

THIRD REPORT
STANDING COMMITTEE ON DEFENCE
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS
(2014-2015)

ARMY
(DEMAND NO. 22)

Presented to Lok Sabha on 22.12.2014
Laid in Rajya Sabha on 22.12.2014



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

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

MEMBERS

Lok Sabha

2. Shri Suresh C Angadi
3. Shri Shrirang Appa Barne
4. Shri Dharambir
5. Shri Thupstan Chhewang
6. Col Sonaram Choudhary (Retd)
7. Shri HD 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
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16. Shri Malla Reddy
17. Shri Rajeev Satav
18. Smt Mala Rajya Lakshmi Shah
19. Capt Amarinder Singh (Retd)
20. Shri AP Jithender Reddy
- *21. Shri Hemendra Chandra
- **22. Shri Rajyavardhan Singh Rathore

* Sad Demise on 05.09.2014.

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

(iv)

Rajya Sabha

23. Shri KR Arjunan
- ***24. Shri Anand Sharma
25. Shri Rajeev Chandrasekhar
26. Shri AU Singh Deo
27. Shri Harivansh
28. Shri Vinay Katiyar
29. Shri Hishey Lachungpa
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32. Shri Tarun Vijay
- ****33. Shri Narendra Budania

SECRETARIAT

- | | | |
|-------------------------------|---|-----------------------------|
| 1. Shri PK Misra | — | <i>Additional Secretary</i> |
| 2. Shri RK Jain | — | <i>Joint Secretary</i> |
| 3. Shri DS Malha | — | <i>Director</i> |
| 4. Shri Lovekesh Kumar Sharma | — | <i>Additional Director</i> |
| 5. Shri Rahul Singh | — | <i>Under Secretary</i> |

**** Ceased to be Member of the Committee on 08.10.2014.

*** Nominated w.e.f. 08.10.2014.

INTRODUCTION

1. I, the Chairperson of the Standing Committee on Defence (2014-15), having been authorised by the Committee to submit the report on their behalf, present this Third Report on 'Demands for Grants of the Ministry of Defence for the year 2014-15 on Army (Demand No. 22)'.

2. Due to impending elections to the Sixteenth Lok Sabha, Parliament had passed Vote on Account for the first four months of the Fiscal 2014-15 (April to July, 2014). The Demands for Grants of the Ministry of Defence were laid in Lok Sabha on 01 August, 2014. The consolidated Demands for Grants were passed by the Lok Sabha on 21 July, 2014 after suspension of Rule 331G of the Rules of Procedures and Conduct of Business in Lok Sabha. After the Demands were passed, Hon'ble Speaker observed that although the Demands have been passed by the House, they stand referred to the Standing Committees after they are constituted for examination and Report so that their Recommendations are utilized in the preparation of Demands for Grants for the next Fiscal.

3. The Committee took evidence of the representatives of the Ministry of Defence on 22 September, 2014. The draft Report was considered and adopted by the Committee at their sitting held on 17 December, 2014.

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

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

NEW DELHI;
22 December, 2014
01 Pausha, 1936 (Saka)

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

PART I
REPORT
CHAPTER I
ARMY
DEMAND NO. 22

Introductory

Demand No. 22 caters budget for Pay and Allowances of Army, Pay and Allowances and miscellaneous expenses of Auxiliary Forces, Pay and Allowances of Civilians, Transportation, Ex-Servicemen Contributory Health Scheme, Inspection Organization, Stores, Works, Rashtriya Rifles, National Cadet Corps and other expenditure. The total allocated budget under this head is Rs. 95,294.87 crore. The Capital Budget of all the three forces which is under Demand No. 27 has been examined separately but for the matter of convenience and reference, in this Report Capital Budget specific to Army and other heads under Demand No. 22 has also been examined, which is of Rs. 26,471.39 crore.

The changing global geo-political dynamics presents the Nation with multiple security challenges. While constantly reviewing its operational preparedness/postures to meet the perceived security challenges, the Indian Army (IA) is committed to the defence of the country from external and internal threats across the entire spectrum of warfare. Also, in times of disaster/natural calamities, the Indian Army is at the forefront, providing aid and succor to the affected people.

1.2 Indian Army needs to be an optimally equipped, weaponised and responsive force, with the capability to operate effectively in a joint Services environment across the entire spectrum of conflict, in a regional context.

1.3 The Army along with other armed police forces has responsibility to guard vast geographical boundaries e.g. Pakistan-3323 Km., China-3488 Km., Nepal-1751 Km., Bhutan-699 Km., Myanmar-1643 Km. and Bangladesh-4097 Km.

Spectrum of Threats

1.4 Spectrum of threats as envisaged by Indian Army are:

External Threats

(i) Traditional Land Centric Threat

- (ii) Sub-Conventional Threats
- (iii) Space and Cyber Threats
- (iv) Maritime/Regional Threats
- (v) Nuclear Environment

Internal Challenges

- (i) Proxy war in J&K
- (ii) North-East Insurgency
- (iii) Left Wing Extremism

Budget of Army

1.5 Details regarding the projections made by the Army, allocations made at Budget Estimate (BE) and Revised Estimate (RE) stage and the expenditure incurred during the last two years of the Eleventh Plan, the first two years of the Twelfth Plan, and the projected outlay and BE allocation for 2014-15, separately for capital and revenue, are as follows:—

Revenue (Rs. in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2010-11	Army	62,234.60	56,769.11	63,917.31	59,941.83	62,383.60
2011-12	Army	77,350.49	63,609.80	74,252.98	70,810.98	69,133.47
2012-13	Army	83,861.62	77,327.03	83,120.33	75,520.20	76,689.82
2013-14	Army	93,355.38	81,119.20	91,294.13	85,516.45	85,030.92
2014-15	Army	1,04,837.88	91,844.02			

Capital (Rs. in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2010-11	Army	21,633.04	17,250.84	19,177.55	15,641.16	15,856.08
2011-12	Army	25,611.68	19,210.69	20,641.69	16,005.69	14,947.82
2012-13	Army	28,234.60	19,237.80	18,971.09	15,749.30	14,760.69
2013-14	Army	25,528.08	17,883.83	19,271.59	14,967.25	14,433.29
2014-15	Army	41,936.15	26,533.60			

1.6 Ratio for Capital and Revenue outlay during each year of the Eleventh Plan, the first two years of the Twelfth Plan and the proposed ratio for the third year of the Twelfth Plan is given below:

Year	Service	Revenue	Capital
2007-08	Army	74	26
2008-09	Army	73	27
2009-10	Army	76	24
2010-11	Army	77	23
2011-12	Army	77	23
2012-13	Army	80	20
2013-14	Army	82	18
2014-15	Army	78	22

1.7 The details of additional allocation sought by Army under RE 2013-14 is as under:—

(Rs. in crore)

	BE 2013-14	Projected RE 2013-14	Additional Requirement
Revenue (Net)	81,119.20	91,294.13	10,174.93
Capital	17,883.83	19,271.59	1,387.76
Total	99,003.03	1,10,565.72	11,562.69

1.8 The total budget of Army during last five financial year is:—

Financial Year	BE Projection (Rev + Cap) (in Crs.)	BE Allotted (Rev + Cap) (in Crs.)	Actual Expdr (Rev + Cap) (in Crs.)
2010-11	83,327.28	73,049.58	77,650.77
2011-12	1,02,237.02	81,836.48	83,342.27
2012-13	1,11,294.57	95,436.80	90,630.80
2013-14	1,17,017.18	98,115.91	98,568.53
2014-15	1,43,335.10	1,17,352.95	

