their Sitting held on 08 January, 2016.

4. An analysis of action taken by the Government on the Observations/Recommendations contained in the Sixth Report of the Committee is given in Appendix II.

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

**New Delhi;  
08 January, 2016  
18 Pausa, 1937 (Saka)**

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

## CHAPTER – I

### REPORT

This report of the Standing Committee on Defence deals with Action Taken by the Government on recommendations/observations contained in the Sixth Report of Standing Committee on Defence (16th Lok Sabha) on 'Demands for Grants of Ministry of Defence for the year 2015-16 on Civil Expenditure of the Ministry of Defence and Capital Outlay on Defence Services (Demand No. 21, 22 & 28)' which was presented to Lok Sabha and laid in Rajya Sabha on 27 April, 2015.

2. The Committee's Sixth Report (16th Lok Sabha) contained 50 recommendations/observations on the following aspects :-

Para No./Nos.	Subject
1 - 2	Capital Expenditure
3	Indigenisation and R&D
4 - 5	Defence Procurement Procedure
6 - 22	Border Roads Organisation (BRO)
23 - 24	Indian Coast Guard (ICG)
25 - 29	Defence Estates Organisation
30 - 33	Military Engineering Services (MES)
34 - 38	Married Accommodation Projects (MAP)
39 - 40	Defence Public Sector Undertakings (DPSU)
41 - 47	Welfare of Ex-Servicemen
48 - 50	One Rank One Pension

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

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

**Para Nos. 3, 6, 8, 9, 10, 15, 20, 21, 22, 23, 30, 31, 32, 33, 36, 37, 38, 39, 40, 41, 42**

**(21 Recommendations)**

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

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

**Para Nos. 14, 16, 18, 19, 27, 28, 34, 35, 44, 45, 46, 47**

**(12 Recommendations)**

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

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

**Para No. 12, 13, 17, 25, 26, 29, 43**

**(07 Recommendations)**

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

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

**Para No. 1, 2, 4, 5, 7, 8, 11, 24, 48, 49, 50**

**(11 Recommendations)**

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

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

**Para No. NIL**

**(0 Recommendations)**

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

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



## **A. Capital Expenditure**

### **Recommendation (Para No. 1 )**

#### **5. The Committee had recommended as under :-**

The Committee observe that the Capital Expenditure has never remained under control. The Committee feel that the Capital Head invariably ends up with unutilized funds. During the year 2010-11 against the RE allocations of Rs.24266.79 crore, Army spent Rs. 23,625.42 crore. Similarly in the year 2011-12 and 2012-13, Army could utilize Rs. 14,947.82 crore and Rs. 14760 crore against RE of Rs. 16005.69 crore and 15749 crore. In case of Navy Rs. 17759.88 crore and Rs. 20338.85 crore could be utilized during the year 2012-13 and 2013-14 against RE of Rs. 18266.42 crore and Rs. 20418.98 crore respectively. Air Force too could utilize Rs. 23,625.42 crore out of RE allocation of Rs. 24266.79 crore in the year 2010-2011. During the preceding financial year 2014-15 the position of expenditure upto the end of February 2015, in respect of Army, Navy and Air force is Rs. 14843.37 crore, Rs. 18439.02 crore and Rs. 29682.14 crore respectively against their RE of Rs. 21933.54 crore, Rs. 18507.07 crore and Rs. 33710.68 crore respectively. Such underspending leads to a situation where the preparation of Defence Forces are nowhere near the target which are fixed and it becomes a fait accompli. The Committee are of the opinion that capital investment requires a certain period of time to materialize. A capital investment cannot be completed in a financial year. A lot of studies are to be carried out which require the clearance from a number of agencies. The Committee, therefore, strongly recommend that Capital Allocation and Expenditure should be "Non-lapsable and Roll-on" allocation. It should be a part of plan expenditure and the progress should be monitored by a specialist, expert Committee to ensure that the time schedule is set and followed on various stages till the delivery of capital goods.

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

'The utilisation of the Defence capital budget must be viewed in its entirety. Focussing only on a particular Service, or year, of under spending gives a distorted picture. It is more appropriate to focus on under-spending, if any, under the capital budget as a whole rather than any one Service. Under-spending by one Service is usually counter balanced by excess spending by another Service. Thus, from the position of utilisation of the capital budget tabulated below, it may be seen that funds available have been fully utilised:

(in Rs.crores)

Year	BE	RE	Actuals	%age utilisation
2010-11	60,000.00	60,833.26	62,056.00	102.01
2011-12	69,198.81	66,143.81	67,902.38	102.65
2012-13	79,578.63	69,578.63	70,499.12	101.32
2013-14	86,740.71	78,872.23	79,125.05	100.32
2014-15	94,587.95	81,965.24	81,887.42	99.91

In view of the above, it is felt that no purpose is served by delineating the capital budget as “non-lapsable and roll-on” as on no occasion during the last five years were any surplus funds available for rolling over.

It is also felt that designation of Defence capital expenditure as plan expenditure would yield no benefit, especially since the distribution between ‘Plan’ and ‘Non-Plan’ expenditure even in the civil side has been called into question with the winding-up of the Planning Commission.

It may also be noted that the progress of capital acquisition expenditure is monitored by the Acquisition Wing which is tasked with the responsibility of defence capital procurement, as well as by the Defence Acquisition Council headed by the Raksha Mantri.'

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

7. The Committee had recommended as under :-

'The Committee have been apprised that Capital Outlay is in the ratio of 30:40:30 all over the world which means that out of the total Capital Outlay, the 30% has to be the category of state-of-the-art technology, 40% current and 30% for obsolescence. The Ministry of Defence is endeavouring to follow this standard pattern. The Committee feel that in order to achieve this standard ratio, we would have to not only enhance our capital outlay but also make it "Non-lapsable and Roll-on" as an urgent change in our Financial Policy. The major reason cited by the Defence Secretary for not adhering to this standard ratio was insufficient Capital Budget. The Defence Ministry officials have to make sincere efforts and ensure that the funds allocated are fully & efficiently utilized under respective heads.

The Committee are dismayed to note that there was underspending of Rs. 720.41 crore during the years 2013-14 which lapsed! In respect of Army the underspending was Rs. 605.34 crore, in case of Air Force it was Rs. 93.49 crore while in case of Director General Ordnance Factories (DGOF), Defence Research

and Development Organization (DRDO) and Directorate General of Quality Assurance (DGQA), it was Rs. 0.62 crore, Rs. 20.08 crore and Rs. 0.88 crore respectively. The Committee observed that barring Navy there was underspending in respect of each services/departments. The Committee therefore express their displeasure over this fact wants it to be examined and details reasons given to the Committee. The Committee also recommend that all out efforts should be made to curb underspending.'

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

'As stated in reply to Recommendation at serial no. 1, the position of utilisation of the budget must be viewed for the Demand as a whole. In 2013-14, while minor under-spending did occur in respect of Final Estimates of Army, Air Force, DGOF, DRDO and DGQA, this was balanced by overspending by other agencies and there was no surrender of funds. This is clearly brought out below:

(inRs.crores)

BE	RE	Actuals	% age utilisation
86,740.71	78,872.23	79,125.05	100.32%

The Committee may rest assured that all efforts will continue to be made to ensure that available funds are fully utilised.'

9. The Action Taken Note is misleading on the reasons attributable for the underutilization of the Capital Outlay, which, as highlighted by the Committee is substantial viz., Rs. 720.41 crore for the year 2013-14. The amount of shortfall in utilizing the Budgeted funds has been to the tune of Rs. 605.34 crore in case of Army and Rs. 93.49 crore in case of Air Force.

10. What the Committee find to be particularly dismaying in this regard is the fact that a detailed reasoning for the shortfall in utilizing the outlays has not been given. Instead, the Ministry has chosen the evasive route by stating that 'under-spending' in the case of certain agencies has been balanced by way of 'over-spending' by other agencies. The intention behind the Committee's recommendation was for keeping the budgetary allocations for 'Capital Acquisition' exclusively for the purpose and not divert the allocations to any other head of account. This

has not been adhered to by the Ministry of Defence. It is also evident that the budgetary allocation that is under-spent has been diverted to non-priority or non-essential heads of account and shown as 'not-lapsed'. The Committee entirely disapprove this approach of the Ministry in treating the Capital Outlay. It is imperative that the reasons attributable for the shortfall in utilizing the funds are analysed in detail and necessary remedial measures taken so as to ensure that such instances do not recur. The Committee expects to be apprised of the action taken in this regard.

11. The Committee also do not find to be tenable, the submission of the Ministry that no purpose would be served by delineating the capital budget as "non-lapsable and roll-on". The data on budgetary spending reveals that substantial outlays remain unutilized. Also, the Ministry has been unable to adhere to the standard ratio of Capital Outlay followed the world over. The Committee, therefore, strongly reiterate their Recommendation for treating the Capital Outlays 'as roll-on and non-lapsable' be considered with due seriousness and intention based, even if the measure calls for, or involves substantial changes in the process of Budget formulation.

## **B Defence Procurement Procedure**

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

12. The Committee had recommended as under :-

'The Committee observed that the Capital allocation for Air Force has been reduced during the current financial year. It is also observed that the deal of 126 aircraft with the French based Rafale Company could not be finalised. The Committee feel that all these attribute to long gestation period of Defence Procurement Procedure.'

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

'The Capital budget allocation for Indian Air Force has increased to Rs.33685.75 Crore in 2015-16 from Rs.31627.39 Crore in 2014-15. The case for procurement of 126 Medium Multi Role Combat Aircraft (MMRCA) for which Acceptance of Necessity (AoN) was accorded on 29<sup>th</sup> June, 2007 has remained inconclusive. Capital Acquisitions have long gestation periods. However, all Capital Procurements for the armed forces are carried out in accordance with the guidelines laid down in the Defence Procurement Procedure (DPP). Government constantly monitors the progress of schemes ensure to that Defence preparedness is maintained at all time and constantly reviews the security environment so that IAF is fully equipped to meet the security challenges.'

**Recommendation (Para No. 5)**

14. The Committee had recommended as under :-

'The Committee have been apprised that Defence Procurement Procedure is changed every two years. The last change was made at the end of May 2013 and by the end of May 2015 a change shall be due in the procedure. As the Defence Secretary submitted before the Committee that four major issues are going to be changed in the revised procedure. The Committee hope that the new Defence Procurement Procedure shall plug the loopholes in the existing policy and make it more productive without time and cost overrun. The new procedure envisages the tackling of the complaints without any hindrance in the procurement. The new policy should be drafted in such a fashion that procurement is not hampered. While appreciating the reforms proposed to be brought out in the Defence Procurement Procedure, the Committee note that the Offset Policy should envisage 30% indigenous production by the importer in India and Transfer of Technology (ToT). The Committee also recommend the immense potential and capability already available in the field of "Reverse Engineering" in our Country. These could be utilized where very high degree of expertise or technology is not required. The Committee feel that instead of investing in those areas which are of not much significance, the offset policy should lay stress on Transfer of Technology, indigenization and Intellectual Property Right (IPR). The Committee are of the opinion that if the IPR is obtained by the money invested by the Government then part sharing of profit shall be there and in case the foreign company decides to discontinue then IPR shall be reverted to the Government. The Committee, therefore, recommend that revised Defence Procurement Procedure shall include all these things and Committee shall be apprised about the more efficient procurement in coming months.'

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

As noted by the Hon'ble Committee, a number of initiatives have been taken to address issues relating to Defence Procurements.

MoD has recently constituted a Committee of Experts to evolve a policy framework to facilitate "Make in India", align it with the DPP and suggest requisite amendments to DPP-2013. The Offset policy is also under review.

16. The Committee note that the Ministry has merely chosen to state that the deal for procuring 126 Air Craft from the France based Rafale Company - for which the Acceptance of Necessity (AoN) was accorded way back in 2007 - has remained inconclusive. The concern expressed by Committee has been on the deal not having been finalized thus far. Not furnishing the reasons for the deal not having been finalized or details of the current status of the proposal is indicative of lack of seriousness on the part of the Ministry in furnishing the Action Taken Notes. The Committee, therefore, expects to be apprised in detail of the status pertaining to the deal, which has been in the pipeline for long.

17. Also, the Committee had laid stress on the specific aspects of the Defence Procurement Procedures that need to be reviewed. These include, *inter alia*, providing for tackling of complaints in procurement without any hindrance; envisaging 30 per cent indigenous production by the Indian importer and Transfer of Technology (ToT) under the Offset Policy; tapping the potential of “Reverse Engineering”. The Committee also desired that the ‘Offset Policy’ should lay stress on Transfer of Technology, indigenization and Intellectual Property Rights (IPR) etc. Instead of addressing these issues, the Ministry has merely chosen to indicate that a number of initiatives have been taken to address the issues related to Defence Procurement and the Offset Policy was ‘under review’. The Action Taken Note not being satisfactory, the Committee expects to be furnished with a detailed account of the measures initiated/ taken for revising the Defence Procurement Procedures and the status thereof.

18. The Committee also desire to be apprised of the composition of the Committee of Experts that is said to have been constituted for the purpose of evolving a framework for facilitating “Make in India”, the recommendations made by the Expert Committee and the action taken or contemplated thereon.

## **C Border Roads Organisation**

### **Recommendation (Para Nos. 7 & 11)**

#### **(i) Para No.7**

19. The Committee had recommended as under :-

'The public at large specially those living in border States, have great expectation from Border Roads Organisation. The expeditious movement of troops depend upon good quality roads capable of withstanding the climatic condition of the region. This can only be achieved if BRO is provided adequate funds to carry out its functions smoothly. The Committee are disappointed that such an important area had been neglected by the Government over a period of time. BRO which was founded as a “Force”, viz General Reserve Engineer Force (GREF), by the first Prime Minister of the Country and headed by him, which enabled it to take major decisions promptly and resulting in creation of very effective and efficient GREF (now BRO). It lost its sheen since then, as Border Roads Development Board (BRDB) is now headed by a Minister of State. It is observed from the statistics that paucity of funds has always been there in the BRO. However, the Committee are happy and have some solace that BRO has been transferred from Ministry of Road and Surface Transport to Ministry of Defence. However, this can not be panacea for all the maladies to which BRO has been struggling since long. The Committee, therefore, recommend Government to provide ample amount of money to BRO and there should not be budget cut since north-East Projects in particular suffer when funds are withdrawn every year during working season (last quarter). The Committee also recommend that BRDB should be headed by Defence Minister instead of Minister of State for Defence.'

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

'In order to improve the operational efficiency of BRO and achieve clarity and unity of command, Government of India (Allocation of Business rules 1961) has been amended vide notification dated 9<sup>th</sup> January 2015 to include ‘all matters relating to Border Roads Development Board and Border Roads Organisation (BRO)’ in the list of business allocated to Ministry of Defence. Further, the budget allocation from Budget Estimate (BE) 2015-16 onwards for BRO has been done under Ministry of Defence (Demand No 21). For BRO the allocation of funds for IS 2015-16 under Non Plan (NP) is Rs 3030.57 crores and under Plan is Rs 450.00 crores. The details of demand versus allocation of funds for BE 2015-16 is given below:

SrlNo	Major Head	Demand (Rs in Crores)	Allotment (Rs in Crores)
<b>Non Plan</b>			
i	2052	456.13	372.57
ii	3054	895.18	736.00
iii	5054	2104.69	1922.00
<b>Total</b>		<b>4056.00</b>	<b>3030.57</b>
<b>Plan</b>			
i	3601	50.00	45.00
ii	5054	400.00	360.00
iii	2552	-	5.00
iv	4552	-	40.00
<b>Total</b>		<b>450.00</b>	<b>450.00</b>
<b>G/Total (Non Plan and Plan)</b>		<b>4506.00</b>	<b>3480.57</b>

2. Further, a proposal for additional funds under Non plan for BE 2015-16 amounting to Rs 1096 Crs for BRO has been submitted to MoD (Fin) on 24 June 2015 for inclusion under the first batch of supplementary Demands for Grants to be considered during the current monsoon session of the Parliament.'

**(ii) Para No. 11**

21. The Committee had recommended as under :

'The Committee note with concern that funds for BRO are released at a late stage. When there is conducive working season to carry out the work, the funds are not released. On the contrary, in Ladakh Region, North-Eastern Region, Uttarakhand and Himachal Pradesh, funds are released at the time of onset of winter. During that period it is very difficult to carry out the work and as a result, the funds remain unutilized. As admitted by the Defence Secretary at the time of oral evidence, snow clearance grant had been a problem, It is imperative in this regard that grants are released well before the onset of winter. The Committee also recommend that the funds which remain un-utilized due to hostile climatic condition may be carried forward for the next working session.'

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

'At the Revised Estimate (RE) stage, Ministry of Finance revises the allocation of budget based on the actual expenditure incurred in the current financial year and as per the guidelines issued from time to time for austerity measures.

During this FY 2015-16, an amount of Rs 3030 crores under Non plan has been allotted against the BE demand of Rs 4056 of BRO. At the time of budget allocation to BRO for RE 2014-15 and BE 2015-16 during January 2015, a case was taken up by Hon'ble RM with Hon'ble Finance Minister for allocation of Rs 4056 crores under



GS Non Plan for BE 2015-16 to BRO. Further, again a proposal to enhance the allotment of funds under Non Plan for BE 2015-16 amounting to Rs 1096 Crs for BRO has been submitted to MoF through MoD (Fin) on 24 June 2015 for inclusion under the first batch of supplementary Demands for Grants to be considered during the monsoon session of the Parliament.

With a view to improve the quality of maintenance, DGBR has been delegated powers to fix rates for maintenance, snow clearance grants and outsourcing of Maintenance. Details of funds allotted by DGBR for road maintenance/ snow clearance during this financial year 2015-16 is given as under:-

Allotment

(a)	General Staff (GS) Roads	:	610.00 Cr
(b)	MoRT&H Roads	:	<u>140.00 Cr</u>
	<b>Total</b>	<b>:</b>	<b><u>750.00 Cr</u></b>

23. It is dismaying to note that despite the Boarder Roads Organisation (BRO) having been transferred from the Ministry of Road and Surface Transport to the Ministry of Defence, the organization continues to face the problem of inadequate funds/ allocation. It is seen that the total allocation for the BRO has been short of the demand made for the year 2015-16 by more than Rs.1000 crore (the allocated amount being Rs.3480.57 crore as compared to the demand for Rs. 4506 crore). The Committee, while reiterating the need for ensuring that the activities of the BRO are not stymied due to inadequacy of funds, also expects to be apprised of the status in regard to making available, the fresh demand of over Rs.1000 crore made for the year 2015-16.
24. The concern of the Committee also extends to the delayed and untimely release of funds for maintenance work, about which the Action Taken Note is either evasive or is silent. As per the Defence Secretary's own submission before the Committee, the delay in releasing funds earmarked for maintenance work is a bane for the Border Roads Organisation (BRO). The Committee trusts that remedial measures have been/are being taken to address the

problem. The Committee would await a detailed note from the Ministry in this regard.