1.9 The Ministry submitted the following data with regard to percentage share of allocation of capital and revenue outlay for Army out of the total defence budget for the Eleventh Plan as a whole and for each year of the Eleventh Plan and Twelfth Plan:

(Rs. in crore)

Year	BE	Army (Revenue)	%age share	Army (Capital)	%age share
XIth Plan					
2007-08	96,000.00	33,682.36	35.09%	11,634.18	12.12%
2008-09	1,05,600.00	35,896.75	33.99%	13,331.48	12.62%
2009-10	1,41,703.00	58,097.29	41.00%	18,019.94	12.72%
2010-11	1,47,344.00	56,769.11	38.53%	17,250.84	11.71%
2011-12	1,64,415.49	63,609.80	38.69%	19,210.69	11.68%
Total	6,55,062.49	2,48,055.31	37.87%	79,447.13	12.13%
XIIth Plan					
2012-13	1,93,407.29	77,372.03	39.98%	19,237.80	9.95%
2013-14	2,03,672.12	81,119.20	39.83%	17,883.83	8.78%
2014-15	2,29,000.00	91,844.02	40.11%	26,533.60	11.59%

1.10 Under the revenue segment, provision is first made for salary and other obligatory expenses. The balance allocation available is distributed to meet the requirement of stores (including ordnance), transportation (of personnel and stores), revenue works and maintenance, etc. These areas are likely to be impacted when allocation is lower than projection.

1.11 The Ministry further stated that in so far as the capital segment is concerned, funds are first set aside to meet the projected Committed Liabilities likely to materialize during the year. The remaining allocation is distributed to meet the projected requirement for other items. Reduced allocation is likely to delay initiation of new projects.

Modernization of Army

1.12 The major Army acquisitions are focused on building new capabilities as well as making up deficiencies in the inventory. With Defence Procurement Procedure—2013 coming into effect, indigenization

may get due impetus. The Army also carried out alignment of the acquisition structures by streamlining the evolution of General Staff Qualitative Requirements (GSQRs), establishment of a Contracts Negotiation Committee (CNC) Cell and inclusion of Integrated Financial Adviser (IFA) Capital for delegated financial powers and strengthening of the Request for Proposal (RFP) Cell. All these measures may make the system more robust and efficient.

1.13 The Ministry was asked to submit information on the plans of Army with regards to its modernization, achievements made during the 11th Plan and 12th Plan, the Ministry supplied the following information:—

‘The modernization of the Armed Forces is a continuous process based on threat perception, operational necessity, technological changes and available resources. The process is based on the 15 year Long Term Integrated Perspective Plan (LTIPP), the five year Services Capital Acquisition Plan (SCAP) and the Annual Acquisition Plan (AAP). The Armed Forces remain in a state of operational readiness to meet any eventuality. The Army’s modernization is an ongoing process based on long term planning and has been largely progressing as planned/desired.

11th Plan had succeeded in making a beginning towards addressing our priority areas. The Recast 12th Army Plan provides for Key Capability enhancements including Fire Power, Battle Field Transparency, Maneuver, Mobility, Command and Control and Electronic Warfare.

In the last five years 115 number of contracts for Capital Acquisitions of Army were concluded with indigenous sources with total contract value of Rs. 51,515.09 crore. The total spent for Capital Acquisition for Army from indigenous sources, during the 11th and 12th Plans is Rs. 65307.45 crore.’

1.14 The Ministry supplied the following details of the acquisitions made from indigenous sources during the preceding five years, the present status of the money spent on indigenous acquisitions during the Eleventh Plan and Twelfth Plan periods and present quantum of equipment held, both Indigenized and imported, in terms of percentage:

‘The equipment both imported and indigenous are being optimally exploited on operational platforms.’

1.15 During presentation before the Committee, a representative of the Army informed about seven most critical procurement schemes which contribute towards combat power enhancement identified for fast tracking and required by them.

Proposed acquisitions for Army

1.16 The Committee wanted to know proposed acquisitions for Army and details of acquisition made so far as well as delay in acquisitions for Army during Eleventh Plan and Twelfth Plan. The Committee also wanted to know the time and cost overrun during the aforesaid period and the reasons therefore. However, the Ministry submitted incomplete and vague reply, which is as follows:

‘In accordance with the provisions of Defence Procurement Procedure (DPP)-2011, the acquisition of Weapon Systems and equipment for the Armed Forces flows from the Long Term Integrated Perspective Plan (LTIPP). The current LTIPP spells out the capability desired to be achieved by the Armed Forces over 15 years duration (2012-27). The LTIPP is translated into specific assets to be acquired, in the form of Services Capital Acquisition Plan (SCAP), covering a five year period.

From the SCAP, a list of equipment and weapon systems required to be procured immediately is listed in the form of the Annual Acquisition Plan (AAP). The AAP covers a period of 2 years and rolls over to the next financial year. The AAP is prepared and prioritized in consonance with the Budget allocation for capital acquisitions.

Presently the AAP 2014-16 is in vogue and consists of schemes from the approved Army SCAP 2012-17. During the 11th Plan, 180 number of contracts with Cumulative value of Rs. 63172.80 crore had been concluded and in the 12th Plan 57 number of contracts with cumulative value of Rs. 25918.93 crore have been concluded so far for Capital Acquisitions of Army.

Normally, it takes about 2 to 3 years for conclusion of contract of any new equipment being inducted into the Army. MoD and Army Headquarters are working in unison to ensure timely and unhindered procurement as per DPP-2013.’

Long Term Perspective Plan

1.17 Details of outlay allocated and spent for modernization of the Army during the Eleventh Plan and Twelfth Plan are as given below:

(Rs. in crore)

Year	BE Allocation	Expenditure
1	2	3
2007-08	8,521.10	9,128.81
2008-09	10,176.07	7,714.78

1	2	3
2009-10	13,153.95	11,651.76
2010-11	12,383.36	11,717.09
2011-12	14,252.49	10,865.93
2012-13	13,724.14	10,871.79
2013-14	13,327.04	10,426.49

1.18 The major contracts concluded during the 11th Plan and first two years of the 12th Plan include:

- i. SMERCH
- ii. UAV Heron
- iii. BRAHMOS Missile Systems
- iv. Project Shakti
- v. Additional T-90 tanks
- vi. Advanced Light Helicopters
- vii. KONKURS Missiles
- viii. Radio Sets STARS V 25W
- ix. BLT T-72 Tanks Chassis
- x. T-90S/SK Tanks
- xi. 3D TC Radar
- xii. Akash Missile Systems
- xiii. Automated Battlefield Surveillance System (Project SANJAY Ph-II)
- xiv. Armoured Recovery Vehicle
- xv. 3 UBK Invar Missiles
- xvi. 125mm APFFDS AMK for T-90
- xvii. Night Vision for T-72

1.19 In addition to the above, the Ministry informed that payments were released and deliveries received in respect of contracts concluded in previous Plan periods. However, during all these years the modernization budget remain under utilized.

1.20 On the requirement of additional funds sought by the Army during Eleventh Plan and Twelfth Plan, the Ministry submitted the following information:

(Rs. in crore)

Year	BE Allocation	RE Projection	Additional projection
2007-08	8,521.10	8,539.57	18.47
2008-09	10,176.07	10,078.30	-97.77
2009-10	13,153.95	13,179.90	25.95
2010-11	12,383.36	13,352.80	969.44
2011-12	14,252.49	14,907.20	654.71
2012-13	13,724.14	13,515.90	-208.24
2013-14	13,327.04	13,922.00	594.96

Critical Shortages with Army

Wheeled Guns

1.21 The Ministry was asked to give a brief note about importance of this gun for Army, the total requirement, availability position at present, action taken to fill the gap between requirement and availability and budgetary provisions. However, the Ministry could supply only the following information:

‘The wheeled guns are meant to provide intimate fire support to the mechanized formations in semi-desert and plains (terrain) as they possess matching mobility and can closely follow the mechanized columns for provision of fire power. As per the Artillery Profile adequate quantities of wheeled guns are proposed to be procured to make up for the existing void.

The existing void is proposed to be met by procuring 155 mm Wheeled Guns as part of 12th Army Plan. The process of procurement is on-going. The proposal of procuring the above mentioned gun systems has been included as part of 12th Army Plan and in AAP 2013-15. The performance of the gun can be gauged only after the trials.’

Tanks

1.22 On the total requirement of tanks and gap between requirement and availability, the Ministry supplied the following material:

‘The present holding of tanks with Army is based on the operational requirement. T-90 tanks are being manufactured indigenously under license by Heavy Vehicles Factory, Avadi of the OFB.’

1.23 The present status and future schedule of induction of MBT Arjun in Army, the Ministry supplied the following:

‘MBT Arjun has been operationalized in two Armoured Regiments. The Army is working with the DRDO and OFB to enhance the operational readiness of these Regiments. DRDO has offered MBT Arjun Mk II.’

1.24 However, the Ministry could not able to supply information whether Army is satisfied with the performance of the tank now, and number of tanks inducted in Army and about the plans for further induction. It also did not supply any details about ability of Ordnance Factories to supply these tanks as per the requirement of Army.

Missiles

1.25 The Ministry was asked a pin pointed question whether Army has adequate number and type of missiles as per the requirement. It was also asked whether missile carrying vehicles are sufficient in quantity and possibility of supplying the same from the private sector. However, the Ministry supplied following incomplete information:

‘Some of the missile systems in operation in the Army are Brahmos, UBK (INVAR), Milan/Milan 2T and Konkurs Missiles held by the Mechanised Forces, Artillery and Infantry.

Missile carrying ICVs for the Mechanised Forces are being manufactured by Ordnance Factory, Medak. 12X12 Missile carrying Vehicles for Artillery are not being made in India and are being procured from M/s BEML and there is no concrete proposal for supply of these vehicles from the private sector.’

Ammunition

1.26 The Army uses different kinds of ammunition for various weapons. Therefore, the Ministry was asked about whether the Army has sufficient quantity or it is facing any shortage. The Ministry was

also enquired about the course it is taking to fill the gap. The following information in the form of written note was supplied to Committee by the Ministry:

‘(i)-(ii) There is inventory of 168 types of ammunitions which can be broadly classified as under:

- (a) Ammunitions for Armoured Fighting Vehicles(Tanks and BMPs).
- (b) Ammunitions for Artillery guns.
- (c) Infantry ammunitions.
- (d) Miscellaneous ammunitions, for example mines of various types and different types of charges and explosives.

Overall 30 ammunition items are being currently imported. The details in this regard is placed below. In order to substitute importation by indigenous production, DRDO and OFB have been mandated to develop it either through in-house research or Transfer of Technology from OEM (Original Equipment Manufacturer).

(iii) The Government has taken into consideration the deficiencies in some of the critical ammunitions on priority and has also taken effective steps to mitigate the deficiencies to ensure desired level of Oppreparedness commensurate to threat perception in a dynamic strategic scenario. A system of long term five years roll on indents has been introduced and a road map on ammunition has been approved which envisages procurement ex-import and ex-trade to build up adequate targeted stocks with three years training requirement. An institutionalized mechanism in a form of Working Group to review critical items of ammunitions and issues of spares, barrels, overhaul programme of infantry and mechanized forces have also been set up.’

EX-IMPORT AMMUNITION

Sl.No.	Amn.
1	2
AFV	
1.	7.62 mm PKT SC
2.	7.62 mm PKT B 32
3.	7.62 mm PKT T 46

1	2
4.	125 mm FSAPDS for T-90 & T-72
5.	ERA for T-90
Arty.	
6.	122 mm HERC
7.	122 mm Smk WPRC
8.	122 mm Smk FC
9.	122 mm ILLFC
10.	122 mm HEFC
11.	300 mm 9m 55F SmerchRkt HE
12.	300 mm 9m 55K Rkt
13.	300 mm 9m 528 Rkst
14.	300 mm 9m 55S Rocket
15.	Krasnopolamn for 155mm
16.	RKT 122mm GRAD (ER)
Infantry	
17.	40 mm MGL HEAP
18.	40 mm MGL HEDP
19.	40 mm MGL TM
20.	40 mm MGL RP
21.	40 mm VOG-25
22.	30 mm VOG-17
23.	7.62 mm Sniper rds
24.	20 mm SAPHEI for AMR
25.	14.5 mm SAPHEI for AMR
26.	RPO Flame Thrower
27.	Disposable RL
28.	7.62 mm AK
Heptors	
29.	12.7 mm APIT/HE
30.	70 mm Rockets

1.27 The Ministry was further asked to apprise the Committee about the value of imported ammunition and reason of non-production of the same by Ordnance Factories, the Ministry in its reply stated that the value of the contracts for imported ammunition and missiles during 2013-14 was approx. Rs. 672 crores. The reason of non-production of the same by Ordnance Factories as informed by the Ministry is non-availability for transfer of technology and for few items *i.e.* Krasnopol ammunition for 155 mm which is a laser guided ammunition (missile), OFB has no capacity to manufacture.

Bullet Proof Jackets

1.28 The Committee during the course of examination of Demands for Grants 2012-13 have noted that there was deficiency of 1,86,138 units of Bullet Proof Jackets. Even when the approval of Defence Acquisition Council was obtained on 19.10.2009 for purchase of the requisite number of BPJs during the Eleventh Plan, the issue of purchase of desired BPJs was fraught with various complications. During DFG, 2013-14, the Committee again reiterated their recommendation for speedy procurement. But in action taken reply, the Ministry informed that case is still under process. Critical shortage of this important lifesaving essential item again invited the attention of the Committee, therefore, Ministry was asked to submit the present status procurement of BPJs to Army. In a written note, the Ministry submitted the following:

‘The AoN for procurement of 1,86,138 Bullet Proof Jackets was accorded by the DAC in Oct., 2009. The RFP was retracted due to GSQR related issues in Dec., 2011. The General Staff Qualitative Requirement (GSQR) was subsequently amended and a fresh RFP was issued in Dec., 2012. After acceptance of Technical Evaluation Report and validation of the velocities achieved by various types of ammunition at Terminal Ballistic Research Lab (TBRL) Chandigarh, the Trials of the Bullet Proof Jackets are to commence shortly.