**Recommendation (Para No. 8)**

25. The Committee had recommended as under :-

'The Committee observed that BRO faces a lot of difficulty in acquisition of land and forest clearance. After the takeover of BRO by the Ministry of Defence, it is felt that these problems would be mitigated to a large extent. In this regard, the Committee recommend that an empowered committee consisting of Defence Secretary and be Chief Secretary of the concerned State should constituted to settle the issues pertaining to land acquisition and forest clearance expeditiously as the country's security cannot be compromised. The committee therefore recommends that both Defence Secretary and Chief Secretary of the State concerned sit together and resolve the issues without any delay.'

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

(a) 'Border Roads Organization (BRO) is entrusted with the construction/development of Strategic Roads in the border areas. For the construction/development of these Strategic Roads, Environment clearances, Wildlife and Forest Clearance within Reserve Forests, Wild Life Sanctuaries and Protected Areas is required to be obtained. In addition, there are also delays caused due to protracted procedures involved in Land Acquisition cases.'

(b) **Environmental, Forest and Wildlife Clearance:** As per Ministry of Environment and Forest (MoEF) notification dated 12 Aug 2013 "expansion of National Highway projects upto 100 kms involving additional right of way of land acquisition up to 40 mtrs on existing alignments and 60 mtrs on realignments or by passes are exempted from environmental clearances". At present no Environmental clearance cases are pending in respect of road projects under taken by Border Roads Organisation (BRO).

(c) The following measures have been taken by the Government to expedite the various clearances:

(i) State Governments of Arunachal Pradesh, Assam, J&K, Himachal Pradesh, Manipur, Nagaland, Sikkim, Tripura and Uttarakhand have been requested to constitute an Empowered Committee under their Chairmanship with Principal Secretaries of Revenue, Forest, Mining, PWD and Power Departments along with the PCCF and Chief Engineers of BRO as members to resolve issues. States of Sikkim, Arunachal Pradesh, J&K, Himachal Pradesh and Tripura have constituted the Empowered Committee.

- (ii) A working group has been constituted on 03 June 2013 by Ministry of Environment & Forest under the chairmanship of Secretary MoEF to review the forest clearance cases.
- (iii) Regular monitoring of forest clearance cases, establishment of Single window system at District, State, and Ministry of Environment & Forest (MoEF) levels and simplification of forms.
- (iv) MoEF vide letter dated 27 Apr 2011 in the States Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Uttarakhand and Sikkim has accorded Exemption of Compliance of Scheduled Tribe and other Forest Dwellers (Recognition of Forest Rights) Act 2006 to avoid delay in clearance of road projects.
- (v) MoEF letter dated 09 Dec 2013 in the State of Uttarakhand State has accorded exemption for transfer and mutation of alternate Revenue Land for raising compensatory Afforestation for border roads.
- (iv) Requirement of certificate regarding non availability of alternate alignment has been dispensed with for BRO projects by MoEF vide their order dated 09 Dec 2013.
- (vi) Permission for processing division wise cases of BRO projects have been accorded by MoEF vide their order dated 09 Dec 2013.
- (vii) MoEF vide their letter No 11-246/2014-FC dated 4<sup>th</sup> July 2014 has accorded general approval under Section (2) of the Forest (Conservation) Act 1980 for diversion of forest land in the state of Arunachal Pradesh, Himachal Pradesh, Uttarakhand & Sikkim for following :-
- (i) Construction and widening of two lane roads by the BRO and other road construction agencies entrusted with the job by the Ministry of Defence, in the area falling within 100km kilometers aerial distance from the LAC and
  - (ii) widening of road (by the BRO and other road construction agencies) which are identified by the Ministry of Defence as link roads between Border Roads in the area within 100 kilometer aerial distance from the LAC and National Highways/State Highways/other State Roads, subject to fulfillment of the conditions.
- (viii) MoEF vide their letter No.11-246/2014-FC dated 4th July 2014 for the States of Arunachal Pradesh, Himachal Pradesh, Uttarakhand and Sikkim has decided to extend the said relaxation to strategic defence projects (including infra-structure and road projects) being taken up in the area falling within 100 km aerial distance from the Line of Actual Control by any user agency identified by the Ministry of Defence which provides that compensatory afforestation in lieu of the forest land diverted for compensatory afforestation may be raised on degraded forest land twice in extent of forest area being diverted, without insisting of certificate of Chief Secretary regarding non –availability of non- forest for compensatory afforestation, inter –alia it was informed that the compensatory afforestation will be raised and maintained at the cost

of the user agency over degraded forest land equal in extent to the area of forest land diverted.

(ix) MoEF vide their letter dated 8<sup>th</sup> Aug 2014 has intimated that in-principle approval under the Forest (Conservation) Act 1980 may be deemed as the working permission for tree cutting and commencement of work, if the required funds for compensatory afforestation, NPV, wildlife conservation plan, plantation of dwarf species of medicinal plants, and all such other compensatory levies specified in the in-principle approval are realized from the user agency.

d. In addition to above the following measures have been taken by BRO to expedite the forest clearances:

(i) **Appointment of Nodal Officer:** Project wise Nodal Officers have been appointed and details are uploaded on BRO website ([www.bro.gov.in](http://www.bro.gov.in)) for the coordination with the State Principal Chief Conservator of Forest (PCCF) and Regional Offices of MoEF.

(ii) **Filing of Interlocutory Application (IA):** IAs have been filed with Hon'ble Supreme Court for the following roads:-

(i) Kupur-TrJn

(ii) Bagphool-Kalijhora

(iii) Flag Hill-Dokhal

(iii) Filing of early hearing petition has been submitted to Ministry of Law and application filed with Hon'ble Supreme Court on 06 Apr 2015.

(iv) **General application in Hon'ble Supreme Court:** A general application has been filed in Hon'ble Supreme Court for exempting BRO from filing case to case basis Interlocutory Application in respect of road projects falling within protected areas and to grant clearance by MoEF after getting approval from Standing Committee on National Board for wild life clearance. Hon'ble Supreme Court has referred the matter to Chief Empowered Committee (CEC) for their comments.'

**27. A number of measures have reportedly been initiated for speeding up the process of land acquisition and obtaining forest clearances, which is in line with the recommendation of the Committee and is appreciable. These include, *inter alia*: constitution of Empowered Committees by the State Governments concerned; Working Group by the Ministry of Environment and Forests,**

granting relaxation to strategic Defence Projects (including road projects) in States such as Arunachal Pradesh, Himachal Pradesh, Uttarakhand and Sikkim, etc. The Committee, however, notes in this regard that certain States, including Assam, Manipur, Nagaland and Uttarakhand are yet to constitute Empowered Committees for assessing and resolving issues relating to clearances, despite the request made in this regard by the Ministry of Defence. As is the case with the other States concerned, the Committee desire that these States may be impressed upon on the need for constituting Empowered Committees so as to enable in speedy clearance of land acquisition related issues, etc.

28. The Committee also desire to be apprised of the outcome in regard to the application reportedly filed before the Supreme Court for exempting the BRO from filing interlocutory applications in respect of road projects on case to case basis; and to provide for obtaining clearances from the Ministry of Environment and Forests following the approval from the Standing Committee on National Board for Wild Life.

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

29. The Committee had recommended as under :-

'The connectivity between Himachal Pradesh and Ladakh Region is very crucial for the expeditious movement of troops and equipment to this strategic area. The Committee, therefore, recommend to construct Nyemo-Padum-Darcha road to connect Himachal Pradesh and Ladakh Region. The Committee may be apprised of the steps taken in this regard.'

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

'In order to establish all weather connectivity between Himachal Pradesh and Ladakh region the following proposals have been formulated:-

**(i) Road Darcha-Padam-Nimmu-Leh:**

(a) **Road Nimu- Padam – Darcha:** The road Nimu-Padam-Darcha, of length 297.375 Km is presently under construction. Out of which 170.02 Km to single lane specifications and 10 Km to double lane specifications have been completed. Formation works for Km 17.50 in single lane and 50.00 Km double lane are in progress.

(b) **Road Darcha-Shinkunla:** The road Darcha –Shinkunla of length 39.375 Km is presently under construction. Out of which 21.89 Km formation work and 14.19 Km surfacing work has been completed.

Further, the following works are planned to expedite the completion of the road:

- (a) Approval for feasibility study for Shinkunla Tunnel has been accorded.
- (b) Development of road Nimu-Padam-Darcha to NHDL specifications has been proposed for taking up through large private player and approval for preparation of detailed project report has been accorded.

**(ii) Road Manali-Sarchu-Upshi-Leh.**

- (a) Construction of 8.800 Km long Rohtang Tunnel is under progress.
- (b) Approval for feasibility study for Barlach La and Tanglang La Tunnels has been accorded.
- (c) Development of balance road stretch on Manali-Sarchu-Leh to NHDL specifications has been proposed for taking up through International Consortium and approval for preparation of detailed project report has been accorded.

(iii) In addition to above, the following alignments for all weather connectivity from Himachal Pradesh to Ladakh region are also under consideration:

- (a) Road Wangtu-Pooh-Sumdo-Chumar-Nyoma-Upshi-Leh
- (b) Road Wangtu-Bhaba Pass-Aturgu-Kiato-NurbuSumdo-TsoMorari-Karzok-Mahe-Upshi-Leh.'

**29. The Committee note that the work on constructing the Nimu – Padam – Darcha Road with a total length of 297.375 Km that would provide the much needed connectivity between Himachal Pradesh and Ladakh Region, is underway and is likely to be taken up by a private concern for being developed to NHDL specifications. Providing for connectivity between Himachal Pradesh and**

Ladakh region is crucial and its importance cannot be underemphasized. The Committee presume that a clear road map for completing the construction of the Nimu – Padam – Darcha Road; as well as the Manali-Sarchu-Upshi-Leh Road, which includes a 8.8 km long Rohtang Tunnel within a specified timeframe has been drawn up. If not, the Committee expects that such a road map for execution of the project is drawn up and adhered with. The Committee also desires to be kept apprised of the progress made in this regard.

30. It is also desired that the other proposals in the pipeline for establishing all weather connectivity between Himachal Pradesh and Ladakh Region, which include the Shinkunla Tunnel and the Wangtu-Pooh-Sumdo-Chumar-Nyoma-Upshi-Leh Road are taken up in right earnest. The Committee desires to be apprised of the progress made in this direction on periodic basis, say in three-monthly intervals.

**Recommendation (Para No. 16 )**

31. The Committee had recommended as under :-

'The Committee fail to understand that in spite of the instructions of Government of India to invite public representatives of the area where some project or scheme is carried out either by the Union Government or State Government, BRO do not invite local MPs nor inform them. This sends a wrong message and public at large do not understand what is actually going on. The Committee, therefore, recommend that BRO should keep this in mind and local MPs and other public representatives should be kept abreast with the developmental activities of BRO and invite them at the inauguration of such projects.'

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

'Guidelines for the role and responsibility of State Government Agencies as executing agencies on behalf of Ministry of Road Transport and Highways (MoRT&H) regarding ceremonial functions like inauguration/BhoomiPujan/Foundation laying etc. has been issued by MoRT&H vide letter dated 12 September 2011. Accordingly, BRO has again issued necessary instruction to all Chief Engineer (Project) in this regard.'

33. The Committee appreciates the fact that instructions have been issued by the Border Roads Organisation to the Heads of the projects on the need for ensuring adherence with the Govt. of India instructions on ceremonial functions such as inauguration/Bhoomi Pujan/Foundation laying etc. The Committee trusts that cases of deviation from the instructions are dealt with appropriately and with due seriousness and the public representatives from the areas concerned inevitably invited for the ceremonies/ functions.

**Recommendation (Para No. 18 )**

34. The Committee had recommended as under :-

'The Committee are dismayed to note that in Tawang area the situation is very critical in so far as connectivity is concerned. In case of war, the Army can not reach there in a day. While our neighbouring countries can reach borders within two or three hours, our Army takes more than a day to reach there. This is a matter of great concern with regard to our Defence Preparedness. The Committee, therefore, recommend to construct good quality roads in this area on priority basis.

The Committee also recommend that our engineers and other BRO personnel are sent abroad to upgrade their technical knowhow. The Committee have been apprised that a permanent scientific committee under the Ministry of Science and Technology had been constituted to aid and advise BRO on technologies which can be adopted. As stated by the Secretary that 10% of BRO budget has been earmarked for experimenting new technologies to construct blacktop road at high altitude the Committee feel that this would give impetus to a new paradigm.'

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

'At present, three axis are planned for construction to establish all weather connectivity up to Tawang. The present status of these three axis is as mentioned below:-

- (i) **Road Balipara-Charduar-Tenga-Tawang (Main Axis):**  
Construction/development works to National Highway Double lane (NHDL) specification on this road of length 317.28 km is under progress and the progress as on May 2015 is as under:



- (a) Formation – 192.73 km  
(b) Surfacing - 145.74 km

The road stretch between Km 50 to 88 passes through Eagle Nest wild life sanctuary in Arunachal Pradesh and Namari tiger reserve in Assam due to which the work has not commenced. At present the clearance are pending with MoEF. An Interlocutory Application (IA) has been filed in Hon'ble Supreme Court on 09 Jan 2015 to permit the applicant to construct and develop strategic border roads after obtaining the clearances from standing committee of State Wildlife Board/National Wildlife Board and after obtaining prior approval from Ministry of Environment & Forest under the Forest Conservation Act.

(ii) **Road Orang-Kalaktang-Rupa-Shergaon-Morshing-Phudung-Mandala-Debrabu-Naga GG-BJ Gompa-Lagamche GG-Mukto-Teli-Bomdir-Tawang (Alternate Axis):** The present status of this axis is as under:

Srl No	Stretch of Road	Present Status
a	Orang-Shergaon	Under development to NHDL specifications.
b	Shergaon-Naga GG	Completed to Class-9 specification and is under maintenance.
c	Naga GG-BJ Gompa	Under construction to Class-9 specifications.
d	BJ Gompa - Lagamche GG	Completed to Class-9 specification and is under maintenance.
e	Lagamche GG-Teli	Under construction to Class-9 specifications. Further extension of the road upto Tawang is part of existing Bomdir-Lumla and Balipara-Charduar-Tawang road.
f	Shergaon-Teli	Development of this road to NHDL specifications has been proposed for taking up through International Consortium and approval for preparation of detailed project report has been accorded.

(iii) **Pinjoli-Buragaon-Dibbin-Mathow-Tungri-Chhangla-Pangila-Pota-Tsela-Mago (Third Axis).** This axis has already been Operationally endorsed by Army and works will be taken up once the construction of main axis is completed.

2. In order to introduce the latest technology in BRO the following steps are taken:

- a. Guidelines for technology initiative in BRO have been approved. In order to identify and select most appropriate technology initiatives in a fair transparent manner for introduction in BRO, DGBR shall constitute a Multi Disciplinary Expert

Group (MDEG) consisting of technical/domain experts, representatives of the scientific institutions, users, financing and administrative authorities etc. for continuous evaluation of proposals and making detailed recommendations in a time bound manner.

b. In addition a National Workshop on Border Roads, by BRO and Confederation of Indian Industry (CII) on 'Private sector's participation in construction of Roads, bridges, and tunnel in border areas' was held on 17 Feb 2015. Based on the deliberations in the National workshop three working group has been constituted to recommend measures for enhancing the private sector's participation in construction of roads, bridges, and tunnels in border areas.

c. In order to get acquaintance with the latest art of technology being used by the various developed Countries, officers of BRO are being sent on training to various foreign countries. Four groups have already been sent on training to various foreign countries.'

- 36. It is observed from the Action Taken Note that three axis roads are planned and are under different stages of implementation/ construction in the Tawang area, which, as observed by the Committee in their earlier report too, is a critical issue. The ongoing as well as pending work on the project pertains *inter alia* to: obtaining environmental clearance for undertaking construction of a part of a stretch of the 'Main Axis Road' in the Eagle Nest wild life sanctuary in Arunachal Pradesh and Namari tiger reserve in Assam; entrusting the construction of the Shergaon – Teli Stretch of the road to an international consortium; and taking up the Third Axis after completing the work on the Main Axis Road. The Committee expects to be apprised of the current status in regard to addressing the pending issues pertaining to projects.**

**Also, considering the fact that the a Tawang area is of critical importance to the security of the Nation, the Committee desire that no effort is spared in ensuring completion of the construction of the roads in a phased/timely approach. The Committee desire to be kept apprised on the progress made in this regard on regular basis.**

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

37. The Committee had recommended as under :-

'The Committee observes that during Uttarakhand tragedy and flood situation in Kashmir, BRO had to divert its work force to these areas as it was the need of the hour. BRO did commendable job in spite of many obstacles. This might have affected the regular work of BRO in other areas. The Committee, therefore, recommend that there should be two wings of BRO- one for routine job and another for emergency duties.'

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

'In case of natural calamity, BRO resources are diverted to such locations to restore the line of communication. This does affect the progress of ongoing works. However, for disaster management additional equipment required during Disaster under 'Disaster Management Brick' for deployment during such contingencies is under consideration. A separate wing in BRO for emergency duties is likely to remain idle for very long as the location and timing of disaster is not known.'

39. **The proposal for adding additional equipment required for attending to disasters under the 'Disaster Management Brick', which would be deployed during contingencies is in consonance with the concern expressed and recommendation made by the Committee in their earlier report. The Committee desire to be apprised of the progress made in this direction.**

### **D. Indian Coast Guard (ICG)**

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

40. The Committee had recommended as under :-

'It has been observed that the Ministry of finance has allocated less money to ICG than demanded by the Ministry of Defence. In the year 2014-15, against BE of Rs. 1550 crore, RE was Rs. 1140 crore. For Capital expenditure only Rs. 1200 crore were given against the demand of Rs. 2150 crore. As stated by the Defence Secretary that the money allocated for the year 2015-16 would be exhaust in just six months, a revisit is required to enhance the budget to ward off any incident like 26/11.'

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

'This Ministry projected funds to the tune of Rs. 2050.00 crore in Capital section for Budget Estimates- 2015-16 to Ministry of Finance for consideration. Whereas, Ministry of Finance allocated only Rs. 1200.00 crore in Capital section for BE-2015-16. Moreover, ICG has intimated that the carryover liability of FY 2014-15 is Rs. 675.00 crore due to cut imposed by Ministry of Finance in allocation of RE 2014-15 stage.

Further, ICG has intimated that in view of progress of various new schemes on reassessment it is found that the fund requirement against Capital head is Rs. 4225.00 crore. Hence, resultant shortfall in allocation for FY 2015-16 is nearly Rs. 3000.00 crore. Accordingly, ICG has requested to place an immediate requirement of Rs. 1700.00 crore under Capital head in the First Batch of Supplementary for the Year 2015-16 in order to enable meeting the requirement till the stage of RE-2015-16. Requirement of further additional funds, if any, will be reviewed at RE 15-16 stage.

As per the requirement of ICG, a demand of Rs. 1700.00 crore under Capital Section in r/o Coast Guard Organisation has been forwarded by this Ministry to Ministry of Finance for inclusion of the same into the statement of First Batch of Supplementary demands for the FY 2015-16 for the approval of Parliament.'