Bullet Proof Jackets (BPJ) are procured on the basis of the requirements of the Army and this is an ongoing process. Further in the light of increased threat perception in counter terrorist operations, a need was felt to review the GSQR of BPJs and the same has been revised accordingly. The on-going procurement case is on the basis of the revised GSQRs.

These jackets are available in different configurations and provide different levels of protection. These have been designed to ensure proper fitting to enable the wearer to perform his operational

tasks without any hindrance as per Qualitative Requirement (QRs) given. The BPJs under procurement are available in three sizes with varying minimum SAP & HAP sizes and weights. As per tentative costs, they are more expensive than the older BPJs. The developed countries like the USA and the UK use a variety of Bullet Proof Jackets depending on respective operational requirements. The BPJs under procurement for the Indian Army conform to latest technology in this field.'

1.29 However, the Ministry could not able to supply any information in detail on the total requirement of BPJs in Army and current BPJs held, nor it supplied information on the comparative analysis regarding weight, protection to cover lethality, price etc. of BPJs presently available with Army and to be procured one. The information was also sought about quality of BPJs available with Armies of developed countries and in world market.

Night Vision Devices

1.30 During deliberations, the Committee came to know about the perilous shortage of Night Vision Devices with the Army. The Defence Secretary apprised the Committee as under:

".....even now we have placed orders for night-vision devices. Actually, we have set up a plant in India to manufacture night-vision devices, and Bharat Electronics Limited does the manufacturing. Bharat Electronics Limited is also entering into further collaboration to go for next generation of nightvision devices. Our satisfaction level is better. It is just not commensurate with what the services want."

Basic items for Army personnel

1.31 The Committee have learnt about the shortage of basic items of regular use in Army, therefore, the Ministry was asked to supply information on shoes (combat, sports, regular, etc.), socks, sun glasses, high altitude oxygen chamber, snow scooters, caps, gloves, etc. On the gap between requirement and availability and budgetary provisions, it supplied the following:

'There are 55 types of Special Clothing and Mountaineering Equipment (SCME) authorized to troops deployed in Super High Altitude Areas including Siachen. An Empowered Committee has already been constituted in August 2007, as per the direction of the Raksha Mantri, to procure these items. There are no significant

deficiencies for these equipments, however, to make these items available in adequate quantities, contracts have already been issued to firms. A total of approximately 500 crores has already been earmarked for the procurement of Ex-import SCME items from the current year budget.'

1.32 The Ministry was further asked about the details and achievement of empowered Committee. The Ministry in a written note supplied the following information:-

'The Empowered Committee has had 62 meetings since Constitution in August 2007. The major achievements of this Committee are as below:

- (a) Reduction in the cases of arbitration.
- (b) Reduction in processing time.
- (c) Introduction of new items: Extremely Cold Weather Clothing System (ECWCS) & Modular Gloves have been procured for the first time which will meet the requirement of the troops.
- (d) Increased vendor base: This issues RFI(Request for Interest) once in a year to identify new vendors after conduct of user trials of the product on NCNC (No Commitment No Cost) basis.
- (e) Savings to State: By ensuring transparency, timely procurement action and continuous effort to widen the vendor base Empowered Committee has been able to ensure competitive prices thereby resulting savings to State.'

1.33 The Ministry also provided the update of life cycle clothing items:

UPDATE ON LIFE CYCLE CLOTHING (LCC) ITEMS

Sl. No.	Nomenclature	Shortfall against Annual Requirement	Status/Remarks
1	2	3	4
1.	Boot High Ankle	217388	Supply Order placed for quantity 2.5 lacs. The case for procurement for further quantity at an advance stage of processing.

1	2	3	4
2.	Shoes Canvas Brown rubber sole with Laces	1309092	(a) Approval obtained from COAS and accordingly supply order placed for qty. 12 lacs in Aug. 2013. Supply near completion. (b) Item being replaced by sports footwear. Request for proposal for qty. 1.7 lacs under finalization.
3.	Cap Balclava	447000	A case for procurement is at TEC stage.
4.	Durrie IT OG	65978	(a) Supply Order with PDS 16 Mar. 2015 is in process. (b) Case for additional qty. 2 lacs with MoD for concurrence.
5.	Net Mosquito	126270	Qty. 1.97 lacs under manufacture by DG OF. Qty. 1.25 lacs under procurement through trade.

Mountain Strike Corps

1.34 During oral evidence of the representatives of the Ministry of Defence, the Committee were keen to know the status of Mountain Strike Corps, which was envisaged long ago to effectively counter neighbouring countries. Vice Chief of Army Staff (VCOS) apprised the Committee as under:

“Firstly, why the mountain corp. has been sanctioned, and why did we request for it? This is in keeping with our 15 years perspective plan. The process started with our analysis of the threat perception after 15 years and in that analysis it was predicted that the way @@@ has been getting more aggressive in resolving its disputes with neighbours, especially, in view of what we have seen with its maritime disputes in the South China Sea, it was our attempt to make sure that we are fully prepared to deal with this threat if at any time @@@ decides to raise the ante and get more aggressive. So, the first part of this process happened in the Eleventh Plan when two Divisions were raised essentially to plug the gaps in our defensive deployment. This has been completed in the Eleventh Plan period.

@@@—Name of a particular country.

.....As far as equipment is concerned, to meet our equipment requirements in such a fast time frame is a problem. But what we have done is we have dipped into our War Wastage Reserves (WWR). So, we are holding War Wastage Reserves of all sorts of equipment, weapons, and stores. All this has been taken out from the WWR and given to the new raisings. So, the new raisings are having reasonable amount of equipment which is enabling their timely raising.”

1.35 The Committee desired to know whether sufficient budgetary allocations have been made for raising of this corps. The VCOS during the oral evidence apprised the Committee:

“The problems we are facing, essentially, is slightly futuristic as we see it because we have to now make up all the stores that we have pulled out from the WWR. That requires additional infusion of funds. Funds have been 24 dedicated to the Mountain Corps within the budget, but then it is within the overall budget. We are not getting additional budget. A certain amount of about Rs. 5,000 crore has been set aside saying that this is meant for the Mountain Corps. But this is not over and above the budget. So, we need money over and above the budget if we are able to make up all the stores and weapons which we have pulled out from the War Wastage Reserves for the initial raisings.”

1.36 The Committee desired to know the reason for the same from Defence Secretary, who explained:

“Sir, that is why we have been submitting and we have been projecting a higher requirement for the Defence budget. I had mentioned that initially also that we feel that what is being given to us is not adequate. We need to work on it. We are still trying that under the Revised Estimates, we should get...”

Force Level of Army

1.37 In reply to a question about required (Authorized) and existing (held) force level, armaments equipment, aircraft, the Ministry could supply only the manpower part, which is reproduced below:

	Army	
	Officers	Other Ranks
Authorized Strength	47,574	11,50,463
Held Strength	39,585 (as on 1.7.2014)	11,33,866 (as on 1.4.2014)

....Further, force accretion of the Armed Forces and development of their combat capabilities to tackle the entire spectrum of security challenges is an ongoing process dictated primarily by capabilities to be achieved, threat perceptions, prevailing external strategic security environment and emerging technologies. The Armed Forces periodically review the security challenges based on threat perception and undertake necessary updation in the warfare doctrines. Necessary emphasis is also being given by the Armed Forces to developing greater jointness among them. Government is taking necessary measures to ensure that the Armed Forces are appropriately equipped to tackle the range of challenges. The force accretion programme is being pursued in accordance with the Long Term Integrated Perspective Plan and the 12th Defence Plan (2012-17).