42. **It is indeed worrying and dismaying to note from the Action Taken Note that the funds allocated under the capital section for 2015-16 for the Indian Coast Guard (ICG) is short of the projected requirement by near about 50 per cent viz., the allocated amount being Rs.1200.00 crore as compared to the projected requirement of Rs. 2050.00 crore. More worryingly, due to the budgetary cut imposed by the Ministry of Finance, the ICG is carrying over a liability of Rs.675 crore from the previous year 2014-15. Concurrently, the projected requirement under the capital head for various new schemes of the ICG is said to be Rs. 4225.00 crore. Aspects relating to the security of the Nation and more particularly, coastal security on account of the current threat perception cannot be underemphasized or ignored in any way. Also, to ward-off the possibility of any incident such as that of 26/11, about which the representatives of the Ministry themselves had, while deposing before the Committee, expressed concern, the Committee desires that every possible step be taken for ensuring that the functioning/ programmes of the ICG do not**

**suffer due to want of funds. This is all the more important, also on account of the huge mismatch between the projected requirement and funds being made available.**

#### **E. Defence Estates Organisation**

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

43. The Committee had recommended as under:-

'It has been observed that roads and cantonment area are sometimes closed by senior officers of the Army in cantonment area. This leads to trouble to the public commuting through Cantonment area. The Committee understand the security of the country cannot be compromised and threat perception cannot be overlooked, but causing inconvenience to public at large without any such input is very disturbing. The committee feel that concept should be from security point of view, but when that degenerates into personal vanity, it becomes abhorable'

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

'The Ministry of Defence vide order dated 7<sup>th</sup> January, 2015 have issued directions to Service Headquarters and DGDE to ensure that no public road-(outside unit lines) in a Cantonment shall be closed by any authority other than the Cantonment Board, for any reason other than security, and without following procedure laid down u/s 258 of the Cantonments Act, 2006. It has inter-alia been decided that roads already closed without following the procedure as delineated in Section 258 of the Cantonments Act, 2006 shall be opened forthwith and closed again, if such closure is required after following the laid down procedure and obtaining the statutory approval.'

##### **Recommendation (Para No. 28 )**

45. The Committee had recommended as under :-

'Defence Estate Organisation has a large area of land which is lying unutilized for a very long time. The Committee, therefore, recommend that this should be examined in detail and appropriate use of this be considered; some funds could be used for the welfare of residents of cantonment area. This would add to the revenue of the Ministry of Defence, which would help in launching big ticket projects of the Armed Forces.'

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

'Out of the 17.57 Lakhs acres of defence land, nearly 66,000 acres is under the management of Defence Estates out of which 53,148 acres is inside Cantonments and 13.574 acres is outside Cantonments. Out of the 53,148 acres inside Cantonments, defence land is placed under following four classifications:

**A-2 land 6,509 acres**

**B-3 land 12,977 acres**

**B-4 land 27,616 acres**

**C land 6,046 acres**

**Class A-2:** land which is not actually used or occupied by the Military authorities, but to the use or occupation of which for any other purpose, except temporarily, there exist specific military objections.

**Class B-3:** Land which is held by any private person under the provisions of these rules, or which is held or may be presumed to be held under the provisions of the Cantonment Code of 1899 or 1912 or under any executive orders previously in force, subject to conditions under which the Central Government reserve, or have reserved, to themselves the proprietary rights in the soil; and

**Class B-4:** Land which is not included in any other class.

**Class C:** Land which is vested in the Board under Section 122 of the Cantonments Act, 2006 is called class 'C' land.

As such, while class A-2 land needs to be left vacant for immediate Military use Class B-3 & C land are already occupied. Further, Class B-4 land is earmarked for future defence purposes and already demand has been received from Services & Defence Establishments for re-classifying it into Class A-1.

(ii) Land outside Cantonments placed under the management of DE Organisation is basically in the form of Camping Grounds and Abandoned Airfields. DGDE vide its ID No. 711/RD/DSP/DLC/88 dated 26<sup>th</sup> February 2014 has circulated list of these Camping Grounds and Abandoned Airfields to MoD for circulation among the various Organizations of MoD/Central Government Organizations/State Governments for allotment based on priorities laid down therein.'

47. The Committee appreciates the fact that in line with the recommendation made in their earlier report, directions have been issued for ensuring that roads which may have been closed for the public in the cantonment areas without

following the procedures stipulated have been ordered to be opened. The Committee trusts that no measure that would have the negative effect of putting the public to inconvenience by way of closing the roads on account of reasons other than that of security is resorted to. The Committee also desire to be apprised of the details of the number of roads that may have been opened to the public following the issue of the directions to this effect.

48. The Committee also wishes to be apprised of the progress made towards distribution/ re-allocation of vacant/unused Defence land – which is basically in the form of camping grounds and abandoned air fields – details pertaining to which have been circulated to the organizations concerned of the Central/ State Governments.

**F. Married Accommodation Projects (MAP)**

**Recommendation (Para No. 34 )**

49. The Committee had recommended as under :-

'The Committee have been informed that "satisfaction rate" i.e. availability of Married Accommodation of the Army would be about 70 percent by the time phase IV gets completed, which is expected to be completed by 2020. In the case of Navy and Air force it would be 85 and 90 percent respectively. Presently the Married Accommodation is to the extent of only 10-15 percent of total accommodation of the Armed Forces. In such a case, the satisfaction rate of 75 percent is inadequate. The Committee therefore, recommend that it should be 100 percent and every jawan should get it. Army personnel serve in field area. They come and stay for maximum 2 to 3 years in peace stations. Half of the time they stay outside in hired accommodation, which create immense administrative and "Morale" problems. Hence the aim of MAP should be 100 percent "satisfaction level".'

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

'The Ministry agrees that it should be the aim of the Government to provide 100 percent "satisfaction level" keeping in view the approved scales of authorisation in this regard. However, this would necessarily have to be planned for implementation in a phased manner keeping in view the present progress of the Married Accommodation Project (MAP), availability of funds and the capacity of MoD's own construction agencies. In the meantime the Government will continue to meet the gap through hiring of accommodation and payment of compensation in lieu of quarters (CILQ).'

**51. The Committee trusts that as per the assurance given in the Action Taken Note, the Married Accommodation Project (MAP) is implemented in right earnest so as to achieve a "satisfaction level" of 100 per cent. The Committee also trusts that appropriate measures are taken to ensure that the project, which is being implemented in separate phases does not suffer due to paucity of funds and the inadequacies in the Ministry of Defence's construction agencies/ construction plans augmented, as may be needed. The Committee, nevertheless find the reasons attributed by the Ministry for the slippages in implementing the projects to be untenable. This issue is being commented upon/ dealt with in reference to the Action Taken Note furnished by the Ministry on the relevant recommendation made in their earlier report.**

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

52. The Committee had recommended as under :-

'The committee observed that the phase I of the Project, which was scheduled to be completed in 2002 , actually started in 2004 and completed in 2008. Thus Phase I has been delayed by 6 years. Similarly Phase II which was due to be completed in 2014 will now be completed by 2017. The Committee therefore, express their displeasures and anguish that phase I and Phase II of MAP were delayed for one reason or another and timeline was not maintained. This might have resulted into cost overrun apart from effecting "Morale" of the Troops. They, therefore, recommend that MAP should meticulously ensure that phase III is completed on schedule.'



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

'The delay in Phase I of the project was on account of the fact that considerable time was consumed in framing procedures and for planning of the project. The strategy of involving other construction agencies and CPSUs in the project also did not yield desired results. Based on lesson in that phase , during phase II large work packages were made so as attract participation of reputed construction companies. However, due to the recession in the building industry, funds crunch and constraints in sourcing building materials, the performance of the contractors was slow. As a result several contracts have been cancelled and retendered under the risk and cost clause of the contracts. Performance is being closely monitored and reviewed at various levels. As regards Phase III locations where dwelling units are to be constructed has been finalised and planning work has commenced. Increase in delegation of powers of various committees and changes in contract conditions to ensure faster execution of work in this phase is under consideration.'

54. **Attributing the delay of about 6 years in implementing the first phase of the project to the time taken in 'framing procedures and for planning', is, in the opinion of the Committee unacceptable. The only reason that appears to be justifiable to an extent for having contributed to the delay in implementing the project is the recession in the building industry, which could have resulted in cancellation of contracts etc. The facts relating to the delays in implementing the project are indicative of serious shortcomings in the entire planning and execution process. The Committee, therefore, desire that remedial measures, which may include aspects such as additional delegation of powers, making appropriate changes in the contract conditions etc., are taken in right earnest so that the project does not continue to suffer delays.**

#### **G. Welfare of Ex-Servicemen**

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

55. The Committee had recommended as under :-

The Committee have been apprised that majority of the States, except five States, have already legislated for reservations from 2 per cent to 20 per cent in various categories. Even those five States have given reservations for group 'A' and 'B' jobs, but not for group 'C' and 'D' posts. The Committee therefore, recommend to take up

the matter with those five States at the highest level by the Ministry of Defence and impress upon them to make legislation expeditiously.

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

'There is no reservation in jobs even in C & D, in five States/ UT namely Bihar, Jharkhand, Kerala, Meghalaya and Andaman & Nicobar. These five States/ UT have been requested to provide meaningful resettlement opportunities to Ex-Servicemen by providing reservation to them in State Government / UTs jobs.'

57. **The Committee desire that as is the case with all other States, the five States/Union Territories, namely Bihar, Jharkhand, Kerala, Meghalaya and Andaman & Nicobar Islands are once again impressed upon the need for providing reservation in Group C and D posts for Ex-Servicemen. Such a measure would contribute immensely in enabling the resettlement of Ex-Servicemen.**

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

58. The Committee had recommended as under :-

'The Committee have been apprised by DG Resettlement that at state level there is no such agency like DGR to monitor the reservation. The Committee therefore, recommend Ministry of Defence to take up this issue with State Governments. In this regard the assistance of Rajya Sainik Board can be availed.'

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

'State/UT Governments have been requested to designate Rajya Sainik Boards to collect and compile the data regarding employment provided to the ESM in State Government / State PSUs jobs and also furnish such data to DGR on half yearly basis.'

60. The Committee note that in line with the recommendation made in their earlier report, the State/Union Territory Governments have been requested to designate the Rajya Sainik Boards for the purpose of collecting, compiling and furnishing the relevant data to the DG Resettlement. The Committee desire to be kept apprised of the information/data received/compiled in this regard.

**Recommendation (Para No. 46)**

61. The Committee had recommended as under :-

'The Committee note with concern that the amount of money given to Param Veer Chakra and other gallantry medal winners, vary from State to State. In some states like Punjab, Haryana and Uttarakhand, they are handsomely rewarded while in some States they are paid very meager sum. This is really pitiable and require uniformity so that our brave soldiers do not feel let down. As such the Committee observe that the soldiers are national heroes and States should have conformity in this regard.'

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

'It is stated that the financial / cash rewards for Gallantry awardees varies from State to State as it is prerogative of the State Governments. Central Government has fixed uniform monetary allowances to the recipients of Gallantry Awards as per details given below:

<b>Name of Awards</b>	<b>Monetary allowance (Rupees per month)</b>
ParamVir Chakra (PVC)	10,000
Ashok Chakra (AC)	6,000
MahaVir Chakra (MVC)	5,000
Kirti Chakra (KC)	4,500
Vir Chakra (Vr C)	3,500
Shaurya Chakra (SC)	3,000
Sena Medal / NavoSena medal / Vayu Medal (SM/NM/VM) – Gallantry	1,000

63. Though it is the prerogative of the State Governments to decide on the financial/cash awards for Gallantry awardees, as pointed out by the Committee earlier too, it would be in the fitness of things for the Ministry to impress upon the State Governments/Union Territory Administrations to follow a uniform method of providing monetary allowances. As this would contribute immensely in making the awardees feel not let down, the Committee desire that the Ministry of Defence take up the matter with the State Governments by writing to them.

#### **Recommendation (Para No. 47)**

64. The Committee had recommended as under :-

'The Committee are of the opinion that Ex-Servicemen can gainfully be employed in several eco projects. But the irony is this that State Governments do not have them due to dearth of money. Worse the fact that Ministry of Environment or River Rejuvenation also do not pay heed to such an important task carried out by Ex-Servicemen. Whether it is cleaning of Ganga or Indira Gandhi Canal in Rajasthan's Desert area or Eco Battalion, do not get money for their sustenance. The Committee therefore, strongly recommend to Ministry of Defence and Directorate of Resettlement to do something concrete in this regard.'

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

'A proposal is under active consideration for raising of four Territorial Army Battalions of ESM for Mission clean Ganga. Once approved/ implemented, this will benefit both Nation and ESM community.'

66. **The Committee appreciates the fact that as recommended by them, a proposal for raising four territorial army battalions of Ex-service men for the mission, Clean Ganga is under consideration. The Committee expects that necessary approvals have been/would be obtained in this regard. The Committee wishes to be apprised of the progress made in this direction.**

#### **H. One Rank One Pension**

##### **Recommendations (Para Nos. 48, 49 & 50)**

##### **(i) Para No. 48**

67. The Committee had recommended as under:

'The Committee note that One Rank One Pension (OROP) implies that uniform pension be paid to the Armed Forces Personnel retiring in the same rank with the same length of Service, irrespective of their date of retirement and any future enhancement in the rates of pension to be automatically passed on to the past pensioners. This will bridge the gap between the rate of pension of the current pensioners, the past pensioners, and also future enhancements. The Committee note that a Working Group under the Chairpersonship of Controller General of Defence accounts (CGDA) was constituted for examining the proposal submitted by the Services and preparing Government orders for implementation of OROP w.e.f. 01.04.2014. While examining the subject, the Committee found that subsequent to the announcement of the Government's acceptance in principle of One Rank One Pension for the Defence forces, in BE 2014-15, Rs. 51,000 crore was allocated for Defence pensions including an allocation of Rs. 1000 Crore for implementation of OROP. However, in RE 2014-15 the allocation for Defence persons was reduced to Rs.50, 000 crore. The implementation of OROP was referred to a Committee of Secretaries by the Government. Raksha Rajya Mantri (RRM) also convened a meeting on 09.01.2015 to discuss the matter with the representatives of the three Services, CGDA, Defence (Finance) and Directorate of Ex-Servicemen Welfare (DESW). The matter was further discussed by Raksha Mantri with officials of DESW, Defence (Finance), CGDA and representatives of the three Services in meeting held

on 16.02.2015. However, the modalities for implementation of OROP are yet to be finalized. The Working Group could not arrive at any consensus and the modalities for implementation of OROP are still under consideration.'

**(ii) Para No. 49**

'The Committee regret that even after Hon'ble Prime Minister had made a commitment and the Finance Minister had provided Rs. 1000 crore in BE 2014-15 budget, the OROP has not been implemented. In this regard, it is further observed that this issue has been protracted for considerably long passage of time and it is beyond the understanding of the Committee as to what reasons are preventing the Government from making necessary decisions and arriving at a solution. In view of the Committee, it is of utmost importance that requisite modalities are sorted out and an amicable solution is brought out with regard to OROP within stringent timeframe at the earliest. It is needless to say that the Committee be intimated about the progress made in this regard.'

**(iii) Para No. 50**

'Alongwith the implementation of OROP, it is equally pertinent that all the targeted beneficiaries receive their dues in accordance with the newly formulated guidelines. In this regard, there should be a redressal mechanism in place so as to ensure that any kind of anomalies are sorted out without delay, as the Ex-Service personnel have already been waiting for long time to receive their dues. One of the methods could be uploading the calculating formulae website intending to ensure that they transparently reach the receivers' end with all clarity. The steps taken in this regard should be intimated to the Committee.'

**68. The Ministry in its Action Taken Reply has stated as under:**

'The modalities for implementation of One Rank One Pension are still under active consideration of the Government.'

**69. The Committee finds it extremely dismaying to note that the Action Taken Note is totally silent on the recommendations made by them on ensuring that the One Rank One Pension (OROP) Scheme is implemented in right earnest. The recommendations made by the Committee in this regard include, *inter alia* working out the modalities for implementing the OROP and being apprised of**

the progress thereof; and ensuring that the beneficiaries get their dues without any loss of time. The process of implementing the scheme appears to be taking an unusually long time, which, to say the least is deplorable. The Committee, therefore, reiterates the need for ensuring that the scheme is implemented without further loss of time and the Ex-Service personnel not put to continued hardship on this count.

## **CHAPTER II**

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

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

##### **Indigenisation and R&D**

The Committee note that India is the major importer of the Defence equipments and weaponry. The contract from a foreign country takes a lot of time to materialize. In certain instances orders given almost a decade back have not yet been concluded or cancelled. This leads to the deterioration of Global Service Provider Rating (GSPR). The Committee, therefore, recommend to adopt a phase wise system under the Defence Procurement Policy which may ensure that the Imported item is delivered within the stipulated period of that phase. The Committee would like to stress that R&D should also keep on improving and be accountable. This policy would help us in the acquisition of latest weaponry and equipment instead of getting the obsolete items. The Committee strongly recommend for the indigenization supported by state-of-art R&D. For this purpose, it is imperative that interaction with the CSIR labs, technical institutions and universities should be made so that talented people are attracted towards defence services. The Committee are dismayed to note that DRDO has not made any concrete efforts in this regard. As stated by the Defence Secretary during oral evidence, certain efforts were made by them but these were sporadic and scattered. The Committee, therefore, recommend that a formal policy should be formulated at the earliest. The Committee are given to understand that IIT Kanpur had been assigned a project on rotary UAV. The Committee appreciate the achievement made by IIT Kanpur with the hope that such innovations are encouraged by DRDO by involving premier technical institutions and universities.

#### **Reply of the Government**

Capital equipment can be acquired phase wise. Urgent requirement can be met through global sources, in case they are not available indigenously. However, a parallel development plan for 'Make in India' for systems being acquired from global sources should be seeded. Inputs to this effect have been given for revision of Defence Procurement Policy (DPP).

In collaboration with academia and research centers, DRDO has been consciously making efforts towards indigenous development of state-of-the-art technologies through Extramural Research, four Research Boards and Advanced Technology Centers. DRDO has engaged most of the Indian premier academic institutions, including IISc, IITs, NITs, CSIR labs CGCRI, CEERI, NIOT, NPL etc. and many other Indian Universities. DRDO also encourage the talented researchers to join the Organisation as Research Fellows and also as regular scientific cadres. To perform contemporary directed research in focused areas and attract talented young scientists towards defence research, DRDO has embarked upon creating Advanced



Technology Centers at academic institutions within the country with state-of-the-art research facilities. Existing advanced technology centers are given below:-

- (i) Research and Innovation Center (RCI) at Research Park, IIT-Madras;
  - (ii) Advanced Center for Research in High Energy Materials (ACRHEM) at Hyderabad University; and
  - (iii) DRDO-Bharatya Center for Life Sciences at Bharatiya University, Coimbatore. DRDO is proposing to create following new center:-
- Bi-nodal Center of Propulsion Technology at IIT-Bombay and IIT-Madras;
  - J.C.Bose Center for Advanced Technologies, High Energy Laser and Photonics and Cyber Security Technologies;
  - Joint Advanced Technology Center at IIT-Delhi to pursue research in Advanced Ballistics, Ballistic Protection, Modeling , Terra hertz technology, Brain-Machine Intelligence and Quantum Photonics.

Through these centers with excellent research opportunity, DRDO intends to engage the talented researchers and faculty towards defence research.

<b>Nomenclature</b>	<b>A/U</b>		<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Hyd Excavator 20 Ton	Nos		74	60	63
Hyd Excavator 30 Ton	Nos		20	15	40
Motor Grader	Nos		15	10	11
Tracked /Wheeled Stone Crusher 60 TPH/100 TPH	Nos		03	08	05
Self Propelled Light Weight Rock Drill (Tracked)	Nos		10	20	12
Self Propelled Medium Weight Rock Drill (Tracked)	Nos		10	15	15
Jumbo Rock Drill with 3 Boomers and above	Nos		08	05	08
Hot Mix Plant 20/30 TPH with matching Gen set	Nos		15	10	8
Mobile HMP 15/20 TPH with matching Gen Set	Nos		20	10	14
WMM Plant 60 TPH	Nos		04	05	06
Paver Finisher (Dual purpose)	Nos		30	25	31
Transit Mixer 5/6 Cum/Hr	Nos		01	02	-
Transit Mixer 9 Cum/Hr	Nos		02	02	-

Centrifugal Water Pump with Discharge 600 LPM , Head 18 Mtrs, Suction / delivery 80 mm	Nos		40	40	27
Pot Hole Repair Vehicle	Nos		06	06	07
Bituminous Asphalt Recycling Plant	Nos		03	03	-
RCC Hume Pipe making Machine	Nos		03	03	-
Concrete Paver Machine	Nos		03	04	03
Interlocking Block making Machine	Nos		01	01	-
Snow Cutter/Blower	Nos		06	14	15
Snow Sweeper with Plough	Nos		06	14	10

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

#### **Border Roads Organisations**

The committee are very happy to note that the BRO has now come under the Ministry of Defence. The Committee traveled by road from Nathula Pass to Gangtok on a road maintained by the BRO. The committee appreciated their efforts inspite of adverse weather conditions and difficult territory they are doing good job.

#### **Reply of the Government**

No comments

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

This is the matter of great concern that obsolete equipment, viz Type II and IV are being used by BRO. These equipments should be immediately replaced with modern equipments befitting the climatic conditions of the region. The Committee think that in order to compete with our neighbouring countries, especially China, we must have latest, State-of-the Art equipment with the BRO.

#### **Reply of the Government**

A Long term Equipment Plan (LTEP) 2014-15 to 2018-19 for the induction of modern Vehicle/Equipment/Plants in BRO has been approved for Rs 3913 crores. The following modern equipments are planned to be inducted into during the next four years:-

2. Based on the approved LTEP, a two year annual procurement plan (APP) for Vehicles/Equipment/Plants for FY 2015-16 and FY 2016-17 amounting to Rs 814.10 Crores and Rs 497.67 Crores respectively has been approved.

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

It is evident from the data given by the Ministry that there is acute shortage of manpower, both combatant and civilians put together, in the BRO. The Committee, therefore, recommend that urgent steps need be taken to make-up the strength in BRO. In this regard, the services of ex-servicemen can be requisitioned. In addition to this, uniform functional facilities for the BRO personnel are also necessary. Instead of putting them in tents which jeopardize their health. They should be provided proper accommodation at high altitude. As submitted by the Secretary, the casualty rate in BRO is alarming as mortality rate is that of one man per day. It is imperative for the Government to ponder over this issue and provide them proper high altitude accommodation to ward off such incidents. The committee feel that hard service conditions of BRO compounded with lack of necessary facilities do not attract youngsters and talented engineers to join BRO. If these issues are properly addressed the strength would increase and work of BRO shall not suffer due to insufficient manpower.

### **Reply of the Government**

Action for filling up of vacancies in different categories of posts in BRO through UPSC, SSC and the GREF Centre as the case may be are being regularly taken. Efforts are also being made to hire/ outsource the services of critical personnel such as Junior Engineers.

Several measures have been undertaken for provision of better working conditions for BRO personnel including Casual paid labourers especially in high altitude and hard areas e. g higher scale rations , enhanced leave , provision of kerosene oil for warming purpose , winter/ extreme cold climate clothing, improved medical facilities are being provided. Provision of creating adequate accommodation/other administrative facilities is incorporated in the Administrative Approval of the job under Road side Accommodation (RSA) head. However, efforts to further improve the living and working conditions are being made.

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

The maintenance and upkeep of all the border roads is quite essential. It is learnt that BRO has a particular pattern that all border roads irrespective of weather conditions of the particular area are resurfaced. In Ladakh Region, it has generally been observed that roads are resurfaced in spite of their good condition and when only it is resurfaced in most of the cases the resurfaced road become no better than the previous road. In Ladakh Region the climate is dry and scanty rain fed, so roads in this area do not require resurfacing again and again as these are not much damaged. On the contrary, in Uttarakhand which is highly rain fed area the roads require maintenance frequently. The Committee, therefore, recommend that maintenance of roads should be carried out after a thorough inspection of the roads and resurfacing should be carried out where only it is required. This would help in concentrating in those areas where roads have been damaged due to the vagaries of weather.

### Reply of the Government

At present, maintenance is being done as per existing maintenance scale. Resurfacing of roads is being carried out at an interval of 5 to 6 years depending on the area classification of roads. Premature failure cases/damage due to natural calamities i.e flood, earth quake etc is taken up on a case to case basis.

BRO has been empowered with delegated powers/policy simplifications in following area so that maintenance of roads can progress smoothly:

- (a) **BRDB Programme:** 762 roads have been included in the BRDB programme. This will facilitate DGBR to approve maintenance grant for roads which are part of BRDB Programme without any further approval.
- (b) **Standard Schedule of Rates (SSR):** DGBR has been delegated powers to issue new/revised Standard Schedule of Rates (SSR). This will ensure timely assessment of correct cost of projects and avoid frequent review of estimates.
- (c) **Change in Maintenance Grant and Snow Clearance Grant:** With a view to improve quality of maintenance DGBR has been delegated powers to fix rates of maintenance and snow clearance grant and carry out revision whenever required.

### Recommendations (Para No. 20)

The Committee note that BRO is not like civil engineering agencies e.g PWD and CPWD. It has got specific jobs and work under hostile conditions. As such strategic roads should be identified right from the rail head upto where the strategic road ends on borders.

### Reply of the Government

In the meeting of National Security Council (NSC) held on 1.11.2013, it was decided that BRO would focus on core strategic functions on the Northern Border and Ministry of Defence (MoD) & Ministry of Road Transport and Highways (MoRT&H) will work out modalities of separating BRO's strategic road building functions from infrastructure development in Left Wing Extremism affected areas and internal roads. Further, it was decided in a meeting held with NSA on 23.8.2013 that in order to reduce BRO's work load, MoRT&H and BRO will jointly examine and prioritize the roads which are necessarily to be constructed by the BRO in Uttarakhand, J&K and North East. MoRT&H will make alternate arrangements for remaining roads. Accordingly, 28 roads of 2904 Km length was identified for transfer to various agencies. Roads are being handed over by BRO to other agencies.

2. BRO is concentrating on both the Northern and North-Eastern borders simultaneously and special effort is being given for completion of Indo-China Border Roads (ICBRs). In order to streamline the procedure the following steps have been taken:

- (a) **BORDER ROADS DEVELOPMENT BOARD (BRDB) PROGRAMME:** In addition to constructing /developing/improving roads, BRO maintains a road network of 20642 km in border areas to ensure smooth movement of troops. Further roads constructed/ completed by BRO are required to be maintained continuously so that these are in traffic worthy condition. In order to stream line the need for maintenance of these roads, it has been decided that once a road is included in BRDB

programme, no separate sanction would be required for carrying out maintenance. A list of 760 roads has been prepared as BRDB Programme to enable BRO to focus on identified roads and develop/maintain them in a planned manner.

(b) **LONG TERM ROLL ON WORKS PLAN (LTROWP):** BRO has been assigned the task of construction /maintenance of roads of strategic importance. Over a period of time the work load of BRO has increased considerably compared to its capability. Army has also finalized two list of roads under its Long term perspective Plan-I and II for expeditious development. Besides BRO has been entrusted works of Indo Tibet Border police (ITBP) roads by Ministry of Home Affairs (MHA), Special accelerated road development programme (SARDP) and Arunachal Pradesh package works by Ministry of Road Transport and Highways. Thus there was a need to draw a Long Term Plan for BRO in order to utilize the capacity of BRO in a judicious and time-bound manner to complete priority roads for Army so that the estimates for such works may be prepared by BRO without waiting for specific approval from Govt. For holistic development of roads in border areas, a LTROWP has been drawn up for 461 roads including the ICBRs for Rs 21333 cr.

Agency	No Roads	Works Planned(Rs Cr)				Total (Rs Cr)
		2015	2016	2017	2018	
GS/Strategic	434	42468	457	456	4003	174770
NH	27	12200	1000	761	860	38540
Total	461	5468	5670	5320	4903	2133370

### Recommendations (Para No. 21)

BRO Budget is within the civil estimates of the Ministry. As such, limits have been set for the Defence Ministry. The Committee therefore recommend that this issue should be taken up with the ministry of Finance so that the Ministry of Defence can have its say over the budget. The Committee also feel that it is necessary to de-link pay and allowances from the budget estimates of BRO. As submitted by the Secretary that during the rainy season or during the snow when the labour is sitting idle, the project costs goes up as a result of pay and allowances given to the labour. This results into escalation of revised estimates. Hence, it is imperative that the system needs restructuring so that work is performed as per actual requirements.

### Reply of the Government

Border Roads Organisation (BRO) is an executing agency and is a work charged Organisation. Presently, only Road Construction Company (RCC) and functional platoons are actually being deployed for execution of works on ground by getting the logistic and administrative support from HQ and Common Service Units (CSUs). The proposal for Provision of Ground Establishment for Salary of Work Charged Task Forces (TFs), CSUs and other Functional Units in BRO was submitted to Ministry of Finance (MoF) through Ministry of Defence (Fin/BR) in Sept 2014, MoF has intimated that issue may be considered in lines of MES and CPWD. The proposal has been resubmitted to MoD (Fin/BR) as it will have the following advantages:-

(a) The delinking of obligatory payments such as Pay and Allowances of permanent employees of the Govt of India from the works estimates would lead to simplification of works estimates.

(b) Better control over actual expenditure incurred on physical execution of works and fewer Revised Approximate Estimates (RAEs).

(c) The factors included in the SSR on account of Pay & Allowances (P&A) are also more in the nature of thumb rule percentage and may not accurately represent the actual outgo on account of P&A of permanent employees.

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

The Committee find that BRO faces a lot of difficulties in respect of quarries. This requires urgent action and remedial measures. It is therefore, necessary that dedicated quarries be allocated to BRO so that the raw material for the construction is easily available without any hindrance. The Committee therefore recommend that an empowered Committee be set up under the Chairmanship of the Chief Secretary of the concerned State. The Committee are given to understand that some States are adhering while others are not. The Committee therefore recommend that if any State has not given the approval for a particular quarry the BRO should be given authority to bring the raw material from another quarry, irrespective of the distance.

### **Reply of the Government**

Chief Secretaries of State Governments of Arunachal Pradesh, Assam, J&K, Himachal Pradesh, Manipur, Nagaland, Sikkim, Tripura and Uttarakhand have been requested to constitute an Empowered Committee under their Chairmanship with Principal Secretaries of Revenue, Forest, Mining, PWD and Power Departments along with the PCCF and Chief Engineers of BRO as members to resolve issues. States of Sikkim, Arunachal Pradesh, J&K, Himachal Pradesh and Tripura have constituted the Empowered Committee.

2. Recently a meeting was held with the various Resident Commissioners of State under the chairmanship of Additional Secretary to PMO on 03 Feb 2015 regarding allotment of quarries to BRO. During the meeting the following was intimated by the various State representatives regarding the allotment of quarries to ensure availability of required construction material to BRO:

(a) In Uttarkhand has BRO has been exempted from the tender process for allotment of quarries. Moreover, in order to facilitate the extraction of river bed material (RBM) for road construction, the State Government has taken up the issue of de notifying the rivers as forests and amendment of the Mines and Minerals (Regulation and Development)(MMRD) Act 1956 so that the removal of RBM, required to maintain river flow, is not construed as mining.

(b) In Sikkim after the adoption of the policy for the allotment of quarries to BRO by the State Government, the allotment of quarries would be streamlined.

(c) In Arunachal Pradesh as the ownership of land is vested with local communities which create hurdles in allotment of quarries. However, efforts are being made by State Government to resolve the issue.

(d) In J&K the procedure for allotment of quarries needs to be streamlined and BRO was asked to sent applications for allotment of quarries to Director (Mining), Government of J&K for faster processing.

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

### **Indian Coast Guard**

The Committee note that after the 26/11 incident, ICG got a steep increase in its budget and manpower. The Committee can understand that it was absolutely necessary to strengthen manpower and machinery of ICG post-26/11, but it also indicates that we never anticipated the incidents like 26/11 and we were also not prepared for such eventuality. The Committee feel that enhancement in the budget and manpower should have been proactive instead of post-occurrence of any untoward incidents. The Government cannot eschew its responsibility just by taking the plea that before the year 2008 the threat was largely continental. This indicates that we were not prepared for any threat from sea side. The Committee are therefore, of the opinion that we strengthen our security from sea side also and coastal security be given an impetus. The ghastly massacre at Mumbai could have possibly been avoided had this been given a serious thought.

## **Reply of the Government**

The observations of the Committee regarding the need to strengthen coastal security have been noted. Towards strengthening our security from sea side and also to give impetus to coastal security, the Government has been taking various steps. Some of these are listed below:

- Coast Guard fleet strength has increased from 60 ships in 2009 to 119 ships till date. The mandate for ships which was primarily anti poaching and anti smuggling has been further augmented with coastal security duties. Unlike previous deployments, when ships were mainly patrolling Exclusive Economic Zone (EEZ), now major component of Coast Guard deployment is water jet ships of FPV / IB class which patrol close to coast, where fishing activity is more.
- The operation deployment of ships has increased from 10-11 ships per day in 2009 to 25-30 ships per day in 2014. During fair weather, this deployment often touches 35-40 ships per day. The air assets have also increased substantially with the current fleet of 62 aircraft compared to 46 aircraft in 2009. On an average 8-10 aircraft are deployed daily for maritime aerial surveillance.
- The ICG has established 22 stations at different locations along the coast and on islands territories post 2009. At present ICG has 42 such stations.

- The Boarding Operations (BO) in Coast Guard have increased substantially from 2274 in 2009 to 21193 in 2014 and 13277 till April, 2015.
- 118 exercises and 166 Coastal Security operations have been conducted since January 2009 to test Coastal Security system and validate the Coastal Security SOPs. Two exercises are conducted every year in each Coastal State and UT. Intelligence input regarding seaward threats are also frequent, resulting in launch of Operations jointly with Navy, Marine Police and other agencies. Ships are put on high alert during such operations and numbers of boarding operations, therefore, has increased substantially during such operations. So far 167 such operations have been conducted since 2009.
- Coastal Surveillance Network (CSN) consisting of chain of static sensors has been set up to ensure automatic monitoring of all vessels transiting/operating along the coast. As on date, 44 out of 46 radar sites are functioning optimally. 38 additional Radar sites have been envisaged under CSN phase-II in order to achieve gap free surveillance of the entire coast.

### **Recommendations (Para No. 30)**

#### **Military Engineering Services (MES)**

It has come to the notice of the Committee that bricks used by the MES are not of desired standard. The bricks got damaged quickly and do not adhere to the quality control. As admitted by Engineer in Chief that substandard quality of the bricks specially in Punjab, Northern Rajasthan and parts of Haryana is due to the salinity of water used for making the bricks, it becomes absolute necessary to treat these bricks before their actual application. The Committee have been apprised that a technology team, which is design and consultancy team of MES, is examining the issue. While appreciating the measures taken by MES, the Committee recommend that a thorough study followed by scientific treatment of all the existing structure should also be made wherever such bricks have been used.

### **Reply of the Government**

As brought out by the Committee and agreed by the Engineer-in-Chief, the quality of bricks used by MES in Punjab, North Rajasthan and parts of Haryana are not of the desired standards. This is due to presence of harmful salt/ chemicals above the prescribed limits in the bricks and the water being used in the area for manufacturing the bricks. As a result of this, white powdery residue appears on the brick surface when the water evaporates. This effect is called efflorescence. This can be arrested by using chemical treatment. A study of the problem of efflorescence was carried out by Additional Director General (Design and Consultancy), Pune in certain affected stations. A similar independent study was also carried out by IIT Roorkee. Based on their recommendations, solutions for effective treatment of this problem for new works, existing works and vintage buildings has been circulated to Chief Engineers Command and Zone.



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

The Committee are of the opinion that wherever possible the locally available raw material should be utilized instead of using pre fabricated material. The Committee understand that at an high altitude like Ladakh it becomes difficult to carry out raw material from the quarry; and in some specific cases prefabricated material is convenient to use, specially for the temporary structure of the Army, as these can easily be relocated depending on operational requirement. Even then, emphasis should be given to use of local material wherever it is feasible. In this regard some innovative products like hollow bricks should be used which cost less and are suitable for local weather condition. The use of fly-ash is also a welcome step as it would mitigate pollution emitting from thermal power plant and use its ash.

### **Reply of the Government**

Prefabricated material are only used in temporary structures being constructed under operational works using troop labour for temporary habitat of troops. These temporary structures are prefabricated in nature so that they can be relocated once permanent structures are constructed through Annual Major Works Program. The permanent structures are constructed by MES through Chief Engineers Zone. In order to ensure best local engineering practices, local material and economy in construction Zonal specifications are drawn out by Chief Engineers Zone for use in MES. Hence, the recommendations of the Committee on use of locally available material is already in place. Innovative products such as Hollow bricks, as brought out by the Committee, are being used for construction of accommodation in high altitude areas like Leh etc. These hollow bricks are also generally fabricated in situ using local materials. The use of fly ash bricks is being enforced in all works within 100 km of Thermal Power Plants (TPP), in conformity to Government of India Notification No 979(E) dated 27 Aug 2003. This HQ had issued instructions to all Chief Engineers Command and Chief Engineers Zone to this effect in 2004.

### **Recommendations (Para No. 32)**

The Committee note that MES is setting up a solar plant which would generate 30 MW electricity by the year 2019. The Committee feel that steps be taken to explore whether it can be made sequential i.e. initially it may generate 10 MW, then 20 MW and finally by the end of 2019 it should generate 30 MW. Instead of waiting till 2019 it would be in the fitness of case that generation of electricity takes place in phased manner.

### **Reply of the Government**

On behalf of the Defence Forces the MES is setting up several solar plants in different places in a phased manner/ sequentially to achieve an overall capacity of 300 MW by the year 2019 with details as under:-

(a) The draft road map for implementation of 300 MW Solar Photo Voltaic Power projects by Defence Establishments under Jawaharlal Nehru National Solar Mission (JNNSM) during 2014-19 has been prepared.