Induction of the equipment including tanks, aircraft, aircraft carrier etc. in the inventories of the Armed Forces is an ongoing process which are reviewed from time to time and necessary steps taken.

1.38 The Ministry supplied following information about the measures taken to address the shortage of officers and jawans in Army:

‘Government has taken a number of measures to encourage the youth to join the Armed Forces, including conduct of recruitment rallies, media campaign etc. Further, Government has taken various steps to make armed forces jobs attractive for youngsters. These include implementation of the recommendation of the VI Central Pay Commission with improved pay structure, additional family accommodation through Married Accommodation Project and improvement in promotion prospects in the Armed Forces.’

1.39 A total of 88033 combatants including 3222 Officers, 5029 JCOs and 79782 OR have been sanctioned as accretions by the Government of India in the 12th Plan. In addition 2241 civilians have been sanctioned in the 12th Plan.

1.40 The Ministry supplied following information on the steps taken by it:

- (a) Raising of units and headquarters for the year 2013-14 which commenced w.e.f. 01 December, 2013 have been completed. Raisings of the second year (2014-15) have commenced w.e.f. 01 April, 2014.

- (b) All actions as per laid down procedures have been initiated and concomitant processes wrt manpower planning, generation of APRs, land acquisition and infrastructure optimisation have been set into motion.
- (c) The manpower sanctioned for first two years have been absorbed.'

Need for new Rifle for Army

INSAS Rifles

1.41 The media has reported that the services are not happy with this weapon and want a better-one to counter threats, therefore, the Committee was desirous to know the problems being faced by the forces in using the INSAS Rifle, what DRDO has done for its improvement as well as they want to know reason of failure of DRDO in coming upto the expectations of the forces in developing any good Rifle. The Ministry in a written reply supplied the following information:

- '(i) INSAS Rifle was designed and developed by DRDO based on Qualitative Requirements (QRs) set in 1982 and met all QR parameters and inducted into Service in 1996. The Rifle has been fully exploited since then including OP Vijay in 1999. Subsequent to OP Vijay, the following problems were observed:
 - (a) Loosening of flash eliminator
 - (b) Loosening of Piece guide
 - (c) Upper Hand Guard requirement
 - (d) Additional safety in firing mechanism
 - (e) Grenade sight requirement
 - (f) Improved Lever Locking Gas Cylinder
- (ii) DRDO & Ordnance Factory Board (OFB) jointly took up product improvement program based on the above feedback received from User. Necessary improvements were carried out and introduced in the Improved Rifle as Rifle Mark 1B1 in 2001. Later on, plastic magazine cracking problem was reported. Earlier, the magazine were procured ex-trade. The magazine production has now been established at Ordnance Factory Dum Dum and problems have been resolved.'

1.42 The Ministry further stated:

'Lethality of INSAS Ammunition perceived to be less. A Lethal Ammunition design in 5.56 Caliber was evolved and the same was trial evaluated by user and found acceptable by Indian Army in 2013 however, Army is yet to introduce the same.'

1.43 On the cost of development it further stated that DRDO has developed the INSAS weapon system at a cost of Rs. 3.50 Cr. The necessary cost of improvements was borne by OFB:

‘The INSAS Rifle was developed based on GSQR No. 429 in 1982 meeting all parameters. With the change in operational environment/war scenario a new Rifle development under Tech demo mode was envisaged. To meet the current requirement a state-of-the-art Rifle [Multi Caliber Individual Weapon System, (MCIWS)] development was taken up as R&D project in 2008. The prototypes have been developed and are under evaluation.’

Assault Rifle

1.44 The Committee have learnt that INSAS rifle is planned to be replaced by the new Assault rifle. The INSAS rifle has been in use since 1994-95. Over the years technological development has prepared more superior rifles, such as assault. The Ministry is in the process of procuring Assault Rifles through global route with transfer of technology to Ordnance Factory Board. The request for proposal was issued in November, 2011. Technical evaluation of the bids is stated to be in progress. The Committee were desirous to know latest position with regard to new Rifle. The Ministry stated as under:

‘Indian Army is in the process of procuring Assault Rifles through a global tender with Transfer of Technology to Ordnance Factory Board. Ordnance Factory Board (OFB) was not asked to develop and produce an alternative rifle on its own. The Army uses in-service INSAS and AK-47 rifles in various situations. The new rifle under procurement is multi Calibre, lighter in weight and has additional features.’

1.45 During presentation before the Committee, a representative of Army apprised the Committee major challenges faced by Indian Army in following form:

Challenges

Need for additional budget for timely capability building

Problem of land acquisition for infrastructure projects

Complexities of procurement process ex import

Large number of cases pending resolution of TATRA Case

Ammunition Challenges

Major deficiency in operation and training stock

Inadequate capacity and quality issues of indigenous ammunition by Ordnance Factory Board (OFB)

Inadequate budget support for Ammunition Road map (sanctioned in July 2013)

Way Forward

Seven critical procurement schemes - focused approach

Budget allocation - Gradual increase (1.7% to 3% of GDP)

Special package for Infrastructure Projects

Making up of Ammunition Deficiency

Early resolution of pending cases (e.g. TATRA CASE)

Need to engage with private players for Indigenous defence research and production

Land acquisition and Environmental clearances

ITBP - Dual operational control resolution

BRO Restructuring

Conditions for treating a soldier as martyr

1.46 The Committee have learnt from several reports in the media that soldiers who were treated as Prisoner of War (POW) have not been treated as martyr even after 43 years, therefore, the Ministry was asked to submit a factual note, which states as follows:

‘Fifty four (54) missing defence personnel of 1965 and 1971 Wars are believed to be in custody in Pakistan. The Government has repeatedly been taking up the matter with the Pakistan Government. However, the Government of Pakistan does not acknowledge the presence of any such personnel in its custody. A delegation of 14 relatives of missing defence personnel also visited 10 Jails in Pakistan during 1st June, 2007-14th June, 2007. The delegation, however, could not conclusively confirm the physical presence of any missing defence personnel. The valiant contribution of these Defence personnel who went missing in war while fighting for the country and are believed to be in custody in Pakistan, remains a source of inspiration.’

1.47 On the benefits given to the family of a POW by the Government and respective forces, the following information was submitted:

‘The families of the missing defence personnel (MDP) had been provided liberalized pensionary/rehabilitation benefits as per extant

rules. Subsequently, Government accepted the judgement dated 23.12.2011 passed by Hon'ble High Court of Gujarat for payment of service and retirement benefits to the next of kin (NoK) of the MDP believed to be in the custody in Pakistan, as if they had retired on superannuation. Necessary orders in this regard have been issued.'

CHAPTER II

EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME

The Ex-Servicemen Contributory Health Scheme (ECHS) was launched with effect from 01 April, 2003. With the advent of this scheme Ex-servicemen pensioners and their dependents who were only entitled for treatment in service hospital are now authorized treatment, not only in service hospitals, but also in those civil/private hospitals which are specifically empanelled with the ECHS. The Scheme is financed by Government of India.