(b) The implementation is phase wise and as per the road map, the Renewable Energy (RE) works proposed to be listed in forthcoming Annual Major Works Programme (AMWP) is as under:-

Phase	Financial Year	Capacity in Mega W (MW)
I	2015-16	81
II	2016-17	108
III	2017-18	92

(c) Typically it takes 12-18 months for Solar Power stations to be erected, tested and commissioned. Thus, successive years would see such power stations being commissioned with the last one to be completed by 2019.

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

The Committee have been informed that MES would develop six smart stations which shall be in harmony with the other hundred stations which are being identified. The Committee laud the efforts of MES that these stations would be for the logistic support of Armed Forces and consequently a model for State of Art living and lodging of Armed Forces.

### **Reply of the Government**

Keeping in view the Hon'ble Prime Minister's vision to create smart cities, the Defence Forces is also planning to develop similar Smart Armed Forces Stations. Chief of Staff Committee HQ Integrated Defence Staff has been nominated as the nodal agency for development of Smart Armed Forces Stations. An approach paper on Smart Armed Forces Stations have been prepared and circulated to the three Service HQs. The broad focus areas are:-

(a) Infrastructure development to include underground services, shared resources, cycling and walking tracks and spatial orientation.

(b) Centralised services including MES helplines, solid waste management, piped gas, welfare and community centres, centralised Canteen Stores Department with automated home delivery etc.

(c) Welfare facilities such as central welfare institutes with free Wi-Fi zones, CNG/ battery operated vehicle services etc.

(d) Emphasis on environment and ecology with establishment of eco park and implementation of Green norms to include solar/ wind projects, renewable energy sources, organic waste management, LED bases lighting etc.

(e) Biometric based security systems aided by video surveillance and state of art identity cards.

(f) Use of automated water management systems both for fresh water and waste water management.

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

In the desert areas, like Jaisalmer, there is an acute shortage of accommodation even in the market. It is strategic location as large number of Army officials or jawans have to look for rented accommodations. The Committee therefore, recommend that in phase-III, priority should be given in constructing MAP in Jaisalmer.

### **Reply of the Government**

In Phase III, due priority will be given for construction of MAP at Jaisalmer.

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

The Committee got a suggestion from MES that they should also be given the same power as vested with Director General MAP. As MES is the executing agency of MAP, it is strongly recommended that power as vested to DG MAP should also be given to MES for the expeditious completion of MAP.

### **Reply of the Government**

The Apex Steering Committee of MAP has already decided to give similar powers to MES as is available to DG MAP for execution of work entrusted to it during Phase III.

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

MAP was constituted as a separate entity in order to focus on accommodation problem of married Armed Forces personnel. The Committee are dismayed to note that in spite of giving autonomy to MAP; the works carried out by MAP are not meeting the target. Works are going at a snail's pace, which need to be introspected. The Committee, therefore, recommend that MAP, should gird up their loins and carry out the work vigorously otherwise there is no use of making it a separate organisation.

### **Reply of the Government**

The Government takes note of the observations and recommendations of the Committee and assures that all efforts would be made towards accomplishing all tasks relating to MAP and for removing all structural impediments that were evident in the implementation of the first 2 phases of MAP.

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

### **Defence Public Sector Undertakings (DPSU)**

The Committee note that inspite of large manufacturing by Defence PSUs, Armed Forces and BRO are suffering in so far as their requirement is concerned. Nonetheless, except two PSUs, all DPSUs, all Defence PSUs are running in profit. The Committee failed to understand as to why BEML, who has BRO as direct user, is running in losses. The Committee are of the opinion that DPSUs should primarily fulfill the need of Armed Forces and BRO. Their aim should not be solely profit making but capacity enhancement also. The Committee understand that unless DPSUs are healthy, they will not be able to cater to the requirements of Armed Forces. At the same time if they fulfill the requirement of Armed Forces and BRO even at the cost of their losses, it would be a great Service to the Nation. The Committee feel that the Defence PSUs are different from other PSUs. While appreciating their efforts to fulfill the need of Armed Forces and BRO to a substantial extent, the Committee recommend that they should strive for total satisfaction of the Armed Forces and BRO. In this regard, equilibrium in maintaining the PSU a profitable one vis-à-vis fulfilling National obligation, for which DPSUs have been established, must be ensured.

### **Reply of the Government**

**HAL:** HAL, since inception, has dedicated itself to fulfil the requirements of Indian Defence Services by supplying aircraft & helicopters and its associated accessories. The testimony to this fact is that more than 95% of the aircraft / helicopters manufactured by HAL are supplied to the Indian Defence Services.

Currently HAL is executing supply of Su-30 MKI fighter aircraft, Light Combat Aircraft, Advanced trainer aircraft Hawk, Dornier-228, Advanced Light Helicopters (ALH). All these aircrafts and helicopters are produced for Indian Defence Services.

HAL also provides repair and overhaul services of aircraft, engines and its accessories which includes aircraft and engines that are not manufactured at HAL like, Mirage, AN-32 and also those for which Original Equipment Manufacturers have discontinued their support, Eg Dart, Orpheus engine etc. Support is also extended to Indian Defence Services through aircraft upgrade and life extension services.

**BEL:** BEL has been one of the premier Electronics Companies in the country, meeting the current and emerging requirements of armed forces in the area of Strategic Electronics. Besides maintaining upward trend in the profit over the years, 85% of BEL's turnover is to Indian defence forces. Some of the prominent products introduced in the recent past include Akash Missile System, Central Acquisition Radar, Low Level Light Weight Radar, 3D Tactical Control Radar, Night Vision Devices, Missile Warning System, Ship Borne EW systems, Tank / Gun upgrades, etc. Taking into account, the future strategies and business plans, BEL will strive to play a significant role in meeting the requirements of armed forces.

**BEML:-** BEML since its inception in 1964, has been continuously making profits, and only in the year 2012-13 BEML made a loss of Rs.122.33 crore, mainly due to the extraordinary situation BEML encountered in Defence vertical. However, BEML turned around in the year 2013-14 with a PBT of Rs.9.08 crore.

BEML has supplied various equipments viz., Dozers, Excavators, Loaders & Motor Graders to DGBR and Engineer-in-Chief. Further, BEML has opened a service centre at Leh, recently, to support the equipments supplied to Armed Forces and BRO.

**BDL:-** BDL has been striving to fulfill the requirement of Armed Forces and infact, BDL has taken lead to order the items in advance anticipating orders from Armed Forces. BDL has been constantly upgrading its capabilities to meet the requirement of Armed Forces.

BDL has acquired land at Ibrahimpatham Telengana State and Amaravati, Maharashtra state in anticipation of orders for MRSAM and VSHORAD respectively. Proactively BDL has taken-up infrastructure development at these areas to meet the demand of the Armed Forces.

**GSL:-** GSL suffered a loss of Rs.61.09 crore during the financial year 2013-14. The loss was mainly due to guarantee liabilities / expenditure on projects concluded / delivered prior to FY 2013-14, besides inadequate capacity utilization coupled with yard's lean order book position.

During financial year 2014-15, the provisional Profit before Tax is expected to be about Rs.50 crore. Further, on account of repeat order of five CG OPVs and the recent approval for construction of 12 MCMVs, yard's financials are expected to further improve.

Notwithstanding above, GSL has been consistently building and delivering variety of ships / platforms indigenously to both Indian Navy and Indian Coast Guard to meet their operational requirements. Ships built and delivered so far include Navy Offshore Patrol vessels, Advance patrol vessels of different variant to ICG, Missile boats survey vessels, Landing Craft Utility vessels, etc., to name a few.

**GRSE:-** Over the years, GRSE has developed capabilities to design and build most modern warships in the country.

In 2006, GRSE acquired Raja Bagan Dockyard from Central Inland Water Transport Corporation (CIWTC). The facility which was in a dilapidated condition has been revived by GRSE and converted into a dedicated shipyard for construction of small ships for Indian Navy and Coast Guard.

Major modernisation of GRSE was undertaken at a cost of Rs.605.85 crore. and completed in Jun 2013. This has doubled the installed capacity for construction of large warships like Frigates / Corvettes etc. for Indian Navy.

**HSL:-** The yard has necessary capability for building Naval vessels including warships and submarines. HSL has been accumulating losses due to large idle capacity and high fixed costs due to legacy factors. HSL has endeavoured to fulfil its obligations towards strengthening the Indian Navy and Coast Guard, whenever an opportunity is provided for this yard.

**MIDHANI:** MIDHANI's mission is to achieve self-reliance in the research & development, manufacture and supply of critical alloys and products of national security and strategic importance. MIDHANI in coordination with DRDO and with in-house R & D has developed a number of critical alloys which are not available to defence from overseas suppliers. MIDHANI is regularly catering to the requirement of these critical materials of Armed Forces, DPSUs, Naval Programs & Ordnance Factories. Continued focus is given for development of new alloys to meet the strategic requirement.

### **Recommendations (Para No. 40)**

The Committee while appreciating the milestones set by the DPSUs in respect of indigenization of various aircraft and equipment, especially Sukhoi and LCA, hope that indigenization would be given a boost by DPSUs. For this purpose it is essential to translate into reality the lab to land projects. The technology which we get from DRDO and other premier institutions should be given a boost. This would make 'Make in India' programme a big success. The Committee are happy to note that BEML is compared with multinationals like Hitachi and apart from Defence they also get orders from Coal India Limited and other companies. The Committee have been intimated by the CMD, HAL, at that time of oral evidence, they are moving towards indigenization in a phased manner. First, they bring major modules from abroad and assemble them to make aircraft, like Sukhoi, then in Phase-II they buy components from abroad and make the module and in third Phase raw material is only imported and all other activities are done in our country. The Committee acknowledge such steps, but recommend that instead of depending all the times on the technology of advanced countries we should also be a torch bearer and accordingly a synergic efforts should be made by DPSUs and Ministry of Defence.

### **Reply of the Government**

**HAL:** HAL as a major Aerospace defence public sector under Ministry of Defence, has initiated several steps to adopt "Make in India" concept and accordingly several strategies are being adopted at HAL for Indigenous development of Aircrafts, Helicopters, Aero engine, UAVs, aircraft systems such as avionics, mechanical systems etc.

#### **(I) Indigenous development of platforms and systems.**

The following Indigenous development programmes are already under way at HAL which is a step towards Make in India:

Programs already under production stage:-

- (a) Light Combat Aircraft (LCA) – Tejas
- (b) Intermediate Jet Trainer (IJT)
- (c) Advanced Light Helicopter (ALH)
- (d) Pilotless Target Aircraft (PTA)

Programs under development stage and subsequently to be produced at HAL:-

- (a) Hindustan Turbo Trainer (HTT-40)
- (b) Light Combat Helicopter (LCH)
- (c) Light Utility Helicopter (LUH)
- (d) Fixed and Rotary wing Unmanned Aerial Vehicle (UAV)
- (e) Advanced 25 kN Aero Engine

## **(II) Indigenisation**

Indigenisation activities include development & import substitution efforts. In order to attain higher level of self-reliance, HAL has put-in concerted effort on indigenisation of components, accessories and systems required for manufacture as well as repair & overhaul of aircraft, engine and associated systems. Every year more than 2000 items are indigenized with considerable foreign exchange Savings.

## **(III) Synergy between HAL and DRDO Labs for R&D Projects**

HAL and DRDO labs have been collaborating on a number of design & development programs in Aeronautical sector. HAL is engaged with 21 DRDO labs & organizations in the various Research and Development field for Light Combat Aircraft (LCA), Intermediate Jet Trainer (IJT), Fifth Generation Fighter Aircraft FGFA, Su-30 MKI, Jaguar, MiG-27, DO-228, Advanced Light Helicopter (ALH), Light Combat Helicopter (LCH) etc.

**BEL:-**R&D has been one of the key areas of the company to meet the indigenization objective and move towards the path of self-reliance. BEL has been playing key role in supporting the Government 'Make in India' policy. Some of the initiatives in this regard are:-

- 3 years R&D plan for Indigenous development released
- In order to bridge the technology gaps, Collaborative R&D approach involving Indian private industries and Indian design houses has been initiated
- Increased R&D Investment – from 7.56% of turnover in 2013-14 to 8.2% in 2014-15
- Setting up of Product Development & Innovation Centre initiated for development of common sub system
- Thrust on patents - 9 Patents filed during 2014-15 (total 45 patents filed).
- Joint development projects with leading academic institutes in the country initiated
- Thrust on In-house developments around 80% of turnover is generated from Indigenous Technology.
- Policy on Long term Outsourcing & Indigenization (Draft prepared).
- "Make in India" Cell is proposed to be set up to implement BEL's Outsourcing policy.
- New Joint Venture with Thales has been started for manufacture of Civil and select Defence Radars like Air Traffic Management Radar.
- Investment in Expansion & Modernization to meet the current and future manufacturing requirements.

**BEML:-** In respect of Mining equipment, BEML is competing with multinationals in India like Komatsu, Caterpillar, Libherr and equipments supplied from China, South

Korea and Domestic Player like L&T, Tata Hitachi, JCB etc. Indigenisation is above 85% to 90% in each of these products.

Defence equipment viz PMS Pontoon bridge system, Aircraft Towing Tractor, Aircraft Weapon Loader, 50T Trailer, Wagons, Boyevaya Mashina Pekhoty (BMP) Transmission and Ejector Air Cleaner Assembly (EJ&AC) are fully indigenised. The indigenisation level in respect of BEML Heavy Duty High Mobility Vehicles is over 90%.

Similarly in the case of Metro, BEML is competing with world leaders like M/s. Alstom, Bombardier against open tender and winning contracts. It is also to be noted that 88% of BEML's sales in 2014-15 is from orders obtained through competitive mode.

BEML is committed to the success of "Make in India" programme. BEML has successfully developed Country's First High End High Capacity Electric Drive Dump Truck (15T & 190T) and 180T Electric Excavator through our in-house R&D efforts. Also there is a continuous endeavour to up-grade the existing products to 'World Class' Standards to meet customer requirement.

BEML is jointly working with M/s. CVRDE, for Design and Development of Armoured Repair & recovery Vehicle (ARRV). BEML is also working with M/s. BDL and have developed Stage IV and V aggregates of Akash Missile.

**BDL:-**BDL has been a pioneer in the areas of converting the development projects into series production models both in case of foreign ToT projects and DRDO projects.

In ToT projects, BDL adopts phased manufacturing which allows smooth absorption of technology and allows Indigenisation to take place in a phased manner. BDL has also developed items when ToT has not been provided by the original equipment manufacturer OEM which is as per the contract in the case of Konkurs-M ATGM and Invar ATGM.

BDL has achieved high levels of indigenization in all its projects. The details of Indigenization Project-wise are as listed below:-

Product	Target	% Indigenization achieved
Invar	63	76.4
Konkurs-M	63	90
Milan – 2T	71	71
C-303	71	71

In case of DRDO projects BDL has been working in tandem with DRDO labs to convert the items from development phase to series production phase. Prithvi project has been successfully completed. Akash Weapon System has been productionised in the above manner.

**GSL:-**GSL has been in the forefront of design of Navy Vessels and indigenisation. GSL has designed, produced and delivered several series of Patrol Vessels for Indian Navy & Coast Guard and even actively participated in export of the vessels.



GSL, having independent ship design capability within the country, has now been nominated for construction of 12 MCMV vessels for which GSL will be tying up for appropriate ToT as per specifications formulated by Indian Navy. GSL has initiated dialogues with several specialised MCMV equipment OEMs from abroad for making the items in India in collaboration with local private industrial groups with requisite capabilities, so that the higher indigenisation level can be achieved.

**GRSE:-**Over the years, GRSE has established proven capabilities for in-house ship design & shipbuilding and has made significant contribution to the success of indigenous warship construction programme.

All warships ordered by Indian Navy & Indian Coast Guard to GRSE are indigenously designed & developed by the shipyard. Currently 15 warships of Indian Navy are under construction in GRSE.

With the delivery of Anti-Submarine warfare Stealth Corvette, INS Kamorta, GRSE achieved the milestone of delivering a frontline warship to Indian Navy with almost 90% indigenous content.

**HSL:-**HSL has been contributing to the cause of indigenisation by undertaking constructions of warships of different types for the Navy and the Coast Guard. Most significantly it has undertaken the MR of the Foxtrot class submarines as well as MR-cum-modernisation of EKM class submarines, which otherwise had to be done in Russia. The yard has also nurtured a strong Design Office which can take up indigenous design of commercial ships as well as warships (except the capital ships). HSL has also entered into a MoU with other PSUs - BHEL and MIDHANI – with the view to synergise their efforts, resources and capabilities towards construction of advanced technology vessels.

**MIDHANI:-**Midhani has been participating in the tender enquiries floated by HAL and has successfully bagged some orders competing with the international suppliers.

Midhani has supplied various raw materials viz. Titanium alloys, Maraging Steel as import substitutes to Bharat Dynamic Limited for Akash Missile Project and have supplied its materials viz. Superalloys, Titanium and its alloys and Special Steels as import substitutes to various indigenisation programmes of Space, Nuclear and Defence sectors.

### **Recommendations (Para No. 41)**

#### **Welfare of Ex-Servicemen**

The committee notes that in a number of cases the dependents of soldiers who sacrificed their lives for the sake of the country do not get the land which is given to them as a token of appreciation. The Committee understand that the matter pertains to State Government even though then they wish the Ministry of Defence take up all such cases which come to their notice, expeditiously into the State Governments and impress upon them to do the needful.

### **Reply of the Government**

The cases relating to allotment of land to war widows/dependents under consideration of respective State Govts are monitored through Kendriya Sainik Board (KSB) Sectt. in coordination with respective RSBs on a monthly basis. If any case is reported to be inordinately delayed, the matter will be taken up with the State Government concerned by Ministry of Defence for expeditious disposal.

### **Recommendations (Para No. 42)**

The Committee are of the view that there should be an official in all such areas where war widows or dependant parents are residing to facilitate them in order to get pension and other benefits. The Committee, therefore, recommend that such areas should be identified.

### **Reply of the Government**

Kendriya Sainik Board Secretariat at the Central level, Rajya Sainik Boards at the State level and Zila Sainik Boards at the District level are entrusted with welfare of Ex-servicemen and their families including the families of defence personnel killed in military operations residing in their districts, and provide all help to facilitate pension and other benefits to them.

In addition, the Indian Air Force, have formed Samvedna Cells at all Air Force Stations since the year 2005 to render timely assistance to the NOK/Families of deceased air warriors which include from paying condolences to assisting them in getting Non Effective benefits, escorting to new location, counseling of families, assistance to school going children etc.

Naval Regimental System has been established region wise to reach out to widows or dependent parents of late sailors. Nodal officers have been designated to facilitate pension and other benefits and deal with their issues in a speedy and professional manner.

Regiments and local formations/establishments/units have systems in place to periodically interact formally/informally with the families of defence personnel killed during operations.

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

**Recommendation (Para No. 14 )**

The connectivity between Himachal Pradesh and Ladakh Region is very crucial for the expeditious movement of troops and equipment to this strategic area. The Committee, therefore, recommend to construct Nyemo-Padum-Darcha road to connect Himachal Pradesh and Ladakh Region. The Committee may be apprised of the steps taken in this regard.