2.2 The ECHS Central Organization is located at Delhi and functions under the Chief of Staff Committee (COSC) through AG and DGDC&W in Army HQ. The Central organization is headed by Managing Director, ECHS, a serving Major General. There are 28 Regional Centres ECHS and 426 ECHS Polyclinics. ECHS is also an attached office of Department of Ex-Servicemen Welfare (DoESW), Ministry of Defence (MoD) as are Directorate General Resettlement (DGR) and Kendriya Sainik Board (KSB). There are five types of ECHS Polyclinics *i.e.* Type 'A', 'B', 'C' 'D' & 'E'. Authorization of Contractual Staff in each type of ECHS Polyclinic is based on the load capacity of ECHS Polyclinic.

Budget

Revenue

Financial Year	Projection	BE	RE	MA	Expenditure (CGDA)
2010-11	1180.00	901.04	1061.04	1061.04	1055.31
2011-12	1600.00	991.14	1109.95	1225.95	1224.22
2012-13	1860.00	1400.00	1473.86	1450.98	1430.78
2013-14	2082.95	1476.46	1776.46	1789.36	1781.38
2014-15	2489.21	1420.58	-	-	*540.53

*CGDA booking as on 31 Aug., 2014.

Capital		(Rs. in crore)			
Financial Year	Projection	BE	RE	MA	Expenditure (CGDA)
2010-11	44.00	37.00	2.50	3.60	2.82
2011-12	37.00	37.00	7.00	3.00	2.96
2012-13	37.00	37.00	6.50	5.43	2.67
2013-14	50.00	30.00	14.00	12.45	10.91
2014-15	50.00	20.41	-	-	*4.95

*CGDA booking as on 31 Aug., 2014.

2.3 The Secretary, Ex-Servicemen Welfare informed the Committee about the shortage of funds in ECHS:

“As far as the Demands for Grants are concerned, you are aware that ECHS is critically short of funds and that is a scheme where we cannot afford to move with low BE because then it raises the issue of pending bills and the issue that you had mentioned earlier; we get into arrears with the hospitals; and then they refuse to treat the patients. This is one area where we would certainly request the Committee to help us. This year, for instance, we have only Rs. 1,420.58 crore against the projected requirement of Rs. 2,489 crore.”

2.4 The Committee were briefed by the Secretary, Ex-Servicemen Welfare about the reason for possible maladies affecting the department in general and ECHS in particular:

“The Department was created some time in 2003, but the first full-time Secretary was posted from the end of December 2007, and in approximately six years 8 Secretaries have moved in and out of the Department. So, it obviously affects the long-term planning and strategy. This is the situation, and I hope that in future we will have a different approach about this.”

2.5 On the impact of slashing of budget on the care of potential patient, the Committee were informed by Managing Director of ECHS:

“Sir, what you are saying is right. It has a direct impact. Sir, the projection is what we had asked for and I have said what we have got. This is what I get allotted to begin with.”

2.6 The Committee were desirous to know how the Ministry is clearing the bills of all the hospitals, Managing Director of ECHS apprised the Committee as under:

“The sanction for going on-line for all 28 polyclinics is available since 1st April, 2014. Before that, there are 10 which have happened. There is a little glitch in terms of the agreement to be done with them in terms of the bugs in the software. So, we are going ahead with the MoA to be signed with them with the mandate given that these are items which are required to be done. We are planning to go for about an year’s mandate to them and to solve all those problems.”

2.7 During the deliberations, the Committee were also informed that out of those 28 polyclinics, 18 were not on-line and the specialists in hospitals have stopped accepting the patients. However, the Ministry gave assurance towards solving the stalemate.

CHAPTER III

DIRECTORATE GENERAL QUALITY ASSURANCE

Role: DGQA Organisation is responsible for Quality Assurance of Defence Stores produced by Ordnance Factories, public, private sectors and ex-import. The organisation takes all the actions necessary to ensure that the Defence Forces of the country get the entire range of arms, ammunition, equipment and stores of the desired quality that will enhance the combat efficiency and effectiveness of the fighting forces and they are able to easily maintain and fully exploit the equipment and stores.

3.2 Responsibilities. The responsibilities of DGQA can be broadly classified into the three stages as under:—

- (a) **Pre Production/Pre Procurement Stage.** During pre-production and pre-procurement stage DGQA organisation assists in formulation of Staff Qualitative Requirements (SQRs) and Request For Proposals (RFPs) by providing technical inputs. Associates in Field Trials by Users and carries out DGQA evaluation for establishing conformance to technical and environmental parameters based on DGQA Acceptance Test Procedure (ATP). The organisation associates during developmental stages in projects undertaken by DRDO, OFB & PSUs. Also, carries out Shelf Life Assessment of ammunition store through Intensified Simulated & Accelerated Test (ISAT).
- (b) **Production/Procurement Stage.** During production and procurement stage DGQA formulates Quality Assurance Plans, Standards, Acceptance Criteria and Procedures such as evolving Sampling Plans, laying down Defect Classification List and Acceptance Quality Level, Carry out Quality Assurance as per stipulated plan for equipment, arms, ammunition and stores during various stages of production and ensuring conformance to laid down specifications through Final Acceptance Tests. The organisation is also responsible for managing the configuration of all products by control of specifications and drawings, incorporating changes/modifications necessitated for improved performance. Quality improvement and consistency is ensured by regular process and products audits.

- (c) **Post Production/Post Procurement Stage.** During post production and post procurement stage DGQA carries out tests for Shelf Life Extension of ammunition, missiles and NBC protective stores. Based 33 on feedback from users DGQA carries out defect investigation to take remedial measures for future and suggest improvements in design. It publishes Tech Documents such as Ammunition Maintenance Instructions, User Hand Books, Catalogue of Ordnance Stores, Complete Equipment Schedule, Equipment History Sheet, Assignment Lists for introduction and any change. DGQA is also responsible for obsolescence management.

Budget

<i>(Rs. in crore)</i>			
HEAD	MA 2013-14	BE 2014-15	Expenditure till Aug 2014
REVENUE	759.15	825.303	320.47
CAPITAL	12.00	6.19	2.2.0
TOTAL	771.15	831.49	322.67

MA- Modified Appropriations

BE - Budget Estimates

Procedure of Inspection of Stores

3.3 The Ministry was asked about the procedures adopted by DGQA in inspection of Stores. It stated as under:—

‘The process of Quality Assurance is carried out by DGQA in following stages:-

- (a) Formulating Quality Assurance Plans which include establishing technical specification, acceptance criteria and detailed inspection methodology.
- (b) Assessing Quality of the inputs, process & the end product by the following methods:—
 - (i) Carry out audit of suppliers’ manufacturing processes and Quality Management System. Audit the records of internal quality control carried out by Supplier on the inputs material and manufacturing stages of critical stores and subject critical input items to test.

- (ii) Process audit to assess the capability of the process to deliver the required Quality output consistently and Control/Surveillance inspection of critical features of product during manufacturing stages.
- (iii) Final Acceptance Inspection is carried out as per laid down Quality Assurance Plan during which the product is subjected to dimensional, material, fitment and performance tests. Proof firing is carried out for all arms and ammunition at DGQA ranges before final acceptance.
- (iv) Pre Delivery Inspection to assess Quality of imported stores/equipment prior to dispatch from country of origin to check for compliance with technical specifications by carrying out tests in accordance with DGQA Acceptance Test Procedures (ATPs). This is followed by Joint Receipt Inspection of the stores on arrival at India before final acceptance.'