**Reply of the Government**

In order to establish all weather connectivity between Himachal Pradesh and Ladakh region the following proposals have been formulated:-

**(i) Road Darcha-Padam-Nimmu-Leh:**

(a) **Road Nimu- Padam – Darcha:** The road Nimu-Padam-Darcha, of length 297.375 Km is presently under construction. Out of which 170.02 Km to single lane specifications and 10 Km to double lane specifications have been completed. Formation works for Km 17.50 in single lane and 50.00 Km double lane are in progress.

(b) **Road Darcha-Shinkunla:** The road Darcha –Shinkunla of length 39.375 Km is presently under construction. Out of which 21.89 Km formation work and 14.19 Km surfacing work has been completed.

Further, the following works are planned to expedite the completion of the road:

(a) Approval for feasibility study for Shinkunla Tunnel has been accorded.

(b) Development of road Nimu-Padam-Darcha to NHDL specifications has been proposed for taking up through large private player and approval for preparation of detailed project report has been accorded.

**(ii) Road Manali-Sarchu-Upshi-Leh.**

(a) Construction of 8.800 Km long Rohtang Tunnel is under progress.

(b) Approval for feasibility study for Barlach La and Tanglang La Tunnels has been accorded.

(c) Development of balance road stretch on Manali-Sarchu-Leh to NHDL specifications has been proposed for taking up through International Consortium and approval for preparation of detailed project report has been accorded.

(iii) In addition to above, the following alignments for all weather connectivity from Himachal Pradesh to Ladakh region are also under consideration:

- (a) Road Wangtu-Pooh-Sumdo-Chumar-Nyoma-Upshi-Leh
- (b) Road Wangtu-Bhaba Pass-Aturgu-Kiato-NurbuSumdo-TsoMorari Karzok-Mahe-Upshi-Leh.'

**For comments of the Committee please see Para No. 29 & 30 of Chapter- I.**

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

The Committee fail to understand that in spite of the instructions of Government of India to invite public representatives of the area where some project or scheme is carried out either by the Union Government or State Government, BRO do not invite local MPs nor inform them. This sends a wrong message and public at large do not understand what is actually going on. The Committee, therefore, recommend that BRO should keep this in mind and local MPs and other public representatives should be kept abreast with the developmental activities of BRO and invite them at the inauguration of such projects.'

### **Reply of the Government**

Guidelines for the role and responsibility of State Government Agencies as executing agencies on behalf of Ministry of Road Transport and Highways (MoRT&H) regarding ceremonial functions like inauguration/BhoomiPujan/Foundation laying etc. has been issued by MoRT&H vide letter dated 12 September 2011. Accordingly, BRO has again issued necessary instruction to all Chief Engineer (Project) in this regard.

**For comments of the Committee please see Para No.33 of Chapter- I.**

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

The Committee are dismayed to note that in Tawang area the situation is very critical in so far as connectivity is concerned. In case of war, the Army can not reach there in a day. While our neighbouring countries can reach borders within two or three hours, our Army takes more than a day to reach there. This is a matter of great concern with regard to our Defence Preparedness. The Committee, therefore, recommend to construct good quality roads in this area on priority basis.

The Committee also recommend that our engineers and other BRO personnel are sent abroad to upgrade their technical knowhow. The Committee have been apprised that a permanent scientific committee under the Ministry of Science and Technology had been constituted to aid and advise BRO on technologies which can be adopted. As stated by the Secretary that 10% of BRO budget has been earmarked for experimenting new technologies to construct blacktop road at high altitude the Committee feel that this would give impetus to a new paradigm.

### Reply of the Government

At present, three axis are planned for construction to establish all weather connectivity up to Tawang. The present status of these three axis is as mentioned below:-

- (i) **Road Balipara-Charduar-Tenga-Tawang (Main Axis):** Construction/development works to National Highway Double lane (NHDL) specification on this road of length 317.28 km is under progress and the progress as on May 2015 is as under:
- (a) Formation – 192.73 km
  - (b) Surfacing - 145.74 km

The road stretch between Km 50 to 88 passes through Eagle Nest wild life sanctuary in Arunachal Pradesh and Namari tiger reserve in Assam due to which the work has not commenced. At present the clearance are pending with MoEF. An Interlocutory Application (IA) has been filed in Hon'ble Supreme Court on 09 Jan 2015 to permit the applicant to construct and develop strategic border roads after obtaining the clearances from standing committee of State Wildlife Board/National Wildlife Board and after obtaining prior approval from Ministry of Environment & Forest under the Forest Conservation Act.

- (ii) **Road Orang-Kalaktang-Rupa-Shergaon-Morshing-Phudung-Mandala-Debrabu-Naga GG-BJ Gompa-Lagamche GG-Mukto-Teli-Bomdir-Tawang (Alternate Axis):** The present status of this axis is as under:

Srl No	Stretch of Road	Present Status
a	Orang-Shergaon	Under development to NHDL specifications.
b	Shergaon-Naga GG	Completed to Class-9 specification and is under maintenance.
c	Naga GG-BJ Gompa	Under construction to Class-9 specifications.
d	BJ Gompa - Lagamche GG	Completed to Class-9 specification and is under maintenance.
e	Lagamche GG-Teli	Under construction to Class-9 specifications. Further extension of the road upto Tawang is part of existing Bomdir-Lumla and Balipara-Charduar-Tawang road.
f	Shergaon-Teli	Development of this road to NHDL specifications has been proposed for taking up through International Consortium and approval for preparation of detailed project report has been accorded.

(iii) **Pinjoli-Buragaon-Dibbin-Mathow-Tungri-Chhangla-Pangila-Pota-Tsela-Mago (Third Axis).** This axis has already been Operationally endorsed by Army and works will be taken up once the construction of main axis is completed.

2. In order to introduce the latest technology in BRO the following steps are taken:

- c. Guidelines for technology initiative in BRO have been approved. In order to identify and select most appropriate technology initiatives in a fair transparent manner for introduction in BRO, DGBR shall constitute a Multi Disciplinary Expert Group (MDEG) consisting of technical/domain experts, representatives of the scientific institutions, users, financing and administrative authorities etc. for continuous evaluation of proposals and making detailed recommendations in a time bound manner.
  - d. In addition a National Workshop on Border Roads, by BRO and Confederation of Indian Industry (CII) on 'Private sector's participation in construction of Roads, bridges, and tunnel in border areas' was held on 17 Feb 2015. Based on the deliberations in the National workshop three working group has been constituted to recommend measures for enhancing the private sector's participation in construction of roads, bridges, and tunnels in border areas.
- c. In order to get acquaintance with the latest art of technology being used by the various developed Countries, officers of BRO are being sent on training to various foreign countries. Four groups have already been sent on training to various foreign countries.

**For comments of the Committee please see Para No.36 of Chapter- I.**

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

The Committee observes that during Uttarakhand tragedy and flood situation in Kashmir, BRO had to divert its work force to these areas as it was the need of the hour. BRO did commendable job in spite of many obstacles. This might have affected the regular work of BRO in other areas. The Committee, therefore, recommend that there should be two wings of BRO- one for routine job and another for emergency duties.

#### **Reply of the Government**

'In case of natural calamity, BRO resources are diverted to such locations to restore the line of communication. This does affect the progress of ongoing works. However, for disaster management additional equipment required during Disaster under 'Disaster Management Brick' for deployment during such contingencies is under consideration. A separate wing in BRO for emergency duties is likely to remain idle for very long as the location and timing of disaster is not known.'

**For comments of the Committee please see Para No.39 of Chapter- I.**

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

#### **Defence Estates Organisation**

It has been observed that roads and cantonment area are sometimes closed by senior officers of the Army in cantonment area. This leads to trouble to the public commuting through Cantonment area. The Committee understand the security of the country cannot be compromised and threat perception cannot be overlooked, but causing inconvenience to public at large without any such input is very disturbing. The committee feel that concept should be from security point of view, but when that degenerates into personal vanity, it becomes abhorable

#### **Reply of the Government**

The Ministry of Defence vide order dated 7<sup>th</sup> January, 2015 have issued directions to Service Headquarters and DGDE to ensure that no public road-(outside unit lines) in a Cantonment shall be closed by any authority other than the Cantonment Board, for any reason other than security, and without following procedure laid down u/s 258 of the Cantonments Act, 2006. It has inter-alia been decided that roads already closed without following the procedure as delineated in Section 258 of the Cantonments Act, 2006 shall be opened forthwith and closed again, if such closure is required after following the laid down procedure and obtaining the statutory approval.'

### **Recommendation (Para No. 28 )**

Defence Estate Organisation has a large area of land which is lying unutilized for a very long time. The Committee, therefore, recommend that this should be examined in detail and appropriate use of this be considered; some funds could be used for the welfare of residents of cantonment area. This would add to the revenue of the Ministry of Defence, which would held in launching big ticket projects of the Armed Forces.

#### **Reply of the Government**

'Out of the 17.57 Lakhs acres of defence land, nearly 66,000 acres is under the management of Defence Estates out of which 53,148 acres is inside Cantonments and 13.574 acres is outside Cantonments. Out of the 53,148 acres inside Cantonments, defence land is placed under following four classifications:

**A-2 land    6,509 acres**

**B-3 land    12,977 acres**

**B-4 land    27,616 acres**

**C land        6,046 acres**

**Class A-2:** land which is not actually used or occupied by the Military authorities, but to the use or occupation of which for any other purpose, except temporarily, there exist specific military objections.

**Class B-3:** Land which is held by any private person under the provisions of these rules, or which is held or may be presumed to be held under the provisions of the Cantonment Code of 1899 or 1912 or under any executive orders previously in force, subject to conditions under which the Central Government reserve, or have reserved, to themselves the proprietary rights in the soil; and

**Class B-4:** Land which is not included in any other class.

**Class C:** Land which is vested in the Board under Section 122 of the Cantonments Act, 2006 is called class 'C' land.

As such, while class A-2 land needs to be left vacant for immediate Military use Class B-3 & C land are already occupied. Further, Class B-4 land is earmarked for future defence purposes and already demand has been received from Services & Defence Establishments for re-classifying it into Class A-1.

(ii) Land outside Cantonments placed under the management of DE Organisation is basically in the form of Camping Grounds and Abandoned Airfields. DGDE vide its ID No. 711/RD/DSP/DLC/88 dated 26<sup>th</sup> February 2014 has circulated list of these Camping Grounds and Abandoned Airfields to MoD for circulation among the various Organizations of MoD/Central Government Organizations/State Governments for allotment based on priorities laid down therein.'

**For comments of the Committee on replies of the Government on recommendations nos. 27 & 28 please see Para No.47 & 48 of Chapter- I.**

### **Recommendation (Para No. 34 )**

#### **Married Accommodation Projects (MAP)**

The Committee have been informed that "satisfaction rate" i.e. availability of Married Accommodation of the Army would be about 70 percent by the time phase IV gets completed, which is expected to be completed by 2020. In the case of Navy and Air force it would be 85 and 90 percent respectively. Presently the Married Accommodation is to the extent of only 10-15 percent of total accommodation of the Armed Forces. In such a case, the satisfaction rate of 75 percent is inadequate. The Committee therefore, recommend that it should be 100 percent and every jawan should get it. Army personnel serve in field area. They come and stay for maximum 2 to 3 years in peace stations. Half of the time they stay outside in hired accommodation, which create immense administrative and "Morale" problems. Hence the aim of MAP should be 100 percent "satisfaction level".

### **Reply of the Government**

The Ministry agrees that it should be the aim of the Government to provide 100 percent "satisfaction level" keeping in view the approved scales of authorisation in this regard. However, this would necessarily have to be planned for implementation in a phased manner keeping in view the present progress of the Married Accommodation Project (MAP), availability of funds and the capacity of MoD's own construction agencies. In the meantime the Government will continue to meet the



gap through hiring of accommodation and payment of compensation in lieu of quarters (CILQ).

**For comments of the Committee please see Para No.51 of Chapter- I.**

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

The committee observed that the phase I of the Project, which was scheduled to be completed in 2002 , actually started in 2004 and completed in 2008. Thus Phase I has been delayed by 6 years. Similarly Phase II which was due to be completed in 2014 will now be completed by 2017. The Committee therefore, express their displeasures and anguish that phase I and Phase II of MAP were delayed for one reason or another and timeline was not maintained. This might have resulted into cost overrun apart from effecting “Morale” of the Troops. They, therefore, recommend that MAP should meticulously ensure that phase III is completed on schedule.

#### **Reply of the Government**

The delay in Phase I of the project was on account of the fact that considerable time was consumed in framing procedures and for planning of the project. The strategy of involving other construction agencies and CPSUs in the project also did not yield desired results. Based on lesson in that phase , during phase II large work packages were made so as attract participation of reputed construction companies. However, due to the recession in the building industry, funds crunch and constraints in sourcing building materials, the performance of the contractors was slow. As a result several contracts have been cancelled and retendered under the risk and cost clause of the contracts. Performance is being closely monitored and reviewed at various levels. As regards Phase III locations where dwelling units are to be constructed has been finalised and planning work has commenced. Increase in delegation of powers of various committees and changes in contract conditions to ensure faster execution of work in this phase is under consideration.

**For comments of the Committee please see Para No.54 of Chapter- I.**

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

The Committee have been apprised that majority of the States, except five States, have already legislated for reservations from 2 per cent to 20 per cent in various categories. Even those five States have given reservations for group ‘A’ and ‘B’ jobs, but not for group ‘C’ and ‘D’ posts. The Committee therefore, recommend to take up the matter with those five States at the highest level by the Ministry of Defence and impress upon them to make legislation expeditiously.

### **Reply of the Government**

There is no reservation in jobs even in C & D, in five States/ UT namely Bihar, Jharkhand, Kerala, Meghalaya and Andaman & Nicobar. These five States/ UT have been requested to provide meaningful resettlement opportunities to Ex-Servicemen by providing reservation to them in State Government / UTs jobs.

**For comments of the Committee please see Para No.57 of Chapter- I.**

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

'The Committee have been apprised by DG Resettlement that at state level there is no such agency like DGR to monitor the reservation. The Committee therefore, recommend Ministry of Defence to take up this issue with State Governments. In this regard the assistance of Rajya Sainik Board and can be availed.'

### **Reply of the Government**

'State/UT Governments have been requested to designate Rajya Sainik Boards to collect and compile the data regarding employment provided to the ESM in State Government / State PSUs jobs and also furnish such data to DGR on half yearly basis.'

**For comments of the Committee please see Para No.60 of Chapter- I.**

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

The Committee note with concern that the amount of money given to Param Veer Chakra and other gallantry medal winners, vary from State to State. In some states like Punjab, Haryana and Uttarakhand, they are handsomely rewarded while in some States they are paid very meager sum. This is really pitiable and require uniformity so that our brave soldiers do not feel let down. As such the Committee observe that the soldiers are national heroes and States should have conformity in this regard.

### **Reply of the Government**

It is stated that the financial / cash rewards for Gallantry awardees varies from State to State as it is prerogative of the State Governments. Central Government has fixed uniform monetary allowances to the recipients of Gallantry Awards as per details given below:

<b>Name of Awards</b>	<b>Monetary allowance (Rupees per month)</b>
ParamVir Chakra (PVC)	10,000
Ashok Chakra (AC)	6,000
MahaVir Chakra (MVC)	5,000
Kirti Chakra (KC)	4,500
Vir Chakra (Vr C)	3,500
Shaurya Chakra (SC)	3,000
Sena Medal / NavoSena medal / Vayu Medal (SM/NM/VM) – Gallantry	1,000

**For comments of the Committee please see Para No.63 of Chapter- I.**

### **Recommendation (Para No. 47)**

The Committee are of the opinion that Ex-Servicemen can gainfully be employed in several eco projects. But the irony is this that State Governments do not have them due to dearth of money. Worse the fact that Ministry of Environment or River Rejuvenation also do not pay heed to such an important task carried out by Ex-Servicemen. Whether it is cleaning of Ganga or Indira Gandhi Canal in Rajasthan's Desert area or Eco Battalion, do not get money for their sustenance. The Committee therefore, strongly recommend to Ministry of Defence and Directorate of Resettlement to do something concrete in this regard.

### **Reply of the Government**

A proposal is under active consideration for raising of four Territorial Army Battalions of ESM for Mission clean Ganga. Once approved/ implemented, this will benefit both Nation and ESM community.

**For comments of the Committee please see Para No.66 of Chapter- I.**

### **CHAPTER III**

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

##### **Recommendations (Para No. 12)**

###### **Border Roads Organisation (BRO)**

It is observed that BRO consist of mixed cadre. It has civilian as well as Army Personnel. This creates a lot of difficulty in the field. The Committee, therefore, recommend that there should be a institutional mechanism to avoid conflicting situation. As the BRO has now come under the Ministry of Defence, the Committee hope that the situation would improve and there shall be no conflicting situation.

##### **Reply of the Government**

BRO has been raised on the pattern of Army e.g companies/ platoons etc. with similar command and control structure. The manning in BRO is of a mixed character i.e the posts are manned both by Civilian Officers and Army Officers as per the provisions of the recruitment Rules and further as per the manning Policy as decided by the Government. A well defined functional hierarchy exists and Commanders at all levels have been empowered to take appropriate decisions to resolve grievances if any.