3.4 The Ministry further stated that whenever a new weapon system is inducted into the Army the DGQA is an integral part of the process and plays a pivotal role in all stages of induction right from the GSQR formulation stage till the Joint Receipt Inspection of the store. The functions performed by DGQA during the various stages of inspections are:—

- ‘(a) Formulation of General Staff Qualitative Requirement (GSQR) DGQA is responsible for providing technical inputs to service HQs for formulation of GSQR and RFP.
- (b) Technical Evaluation Committee (TEC) DGQA as part of TEC checks the compliance of the Technical bids in accordance with the RFP.
- (c) User Trials Field trials are carried out by the User in different terrains to validate the performance of the weapon system as per the specific qualitative requirements. DGQA associates during these trials.
- (d) DGQA Technical Trials and Environmental Testing Subsequent to User Trials DGQA carries out independent Technical Trials and environmental testing to ascertain the conformance to the design parameters and reliability of the system. Detailed tests are carried out in DGQA laboratories and Proof Ranges in accordance with the applicable standards. To ensure the consistency in performance for prolonged usage under extreme climatic conditions, the systems and subsystems are subjected to environmental tests in the laboratories.

- (e) Finalisation of Specifications After the weapon system has been shortlisted by the service HQs/MoD for future procurement, DGQA finalizes the detailed specifications and the Acceptance Test Procedures (ATP) based on which the future inspection and acceptance of the weapon system is carried out.
- (f) Pre Dispatch Inspection (PDI) DGQA conducts PDI at the vendor premises to assess conformance to detailed specifications as per ATP. In case of imported weapon system Joint Receipt Inspection(JRI) is carried out on its receipt in India, by DGQA.'

3.5 During oral evidence, the Committee desired to know the major contributions of DGQA and reasons of delays. DG, DGQA informed the Committee as under:—

“Sir, we provide quality assurance to all the stores which are supplied by the Ordinance factories, Defence PSUs and trade firms. Our establishments are co-located with the ordinance factories and they provide intimate quality assurance cover to the products which are being manufactured by the ordinance factories. Earlier there were certain quality problems with the ordinance factories, the products which were being manufactured, now along with the ordinance factories we have taken a lot of initiatives in ensuring that everything is manufactured as per the process schedule. In case there are any problems which we find during the manufacture, we carry out process audit of that particular process which is giving a defective product and we ensure.”

3.6 On the issue of quality assurance, he further submitted:—

“As far as this quality assurance cover to these organisations who are supplying the things, there is no delay. As and when the stores are offered to us, the QA cover is provided immediately. On the part of the DGQA organisation, there is no delay in quality assurance.....: When equipment is introduced we are associated in the evaluation, like the equipment offered by the firms it is evaluated, we carry out the user trial and then we carry out the DGQA evaluation. At times there are certain delays in carrying out these trials.”

3.7 During oral evidence, the Committee deliberated on the various issues relating poor quality of ammunition and weapon system reaching the forces. The written replies expected from the Ministry on the issues raised by the members could not reach the Secretariat even after considerable period of time.

CHAPTER IV

NATIONAL CADET CORPS

The National Cadet Corps (NCC) was established under the NCC Act, 1948. It has completed 65 years of existence. The 'Aims' of the NCC laid out in 1988 have stood the test of time and continue to meet the requirements expected of it in the current socio-economic scenario of the country. The NCC aims at developing character, comradeship, discipline, a secular outlook, the spirit of adventure and ideals of selfless service amongst young citizens. Further, it aims at creating a pool of organized, trained and motivated youth with leadership qualities in all walks of life, who will serve the Nation regardless of which career they choose. Needless to say, the NCC also provides an environment conducive to motivating young Indians to join the armed forces. The motto of NCC is "Unity and Discipline."

4.2 The total sanctioned strength of NCC cadets is 15 Lakh. This includes two lakh NCC cadet strength sanctioned in 2010.

It has 17 State Directorates, two OTAs one at Kamptee and another at OTA Gwalior. It has 96 Group HQs, 800 Units (Army 677, Navy 62, AF 61).

4.3 The Ministry has informed that in addition to it 1 Group HQ, 7 Army units and 7 Naval units have been proposed of raising in the 3rd phase on which "Approval in Principle" has been accorded. The case is presently under process.

Youth Power – NCC

Cadet Strength	Army	Navy	Air	Total
Junior Division/Junior Wing	6,69,928	49,612	55,001	7,74,541
Senior Division/Senior Wing	3,73,520	13,816	11,152	3,98,488
Total				11,73,029

4.4 Out of 11,73,029 cadets, Girl cadets are 3,04,661, consisting of 26% of total cadet strength. NCC has covered 10,174 Schools, 5,548 Colleges and 670 Districts. However, it has 4790 Schools and 2549 Colleges in the waiting list.

Budget

The budget of NCC for the last five years is as under:-

Year	BE	RE	Actuals
2010-11	970.37	813.63	707.67
2011-12	984.01	898.48	713.81
2012-13	1128.80	821.65	791.87
2013-14	887.12	954.06	874.03
2014-15	1025.17	-	362.44
			(Upto July 14)

4.5 The representatives of NCC during presentation before the Committee informed that out of Rs. 1025.17 crore, it proposes to spend Rs. 137.38 crore on training, Pay & Allowances : Rs. 761.10 crore, Transport : Rs. 19.80 crore, Stores : Rs. 87.19 crore, IT : Rs. 5.50 crore and Others : Rs. 14.20 crore.

Central Government

4.6 Central Government provides for Pay & Allowances of Central Government employees including Armed Forces personnel, Clothing, Weapons, Ammunitions, Vehicles and Equipment. It also gives amenity grant to units, adventure activities and 75% of camp expenditure as well as budget for hiring of office, office contingency & IT expenditure for State Dtes/OTAs. Budget for Revenue & Capital works is also provided by Central Government.

State Governments

4.7 State Governments provide for Pay & Allowances of State Government Staff in NCC Gp HQs & Units, 25% of Camp expenditure, Institutional Training e.g. Refreshment, Washing & Polishing Allowance to Cadets, Honorarium, Outfit/Outfit Maintenance Allowance to ANOs, Caretaker Allowance and provision of Infrastructure for Training.

4.8 The members of the Committee were keen to know the reason behind the long waiting list for NCC. Director General, NCC during the oral evidence apprised the Committee as under:—

“...regarding the waiting list for NCC. NCC is a very structured organisation, as shown. We have 17 Directorates, 96 Group Headquarters and 800 units. Each unit is officered by two officers and some numbers of NCOs and JCOs, equivalent. Also, it has the Associate NCC Officers (ANOs).

Keeping this structured organisation in view, there is only a given number of students that can be accommodated. For example, in a major unit, 3520 is the number of Cadets, who can be accommodated in one unit. It varies, of course, because the structure of the unit varies somewhat differently. This I said is the maximum one. There are minor units also. Beyond this, if some institution wants to join it, it is not possible for this structure to take on this. Therefore, there is a proper system and procedure by which an institution is placed in the waiting list. As and when an institution gives up NCC for whatever reasons, as per the given procedure the waiting institution is brought up.”