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

The Committee express their displeasure over the fact that the required vehicles and equipments are not available with the BRO. This problem has been persisting for the last five years as per the records submitted by the Ministry of Defence. This may have been persisting for a very long time. The Committee are anguished over this fact and feel that under staffed BRO with ill equipped and inadequate vehicles and equipments cannot compete with our neighbouring countries and this may be a stumbling block in the optimum utilization of the combatant capacity of our Armed Forces and Para Military Forces

##### **Reply of the Government**

In order to expedite the induction of Vehicle/Equipment/Plant the Annual Procurement Plan (APP) for FY 2015-16 and 2016-17 has been approved on 27 April 2015 as per the details given under:-

<b>S/No</b>	<b>Description</b>	<b>FY 2015-16(in Rs Cr)</b>	<b>FY 2016-17(in Rs Cr)</b>
a	Construction Veh/Eqpt/Plant– Operational Requirement	506.07	361.46

b	Snow Clearance Eqpt	104.41	35.61
c	V/E/Ps for Disaster management/ slide clearance	138.35	73.07
d	Quality Control Eqpt	15.59	8.14
e	Medical eqpt	4.79	0
f	Misc Operational Vehicle Requirement	19.84	12.37
g	First line Tpt	0.44	0.38
h	Eqpt bridges under DGBR's reserve	15.16	0
i	Prefabricated containerized accommodation	9.45	6.61
<b>Total</b>		<b>814.10</b>	<b>497.67</b>

2. Some of the major Vehicle/Equipment/Plant provisioned in APP FY 2015-16 and FY 2016-17 is given as under:-

<b>Srl.No</b>	<b>Item</b>	<b>FY 2015-16 (in Nos)</b>	<b>FY 2016-17 (in Nos)</b>
a	Dozer BD 50/80	165	113
b	Hydraulic Excavator 20 /7 Ton	113	108
c	Excavator cum loader/wheel Loader	167	82
d	Tipper 4x2/4x4	815	577
e	Dumper	182	110
f	Hot Mix Plant 20-30TPH	33	7
g	Paver finisher	-	5
h	Road roller (all types)	73	47
i	Stone crusher (20TPH)/(6/10)	186	40
j	Snow cutter	30	12
k	Medium Weight Crawler rock drill	6	9
l	Light Weight Crawler Rock Drill	6	12

3. The detail of the V/E/P procured by BRO during the last six years is mentioned below:

<b>Details of Major Vehicle/Equipment/Plant Procured during last Six Years</b>							
<b>Srl.No</b>	<b>Item</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
a	Dozer BD 50/80	89	104	62	-	18	-
b	Hydraulic Excavator 20 Ton/7 Ton	57	156	135	50	120	12
c	Excavator cum loader/wheel Loader	77	61	108	38	50	70
d	Tipper (4x2/4x4)	230	238	490	-	443	250
e	Dumper	5	25	-	-	-	89
f	Hot Mix Plant 20-30 TPH	-	3	-	-	-	13
g	Paver finisher	-	8	36	17	-	8
h	Road roller (all types)	82	24	120		40	32
i	Stone crusher (20TPH)	-	-	20	-	-	40
j	Snow cutter	4	5	-	-	-	-
k	Crawler rock drill (all type)	-	-	-	-	39	33

4. The details of funds utilized by BRO for the procurement of V/E/P during the last six years are mentioned below:

<b>S/No</b>	<b>Year</b>	<b>Approved APP (Rs. in Crores)</b>	<b>Expenditure (Rs in Crores)</b>
a	2009-10	250.76	210
b	2010-11	380.80	194

c	2011-12	429.80	242
d	2012-13	469.77	242
e	2013-14	403.13	97
f	2014-15	459.66	159

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

It is not only the hilly and terrain areas but area bordering Punjab, Jammu, Rajasthan and Gujarat which BRO can not neglect. At the time of war heavy armoured vehicles pass through these areas which require strong and good quality roads. Civil agencies cannot construct such roads. There are water channels, canals, dams etc. on the way and Army vehicles pass over these areas and, as such it is expedient not to neglect this area.

### **Reply of the Government**

At present BRO has completed the construction of 2782 km of roads in the State of Punjab, Rajasthan and Gujarat, which are presently being maintained. In addition to above, the improvement works on the following two roads bordering International Border with Pakistan in Rajasthan, Punjab is planned:

(a) **Road Ajnala-Lopoke-Sohal:** The construction/improvement of this road to Intermediate width specifications (IW-5.5 meter carriage-way) has been completed. However, during this financial year sanction has been accorded for Rs 1673.71 lacs for rehabilitation works to improve the quality of riding surface for the stretch from Km 0 to Km 51.

(c) **Road Bakasar-Mavasari:** The length of this road is 32.490 Km. Out of which the initial 9.510 Km is with Rajasthan Public work Department and balance 22.980 km with BRO. Initial 26.740 Km of road length is in Rajasthan and balance 5.750 Km in Gujarat. The construction/improvement works of this road was stopped in August 2006 as the entire region experienced unprecedented heavy rains which caused submergence of the road for more than 20 days due to back flow from the sea (Rann of Kutch) which caused extensive damages. Since then the works on this road was suspended. Now Dte. MO-4 has endorsed this road for development to National Highway double lane specification (NHDL).

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

#### **Defence Estates Organisation**

The Committee are given to understand that in many a case property tax has not been paid by the Cantonment Board. At the time of oral evidence of the representatives of the Defence Estates, it has come to the notice of the committee that Telangana Government has given a notice to Cantonment Board of Secunderabad Area. The Committee are of the opinion that in the absence of funds which come through property tax it become difficult to develop Cantonment Board.

### **Reply of the Government**

Cantonment Boards do not have to pay property tax to any authority. Rather, they are empowered under the provisions of Cantonments Act, 2006, to levy and collect property tax from properties situated within the Cantonment.

No notice has been received by Chief Executive Officer and Defence Estate Officer of Secunderabad Cantonment regarding payment of Property tax from Telangana Government.

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

The Committee have been apprised that a large number of demolition work has been initiated by Cantonment Boards. The Committee understand that there should not be any encroachment in the Cantonment Area, but at the same time care is required to ensure that a genuine structure and other buildings/dwelling units which are situated on the so called defence land, which earlier belonged to some princely States like Nizam, should not be disturbed.

### **Reply of the Government**

Cantonment Boards initiate action for demolition of unauthorized construction under the provisions of Cantonments Act, 2006 as per the laid down procedure. However, the aggrieved parties obtain stay order by way of filing suits/writs against the Board. The action to demolish unauthorized construction is to be taken only after finality of litigation.

It has been intimated by CEO, Secunderabad that massive unauthorized constructions have been carried out in Old Grant Bungalows. The action regarding demolition of unauthorized constructions has been taken by DEO & CEO Secunderabad as per the existing provisions of law. During November 2013, demolitions were carried out in Old Grant Bungalows by Cantonment Board Secunderabad. During the year 2014, after the dismissal of C.A. No. 1839/2006 titled as S.M. Hussain Rasheed Vs. Union of India and Ors., on 28.08.2014, unauthorized construction in Old Grant Bungalow No. 219, comprising GLR Sy. No. 465 was removed.

Due care is being taken while removing the unauthorized constructions.

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

The Committee are of the view that sum of Rs. 348.26 crore as demanded in BE 2015-16 may be provided to DGDE as Grant-in-aid for the development of Cantonments Boards. The Committee also desire that adequate provisions may be made in the Budgets of Army and Air Force to clear the arrears in the coming years.

### **Reply of the Government**

The funds to the tune of Rs. 348.26 crore under Object head "Grants-in-aid- general" was projected by Defence Estate Organisation for BE 2015-16. However, as per the



funds provided by Ministry of Finance this Division was able to provide funds to the tune of Rs. 258.76 crore under the said head. In this context, it is pertinent to mention here that any additionality over approved Grant requires the approval of Parliament. Hence, the matter was taken up with the DGDE to project their requirement, if any, for additional funds in the first Batch of Supplementary demand for FY 2015-16. In response, DGDE intimated that the additional funds under this head is required, however, the same will be projected at the stage of RE 2015-16.

### **Recommendations (Para No. 43)**

#### **Welfare of Ex-Servicemen**

The Committee feel that Armed forces personnel getting retirement at very early age are national assets. It is and irony that they are not getting befitted status. The Committee have been apprised that almost fifty percent of Ex-Servicemen are rehabilitated in PSUs and private sector but still another fifty per cent need to be rehabilitated. The Committee in that regard, recommend that feasibility of absorbing them in para military forces, like BSF, should be explored at the highest level. The Committee feel that Ex-Servicemen are already trained personnel and they can be very useful if they are inducted into Para Military Forces. This will also reduce the "Pension Budget" of the Army.

### **Reply of the Government**

There is a reservation of 20% in Group D and 10 % in Group C for ESM in all Central Government jobs, including in CAPFs. In CAPFs this reservation of 10 % has been made available to ESM upto the level of Asst. Commandant also. Thus the ESM have the option to join even in group A and group B posts in CAPFs as a direct recruit. However, as intimated by Ministry of Home Affairs, the existing ESM quota is not being filled up for want of willing/ eligible ESM.

## CHAPTER IV

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

#### Recommendation (Para No. 1 )

##### Capital Expenditure

The Committee observe that the Capital Expenditure has never remained under control. The Committee feel that the Capital Head invariably ends up with unutilized funds. During the year 2010-11 against the RE allocations of Rs.24266.79 crore, Army spent Rs. 23,625.42 crore. Similarly in the year 2011-12 and 2012-13, Army could utilize Rs. 14,947.82 crore and Rs. 14760 crore against RE of Rs. 16005.69 crore and 15749 crore. In case of Navy Rs. 17759.88 crore and Rs. 20338.85 crore could be utilized during the year 2012-13 and 2013-14 against RE of Rs. 18266.42 crore and Rs. 20418.98 crore respectively. Air Force too could utilize Rs. 23,625.42 crore out of RE allocation of Rs. 24266.79 crore in the year 2010-2011. During the preceding financial year 2014-15 the position of expenditure upto the end of February 2015, in respect of Army, Navy and Air force is Rs. 14843.37 crore, Rs. 18439.02 crore and Rs. 29682.14 crore respectively against their RE of Rs. 21933.54 crore, Rs. 18507.07 crore and Rs. 33710.68 crore respectively. Such underspending leads to a situation where the preparation of Defence Forces are nowhere near the target which are fixed and it becomes a fait accompli. The Committee are of the opinion that capital investment requires a certain period of time to materialize. A capital investment cannot be completed in a financial year. A lot of studies are to be carried out which require the clearance from a number of agencies. The Committee, therefore, strongly recommend that Capital Allocation and Expenditure should be "Non-lapsable and Roll-on" allocation. It should be a part of plan expenditure and the progress should be monitored by a specialist, expert Committee to ensure that the time schedule is set and followed on various stages till the delivery of capital goods.

#### Reply of the Government

The utilisation of the Defence capital budget must be viewed in its entirety. Focussing only on a particular Service, or year, of under spending gives a distorted picture. It is more appropriate to focus on under-spending, if any, under the capital budget as a whole rather than any one Service. Under-spending by one Service is usually counter balanced by excess spending by another Service. Thus, from the position of utilisation of the capital budget tabulated below, it may be seen that funds available have been fully utilised:

(in Rs.crores)				
Year	BE	RE	Actuals	%age utilisation
2010-11	60,000.00	60,833.26	62,056.00	102.01
2011-12	69,198.81	66,143.81	67,902.38	102.65
2012-13	79,578.63	69,578.63	70,499.12	101.32
2013-14	86,740.71	78,872.23	79,125.05	100.32
2014-15	94,587.95	81,965.24	81,887.42	99.91

In view of the above, it is felt that no purpose is served by delineating the capital budget as “non-lapsable and roll-on” as on no occasion during the last five years were any surplus funds available for rolling over.

It is also felt that designation of Defence capital expenditure as plan expenditure would yield no benefit, especially since the distribution between ‘Plan’ and ‘Non-Plan’ expenditure even in the civil side has been called into question with the winding-up of the Planning Commission.

It may also be noted that the progress of capital acquisition expenditure is monitored by the Acquisition Wing which is tasked with the responsibility of defence capital procurement, as well as by the Defence Acquisition Council headed by the Raksha Mantri.'

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

The Committee have been apprised that Capital Outlay is in the ratio of 30:40:30 all over the world which means that out of the total Capital Outlay, the 30% has to be the category of state-of-the-art technology, 40% current and 30% for obsolescence. The Ministry of Defence is endeavouring to follow this standard pattern. The Committee feel that in order to achieve this standard ratio, we would have to not only enhance our capital outlay but also make it "Non-lapsable and Roll-on" as an urgent change in our Financial Policy. The major reason cited by the Defence Secretary for not adhering to this standard ratio was insufficient Capital Budget. The Defence Ministry officials have to make sincere efforts and ensure that the funds allocated are fully & efficiently utilized under respective heads.

The Committee are dismayed to note that there was underspending of Rs. 720.41 crore during the years 2013-14 which lapsed! In respect of Army the underspending was Rs. 605.34 crore, in case of Air Force it was Rs. 93.49 crore while in case of Director General Ordnance Factories (DGOF), Defence Research and Development Organization (DRDO) and Directorate General of Quality Assurance (DGQA), it was Rs. 0.62 crore, Rs. 20.08 crore and Rs. 0.88 crore respectively. The Committee observed that barring Navy there was underspending in respect of each services/departments. The Committee therefore express their displeasure over this fact wants it to be examined and details reasons given to the Committee. The Committee also recommend that all out efforts should be made to curb underspending.

### **Reply of the Government**

As stated in reply to Recommendation at serial no. 1, the position of utilisation of the budget must be viewed for the Demand as a whole. In 2013-14, while minor underspending did occur in respect of Final Estimates of Army, Air Force, DGOF, DRDO and DGQA, this was balanced by overspending by other agencies and there was no surrender of funds. This is clearly brought out below:

(inRs.crores)			
<b>BE</b>	<b>RE</b>	<b>Actuals</b>	<b>% age utilisation</b>
86,740.71	78,872.23	79,125.05	100.32%

The Committee may rest assured that all efforts will continue to be made to ensure that available funds are fully utilised.

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

### **Defence Procurement Procedure**

The Committee observed that the Capital allocation for Air Force has been reduced during the current financial year. It is also observed that the deal of 126 aircraft with the French based Rafale Company could not be finalised. The Committee feel that all these attribute to long gestation period of Defence Procurement Procedure.

### **Reply of the Government**

The Capital budget allocation for Indian Air Force has increased to Rs.33685.75 Crore in 2015-16 from Rs.31627.39 Crore in 2014-15. The case for procurement of 126 Medium Multi Role Combat Aircraft (MMRCA) for which Acceptance of Necessity (AoN) was accorded on 29<sup>th</sup> June, 2007 has remained inconclusive. Capital Acquisitions have long gestation periods. However, all Capital Procurements for the armed forces are carried out in accordance with the guidelines laid down in the Defence Procurement Procedure (DPP). Government constantly monitors the progress of schemes ensure to that Defence preparedness is maintained at all time and constantly reviews the security environment so that IAF is fully equipped to meet the security challenges.'

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

The Committee have been apprised that Defence Procurement Procedure is changed every two years. The last change was made at the end of May 2013 and by the end of May 2015 a change shall be due in the procedure. As the Defence Secretary submitted before the Committee that four major issues are going to be changed in the revised procedure. The Committee hope that the new Defence Procurement Procedure shall plug the loopholes in the existing policy and make it more productive without time and cost overrun. The new procedure envisages the tackling of the complaints without any hindrance in the procurement. The new policy should be drafted in such a fashion that procurement is not hampered. While appreciating the reforms proposed to be brought out in the Defence Procurement Procedure, the Committee note that the Offset Policy should envisage 30% indigenous production by the importer in India and Transfer of Technology (ToT). The Committee also recommend the immense potential and capability already available in the field of "Reverse Engineering" in our Country. These could be utilized where very high degree of expertise or technology is not required. The Committee feel that instead of investing in those areas which are of not much significance, the offset policy should lay stress on Transfer of Technology, indigenization and Intellectual Property Right (IPR). The Committee are of the opinion that if the IPR is obtained by the money invested by the Government then part sharing of profit shall be there and in case the foreign company decides to discontinue then IPR shall be reverted to the Government. The Committee, therefore, recommend that revised Defence Procurement Procedure shall include all these things and Committee shall be apprised about the more efficient procurement in coming months.

## **Reply of the Government**

As noted by the Hon'ble Committee, a number of initiatives have been taken to address issues relating to Defence Procurements.

MoD has recently constituted a Committee of Experts to evolve a policy framework to facilitate "Make in India", align it with the DPP and suggest requisite amendments to DPP-2013. The Offset policy is also under review.

**For comments of the Committee on the replies of the Government on Para Nos. 4 & 5 please see Para No.15 & 16 of Chapter- I.**

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

### **Border Roads Organisation (BRO)**

The public at large specially those living in border States, have great expectation from Border Roads Organisation. The expeditious movement of troops depend upon good quality roads capable of withstanding the climatic condition of the region. This can only be achieved if BRO is provided adequate funds to carry out its functions smoothly. The Committee are disappointed that such an important area had been neglected by the Government over a period of time. BRO which was founded as a "Force", viz General Reserve Engineer Force (GREF), by the first Prime Minister of the Country and headed by him, which enabled it to take major decisions promptly and resulting in creation of very effective and efficient GREF (now BRO). It lost its sheen since then, as Border Roads Development Board (BRDB) is now headed by a Minister of State. It is observed from the statistics that paucity of funds has always been there in the BRO. However, the Committee are happy and have some solace that BRO has been transferred from Ministry of Road and Surface Transport to Ministry of Defence. However, this can not be panacea for all the maladies to which BRO has been struggling since long. The Committee, therefore, recommend Government to provide ample amount of money to BRO and there should not be budget cut since north-East Projects in particular suffer when funds are withdrawn every year during working season (last quarter). The Committee also recommend that BRDB should be headed by Defence Minister instead of Minister of State for Defence.

## **Reply of the Government**

In order to improve the operational efficiency of BRO and achieve clarity and unity of command, Government of India (Allocation of Business rules 1961) has been amended vide notification dated 9<sup>th</sup> January 2015 to include 'all matters relating to Border Roads Development Board and Border Roads Organisation (BRO)' in the list of business allocated to Ministry of Defence. Further, the budget allocation from Budget Estimate (BE) 2015-16 onwards for BRO has been done under Ministry of Defence (Demand No 21). For BRO the allocation of funds for IS 2015-16 under Non Plan (NP) is Rs 3030.57 crores and under Plan is Rs 450.00 crores. The details of demand versus allocation of funds for BE 2015-16 is given below:

SrlNo	Major Head	Demand (Rs in Crores)	Allotment (Rs in Crores)
<b>Non Plan</b>			
i	2052	456.13	372.57
ii	3054	895.18	736.00
iii	5054	2104.69	1922.00
<b>Total</b>		<b>4056.00</b>	<b>3030.57</b>
<b>Plan</b>			
i	3601	50.00	45.00
ii	5054	400.00	360.00
iii	2552	-	5.00
iv	4552	-	40.00
<b>Total</b>		<b>450.00</b>	<b>450.00</b>
<b>G/Total (Non Plan and Plan)</b>		<b>4506.00</b>	<b>3480.57</b>

2. Further, a proposal for additional funds under Non plan for BE 2015-16 amounting to Rs 1096 Crs for BRO has been submitted to MoD (Fin) on 24 June 2015 for inclusion under the first batch of supplementary Demands for Grants to be considered during the current monsoon session of the Parliament.

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

The Committee observed that BRO faces a lot of difficulty in acquisition of land and forest clearance. After the takeover of BRO by the Ministry of Defence, it is felt that these problems would be mitigated to a large extent. In this regard, the Committee recommend that an empowered committee consisting of Defence Secretary and Chief Secretary of the concerned State should be constituted to settle the issues pertaining to land acquisition and forest clearance expeditiously as the country's security cannot be compromised. The committee therefore recommends that both Defence Secretary and Chief Secretary of the State concerned sit together and resolve the issues without any delay.

### **Reply of the Government**

Border Roads Organization (BRO) is entrusted with the construction/development of Strategic Roads in the border areas. For the construction/development of these Strategic Roads, Environment clearances, Wildlife and Forest Clearance within Reserve Forests, Wild Life Sanctuaries and Protected Areas is required to be

obtained. In addition, there are also delays caused due to protracted procedures involved in Land Acquisition cases.

**2. Environmental, Forest and Wildlife Clearance:** As per Ministry of Environment and Forest (MoEF) notification dated 12 Aug 2013 “expansion of National Highway projects upto 100 kms involving additional right of way of land acquisition up to 40 mtrs on existing alignments and 60 mtrs on realignments or by passes are exempted from environmental clearances”. At present no Environmental clearance cases are pending in respect of road projects under taken by Border Roads Organisation (BRO).

3. The following measures have been taken by the Government to expedite the various clearances:

(a) State Governments of Arunachal Pradesh, Assam, J&K, Himachal Pradesh, Manipur, Nagaland, Sikkim, Tripura and Uttarakhand have been requested to constitute an Empowered Committee under their Chairmanship with Principal Secretaries of Revenue, Forest, Mining, PWD and Power Departments along with the PCCF and Chief Engineers of BRO as members to resolve issues. States of Sikkim, Arunachal Pradesh, J&K, Himachal Pradesh and Tripura have constituted the Empowered Committee.

(b) A working group has been constituted on 03 June 2013 by Ministry of Environment & Forest under the chairmanship of Secretary MoEF to review the forest clearance cases.

(c) Regular monitoring of forest clearance cases, establishment of Single window system at District, State, and Ministry of Environment & Forest (MoEF) levels and simplification of forms.

(d) MoEF vide letter dated 27 Apr 2011 in the States Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir, Uttarakhand and Sikkim has accorded Exemption of Compliance of Scheduled Tribe and other Forest Dwellers (Recognition of Forest Rights) Act 2006 to avoid delay in clearance of road projects.

(e) MoEF letter dated 09 Dec 2013 in the State of Uttarakhand State has accorded exemption for transfer and mutation of alternate Revenue Land for raising compensatory Afforestation for border roads.

(f) Requirement of certificate regarding non availability of alternate alignment has been dispensed with for BRO projects by MoEF vide their order dated 09 Dec 2013.

(g) Permission for processing division wise cases of BRO projects have been accorded by MoEF vide their order dated 09 Dec 2013.

(h) MoEF vide their letter No 11-246/2014-FC dated 4<sup>th</sup> July 2014 has accorded general approval under Section (2) of the Forest (Conservation) Act 1980 for diversion of forest land in the state of Arunachal Pradesh, Himachal Pradesh, Uttarakhand & Sikkim for following :-

(i) Construction and widening of two lane roads by the BRO and other road construction agencies entrusted with the job by the Ministry of Defence, in the area falling within 100km kilometers aerial distance from the LAC and

(ii) widening of road (by the BRO and other road construction agencies) which are identified by the Ministry of Defence as link roads between Border

Roads in the area within 100 kilometer aerial distance from the LAC and National Highways/State Highways/other State Roads, subject to fulfillment of the conditions.

(j) MoEF vide their letter No.11-246/2014-FC dated 4th July 2014 for the States of Arunachal Pradesh, Himachal Pradesh, Uttarakhand and Sikkim has decided to extent the said relaxation to strategic defence projects (including infra-structure and road projects) being taken up in the area falling within 100 km aerial distance from the Line of Actual Control by any user agency identified by the Ministry of Defence which provides that compensatory afforestation in lieu of the forest land diverted for compensatory afforestation may be raised on degraded forest land twice in extent of forest area being diverted, without insisting of certificate of Chief Secretary regarding non –availability of non- forest for compensatory afforestation, inter –alia it was informed that the compensatory afforestation will be raised and maintained at the cost of the user agency over degraded forest land equal in extent to the area of forest land diverted.

(k) MoEF vide their letter dated 8<sup>th</sup> Aug 2014 has intimated that in-principle approval under the Forest (Conservation) Act 1980 may be deemed as the working permission for tree cutting and commencement of work, if the required funds for compensatory afforestation, NPV, wildlife conservation plan, plantation of dwarf species of medicinal plants, and all such other compensatory levies specified in the in-principle approval are realized from the user agency.

4. In addition to above the following measures have been taken by BRO to expedite the forest clearances:

(a) **Appointment of Nodal Officer:** Project wise Nodal Officers have been appointed and details are uploaded on BRO website ([www.bro.gov.in](http://www.bro.gov.in)) for the coordination with the State Principal Chief Conservator of Forest (PCCF) and Regional Offices of MoEF.

(b) **Filing of Interlocutory Application (IA):** IAs have been filed with Hon'ble Supreme Court for the following roads:-

- (i) Kupur-TrJn
- (ii) Bagphool-Kalijhora
- (iii) Flag Hill-Dokhal

(c) Filing of early hearing petition has been submitted to Ministry of Law and application filed with Hon'ble Supreme Court on 06 Apr 2015.

(d) **General application in Hon'ble Supreme Court:** A general application has been filed in Hon'ble Supreme Court for exempting BRO from filing case to case basis Interlocutory Application in respect of road projects falling within protected areas and to grant clearance by MoEF after getting approval from Standing Committee on National Board for wild life clearance. Hon'ble Supreme Court has referred the matter to Chief Empowered Committee (CEC) for their comments.

**For comments of the Committee please see Para Nos. 25 & 26 of Chapter- I.**



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

The Committee note with concern that funds for BRO are released at a late stage. When there is conducive working season to carry out the work, the funds are not released. On the contrary, in Ladakh Region, North-Eastern Region, Uttarakhand and Himachal Pradesh, funds are released at the time of onset of winter. During that period it is very difficult to carry out the work and as a result, the funds remain unutilized. As admitted by the Defence Secretary at the time of oral evidence, snow clearance grant had been a problem, It is imperative in this regard that grants are released well before the onset of winter. The Committee also recommend that the funds which remain un-utilized due to hostile climatic condition may be carried forward for the next working session.

### **Reply of the Government**

At the Revised Estimate (RE) stage, Ministry of Finance revises the allocation of budget based on the actual expenditure incurred in the current financial year and as per the guidelines issued from time to time for austerity measures.

During this FY 2015-16, an amount of Rs 3030 crores under Non plan has been allotted against the BE demand of Rs 4056 of BRO. At the time of budget allocation to BRO for RE 2014-15 and BE 2015-16 during January 2015, a case was taken up by Hon'ble RM with Hon'ble Finance Minister for allocation of Rs 4056 crores under GS Non Plan for BE 2015-16 to BRO. Further, again a proposal to enhance the allotment of funds under Non Plan for BE 2015-16 amounting to Rs 1096 Crs for BRO has been submitted to MoF through MoD (Fin) on 24 June 2015 for inclusion under the first batch of supplementary Demands for Grants to be considered during the monsoon session of the Parliament.

With a view to improve the quality of maintenance, DGBR has been delegated powers to fix rates for maintenance, snow clearance grants and outsourcing of Maintenance. Details of funds allotted by DGBR for road maintenance/ snow clearance during this financial year 2015-16 is given as under:-

		<u>Allotment</u>
(a)	General Staff (GS) Roads	: 610.00 Cr
(b)	MoRT&H Roads	: <u>140.00 Cr</u>
	<b>Total</b>	: <b><u>750.00 Cr</u></b>

**For comments of the Committee on the replies of the Government on Para Nos. 7 & 11 please see Para Nos. 22 & 22 of Chapter- I.**

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

### **Indian Coast Guard (ICG)**

It has been observed that the Ministry of finance has allocated less money to ICG than demanded by the Ministry of Defence. In the year 2014-15, against BE of Rs. 1550 crore, RE was Rs. 1140 crore. For Capital expenditure only Rs. 1200 crore were given against the demand of Rs. 2150 crore. As stated by the Defence Secretary that the money allocated for the year 2015-16 would be exhaust in just six months, a revisit is required to enhance the budget to ward off any incident like 26/11.

### **Reply of the Government**

This Ministry projected funds to the tune of Rs. 2050.00 crore in Capital section for Budget Estimates- 2015-16 to Ministry of Finance for consideration. Whereas, Ministry of Finance allocated only Rs. 1200.00 crore in Capital section for BE-2015-16. Moreover, ICG has intimated that the carryover liability of FY 2014-15 is Rs. 675.00 crore due to cut imposed by Ministry of Finance in allocation of RE 2014-15 stage.

Further, ICG has intimated that in view of progress of various new schemes on reassessment it is found that the fund requirement against Capital head is Rs. 4225.00 crore. Hence, resultant shortfall in allocation for FY 2015-16 is nearly Rs. 3000.00 crore. Accordingly, ICG has requested to place an immediate requirement of Rs. 1700.00 crore under Capital head in the First Batch of Supplementary for the Year 2015-16 in order to enable meeting the requirement till the stage of RE-2015-16. Requirement of further additional funds, if any, will be reviewed at RE 15-16 stage.

As per the requirement of ICG, a demand of Rs. 1700.00 crore under Capital Section in r/o Coast Guard Organisation has been forwarded by this Ministry to Ministry of Finance for inclusion of the same into the statement of First Batch of Supplementary demands for the FY 2015-16 for the approval of Parliament.

**For comments of the Committee please see Para No. 42 of Chapter- I.**

## **Recommendations (Para No. 48)**

### **One Rank One Pension**

The Committee note that One Rank One Pension (OROP) implies that uniform pension be paid to the Armed Forces Personnel retiring in the same rank with the same length of Service, irrespective of their date of retirement and any future enhancement in the rates of pension to be automatically passed on to the past pensioners. This will bridge the gap between the rate of pension of the current pensioners, the past pensioners, and also future enhancements. The Committee note that a Working Group under the Chairpersonship of Controller General of Defence accounts (CGDA) was constituted for examining the proposal submitted by the Services and preparing Government orders for implementation of OROP w.e.f. 01.04.2014. While examining the subject, the Committee found that subsequent to

the announcement of the Government's acceptance in principle of One Rank One Pension for the Defence forces, in BE 2014-15, Rs. 51,000 crore was allocated for Defence pensions including an allocation of Rs. 1000 Crore for implementation of OROP. However, in RE 2014-15 the allocation for Defence persons was reduced to Rs.50, 000 crore. The implementation of OROP was referred to a Committee of Secretaries by the Government. Raksha Rajya Mantri (RRM) also convened a meeting on 09.01.2015 to discuss the matter with the representatives of the three Services, CGDA, Defence (Finance) and Directorate of Ex-Servicemen Welfare (DESW). The matter was further discussed by Raksha Mantri with officials of DESW, Defence (Finance), CGDA and representatives of the three Services in meeting held on 16.02.2015. However, the modalities for implementation of OROP are yet to be finalized. The Working Group could not arrive at any consensus and the modalities for implementation of OROP are still under consideration.

#### **Recommendations (Para No. 49)**

The Committee regret that even after Hon'ble Prime Minister had made a commitment and the Finance Minister had provided Rs. 1000 crore in BE 2014-15 budget, the OROP has not been implemented. In this regard, it is further observed that this issue has been protracted for considerably long passage of time and it is beyond the understanding of the Committee as to what reasons are preventing the Government from making necessary decisions and arriving at a solution. In view of the Committee, it is of utmost importance that requisite modalities are sorted out and an amicable solution is brought out with regard to OROP within stringent timeframe at the earliest. It is needless to say that the Committee be intimated about the progress made in this regard.

#### **Recommendations (Para No. 50)**

Alongwith the implementation of OROP, it is equally pertinent that all the targeted beneficiaries receive their dues in accordance with the newly formulated guidelines. In this regard, there should be a redressal mechanism in place so as to ensure that any kind of anomalies are sorted out without delay, as the Ex-Service personnel have already been waiting for long time to receive their dues. One of the methods could be uploading the calculating formulae website intending to ensure that they transparently reach the receivers' end with all clarity. The steps taken in this regard should be intimated to the Committee.

#### **Reply of the Government on Para No. 48, 49 & 50**

The modalities for implementation of One Rank One Pension are still under active consideration of the Government.

## **CHAPTER V**

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

**- NIL -**

**New Delhi;  
08 January, 2016  
18 Pausa, 1937 (Saka)**

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

**STANDING COMMITTEE ON DEFENCE (2015-16)**

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

The Committee sat on Friday, the 08th January, 2016 from 1430 hrs. to 1700 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

**PRESENT**

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

**LOK SABHA**

2. Shri Dharambir
3. Shri Thupstan Chhewang
4. Col Sonaram Choudhary(Retd)
5. Shri Sher Singh Ghubaya
6. Shri G Hari
7. Shri Ramesh Jigajinagi
8. Shri Tapas Paul
9. Shri A P Jithender Reddy
10. Smt Pratyusha Rajeshwari Singh

**RAJYA SABHA**

11. Shri Anand Sharma
12. Shri Harivansh
13. Shri Vinay Katiyar
14. Shri Madhusudan Mistry
15. Smt Ambika Soni
16. Shri Tarun Vijay

**SECRETARIAT**

- |    |                    |   |                     |
|----|--------------------|---|---------------------|
| 1. | Smt Kalpana Sharma | - | Joint Secretary     |
| 2. | Smt J M Sinha      | - | Additional Director |
| 3. | Shri Rahul Singh   | - | Under Secretary     |

## WITNESSES

### REPRESENTATIVES OF THE MINISTRY OF DEFENCE

S No	Name	Designation
1.	Shri Ashok Kumar Gupta	Secretary(DP)
2.	Smt Surina Rajan	AS(DP)
3.	Lt Gen MMS Rai	VCOAS
4.	Air Marshal B S Dhanoa	VCAS
5.	Lt Gen Ravi Thodge	MGO
6.	Lt Gen A K Ahuja	DCIDS (PP&FD)
7.	Dr S Christopher	Secretary (R&D)
8.	Smt Bharat Khera	JS(NS)
9.	Smt Kusum Singh	JS(P&C)
10.	Shri K K Pant	JS(Aero)
11.	Shri Sanjay Prasad	JS(LS)
12.	Shri V Udaya Bhaskar	CMD, BDL
13.	Dr T Suvarna Raju	CMD, HAL
14.	Shri S K Sharma	CMD, BEL
15.	RAdm LV Sarat Babu(Retd)	CMD, HSL
16.	Shri P Dwarakanath	CMD, BEML
17.	RAdm Shekhar Mital(Retd)	CMD, GSL
18.	RAdm A K Verma(Retd)	CMD; GRSE
19.	Dr. D K Likhi	CMD, MIDHANI
20.	RAdm R K Shrawat (Retd)	CMD, MDL
21.	AVM BR Krishna	ACAS (Proj)
22.	RAdm Dinesh K Tripathi	ACNS (P&P)
23.	Dr Sudershan Kumar	Chief Controller (PC and SI)
24.	Shri G S Mallik	Chief Controller (R&M and Imp)
25.	Dr G Athithan	Chief Controller (SAM)
26.	Dr C P Ramanarayanan	Director General (ACE)
27.	Dr J P Singh	Director, Parliamentary Affairs

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the sitting.

3. The Committee then took up for consideration the following draft reports:-

- (i) Action Taken by the Government on the Observations/Recommendations contained in the Second Report of the Standing Committee on Defence(16th Lok Sabha) on 'Demands for Grants (2014-15) of the Ministry on Defence on General Defence Budget (Demand Nos. 20, 21 and 27)';
- (ii) Action Taken by the Government on the Observations/Recommendations contained in the Sixth Report of the Standing Committee on Defence(16th Lok Sabha) on 'Demands for Grants (2015-16) of the Ministry of Defence on 'Civil Expenditure of the Ministry of Defence and Capital Outlay on Defence Services ( Demand Nos. 21, 22 and 28)';

- (iii) Action Taken by the Government on the Observations/Recommendations contained in the Eighth Report of the Standing Committee on Defence(16th Lok Sabha) on 'Demands for Grants (2015-16) of the Ministry of Defence on Navy and Air Force (Demand Nos. 24 and 25)'; and
- (iv) Action Taken by the Government on the Observations/Recommendations contained in the Ninth Report of the Standing Committee on Defence(16th Lok Sabha) on 'Demands for Grants (2015-16) of the Ministry of Defence on 'Defence on Ordnance Factories and Defence Research and Development Organisation (Demand Nos. 26 And 27)'.

4. After deliberations, the Committee adopted the above Reports without any modifications. The Committee, then, authorised the Chairperson to present the reports to Hon'ble Speaker under Direction 71(A) of directions by the Speaker and subsequently present the same to Parliament during the coming Budget Session.

5. The Committee then invited representatives of the Ministry of Defence, Defence Public Sector Undertakings and Defence Research and Development Organisation. After welcoming the representatives to the Sitting of the Committee, the Chairperson drew their attention to Directions 55(1) and 58 of the Directions by the Speaker, Lok Sabha regarding confidentiality of proceedings.

6. After the witness introduced themselves, the representatives of the Ministry of Defence made Power Point Presentation and briefed the Committee on the main issues viz. value of production of all the DPSUs from 2012-13 to 2014-15 and profit thereof, total expenditure on R&D, saving in foreign exchange because of inputs substitution, saving because of outsourcing, R&D set up and salient features, major R&D products, future plans and initiatives taken to promote import substitution by all the DPSUs.

The Chairperson and Members of the Committee raised several issues/points as briefly mentioned below:

- i. Steps taken to encourage DPSUs to come out with their R&D Policy;
- ii. Need to develop and construct/produce helicopters, Aircraft, Submarines and Ships to maintain supremacy of the Forces;
- iii. Quantum and category of items indigenized by DPSUs for the Forces;
- iv. Need to enhance production of defence equipments leading to import substitution by DPSUs;
- v. Progress of the 'Make in India' initiative and impact on the Defence Industry;
- vi. Time taken from conceptualization stage to actual production;
- vii. Fulfilling the requirement of the Forces by the Indian Defence Industry including DPSUs;
- viii. Non-availability of Bullet Proof Jackets (BPJs);
- ix. Cut in licensing list to the tune of 70 percent;
- x. Reasons for withdrawal of special dispensation given to the DPSUs like Nomination facility, excise duty, import duty, custom duty etc.;
- xi. Reasons for inexplicable delay in construction of Scorpene submarines;
- xii. Reasons for non-satisfaction by the Army of the product 'Arjun Tank' and 'Dhruv' Helicopters etc.

7. The representatives of the Ministry of the Defence then responded to the queries raised by the Members. The Chairperson directed the representatives of the Ministry to furnish written replies/information on the points raised by the Members at an early date, which was assured by the representatives.

**The witnesses then withdrew**

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

**The Committee then adjourned.**



## APPENDIX II

### ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE SIXTH REPORT OF THE COMMITTEE (SIXTEENTH LOK SABHA) ON DEMANDS FOR GRANTS (2015-16) OF THE MINISTRY ON DEFENCE ON CIVIL EXPENDITURE OF THE MINISTRY OF DEFENCE AND CAPITAL OUTLAY ON DEFENCE SERVICES & DEMAND NO. 21, 22 AND 28)

1. Total number of recommendations 50
2. Recommendations/Observations which have been accepted by the Government (please see Chapter II):

**Para Nos. 3, 6, 9, 10, 14, 15, 16, 18, 19, 20, 21, 22, 23, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 44, 45, 46, 47**

**Total : 32**  
**Percentage: 64 %**

3. Recommendations/Observations which the Committee do not desire to pursue in view of the replies received from the Government (please see Chapter III):

**Para No. 12, 13, 17, 25, 26, 29, 43**

**Total : 07**  
**Percentage: 14 %**

4. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee which require reiteration and commented upon (please see Chapter IV):

**Para No. 1, 2, 4, 5, 7, 8, 11, 24, 48, 49, 50**

**Total : 11**  
**Percentage: 22 %**

5. Recommendations/Observations in respect of which Government have furnished interim replies (please see Chapter V):

**-Nil-**

**Total : Nil**  
**Percentage: 0%**