4.9 He further elaborated:—

“As you saw, the total number of institutions, which are with the NCC, is 5700. Approximately the half the number, which is 7377 institutions, are in the waiting list. In the present context, it is very difficult for an institution to come up unless some other institution gives up. Therefore, as was shown in way ahead, to reduce the waiting list is one of the very purposes of this expansion plan, which the Government has approved.”

4.10 On the high administrative cost of NCC, he further explained:—

“Sir, I think, we have come a long way from then. As far as money and budget is concerned, as you would have seen, we are not constrained. There is no dearth of funds for the adventure activities, sports and other activities that we carry on. We are not having a problem fund-wise.

As far as the waiting list is concerned, the initiative that we have taken is of the expansion plan in five phases. In addition, the Government has recently approved a self-financing scheme in which the Government does not have to pay, but the institution, if it wants to join, can join after paying approximately Rs. 6,500 per cadet per year. Also, there are some other plans on the anvil which include upgradation of minor units. There are 153 minor units which we will upgrade. We will be able to upgrade them with a very limited cost. That will take care of the major part of the waiting list. So, we will submit this plan.”

4.11 During the deliberations, the Committee desired to know whether any provision exists wherein an individual from any school, whether that is enrolled or not, can apply to be trained as an NCC cadet and also whether information is available in public domain. DG,

NCC again apprised the Committee as under:—

“Sir, what you are saying is absolutely right. A major portion of the cadets who have joined are part of the institutions, but there is also a procedure in which the units can take on people from the open category, which is limited to a maximum of 20 per cent. So, there is an opportunity for others who are possibly not part of the institution and because that institution is not NCC that he or she can join. That provision exists.....Sir, we will ensure that.”

Youth Exchange Programme

4.12 During presentation before the Committee, the representatives of the NCC apprised the Committee that NCC is having Youth Exchange Programme with 10 countries e.g. Russia, Singapore, Kazakhstan, Vietnam, Turkmenistan, Sri Lanka, Maldives, Bangladesh, Nepal and Bhutan. The efforts are being made to Expand Programme to other countries also.

Adventure Training

4.13 The cadets of NCC are given Mountaineering Courses, Mountaineering Expeditions, Boys and Girls expeditions, Para Basic Courses, Para Sailing, Snow Skiing, Trekking, White Water Rafting, Sailing Expeditions, Yachting Regatta and Desert Camel Safari.

4.14 On the Youth exchange and International adventure sports, DG NCC apprised the Committee as under:—

“Sir, the Youth Exchange Programme of the NCC is a very important part of the entire curriculum as is brought out. We have an exchange programme with ten friendly foreign countries which are Bangladesh, Bhutan, Nepal, Singapore, Sri Lanka, Vietnam, Turkmenistan, Russia and Maldives. With these countries, we regularly have an exchange in which we send our cadets to their camps. Recently, we sent 25 cadets to Moscow and their academy in Perm where they participated in their activities.....Sir, we will examine this about the adventure part.”

Perspective plan of NCC

4.15 The representatives of NCC, while making presentation before the Committee informed that the following priorities have been set by them:—

- (i) Raising of NCC Units. Reduce Waiting List.

- (ii) Increase in the ratio of girl cadets.
- (iii) Selection of Cadets in Armed Forces.
- (iv) Set up NCC Academies.
- (v) Improvement in living and office accommodation.
- (vi) Automation of Enrolment and Budget Monitoring.

PART II

RECOMMENDATIONS/OBSERVATIONS

Budget

The Committee are surprised to see the continuous gap between the projected requirement of the Army and the allocations made to it. In the Revenue side, the Committee noted that during the year 2010-11, the gap between the projected amount and allocated amount is Rs. 5465.49 crore which has been increased to Rs. 13740.69 crore in 2011-12, whereas, during the year 2012-13, it has been decreased to Rs. 6534.59 crore but again increased to Rs. 12236.18 crore during the year 2013-14. During the current year also, the Committee see the gap of Rs. 12993.86 crore between the projected and allocated amount. In the capital side, it has been noted that there has been huge gap between the projected and allocated amount of Rs. 4382.20 crore, Rs. 6400.99 crore, Rs. 8996.80 crore, Rs. 7644.25 crore and Rs. 15402.55 crore for the years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 respectively.

2. The Committee are of the view that the Army has projected its demand after careful consideration of its various ongoing and proposed schemes. Since the pay and allowances and other obligatory expenses are of recurring nature, the gap between projected and allocated amount forced the Army to reduce its requirement of stores including ordnance stores, transportation, revenue works and maintenance, etc. affecting the upkeep of equipment, maintenance of existing infrastructure and bringing deficiencies in overall preparedness of the forces.

3. The Committee are not able to understand the reduction of Rs. 15402.55 crore in the capital budget, during the current year and foresee the difficulties likely to be faced by the Army for its new projects and infrastructure as most part of the budget would go for the committed liabilities.

The Committee find the entire scenario very discouraging and do not find any reason with the Ministry of Defence and the Ministry of Finance for curtailment in the budget of the Army. The Committee fully understand that capable, motivated and dedicated force cannot move and fight without fuel in the vehicles and fire in its weapons.

Therefore, the Committee recommend that the Ministry of Defence should allocate the amount to the Army as per its projections to buy new weapon system and creating infrastructure for the Army so as to keep its fighting spirit high and ready to move in any eventuality.

Modernization of Army

4. The Committee note from the reply of the Ministry that the modernization of the Armed Forces is a continuous process based on threat perception, operational necessity, technological changes and available resources and the process is based on a 15 year Long Term Integrated Perspective Plan (LTIPP), the five year Services Capital Acquisition Plan (SCAP) and the Annual Acquisition Plan (AAP) and the Armed Forces remain in a state of operational readiness to meet any eventuality. However, presentation by Army before the Committee belied the claim of the Ministry that all is well with the Army, as Army desired to acquire seven most critical procurement schemes to contribute for enhancement of their combat power in fast track mode. In this respect, the Committee are constrained to note that very little amount e.g. Rs. 8,521.10 crore, Rs. 10,176.07 crore, Rs. 13,153.95 crore, Rs. 12,383.36 crore, Rs. 14,252.49 crore, Rs. 13,724.14 crore and Rs. 13,327.04 crore was allocated to the Army for modernization during the years 2007-08 till 2013-14 respectively and that too for the last two years it is on the decrease.

On the other hand the information supplied by the Ministry reveals that the Army could not utilized its modernization budget fully for the last six years in a row except for the year 2007-08. During the year 2008-09, it could not spend Rs. 2461.29 crore; in 2009-10, Rs. 1502.19 crore; in 2010-11, Rs. 666.27 crore; in 2011-12, Rs. 3386.56 crore; in 2012-13, Rs. 2852.35 crore; and in 2013-14 Rs. 2900.55 crore. Taking into account the above facts, the Committee are of the view that the Ministry has not planned spending of the Army properly otherwise surrendering of the funds could have been avoided. The Committee desire that a thorough review of LTIPP, SCAP and AAP should be undertaken for optimal utilization of funds. The Committee also desire that higher allocations should be provided for modernization of Army so as to make it a force to reckon with.

Critical Shortages with Army

Wheeled Guns

5. The Committee note that as per the Artillery profile, adequate quantities of wheeled guns are proposed to be procured to make up for the existing void. An inference can easily be drawn from the

existing situation that either there are problems in the course of procurement or with the planning process. The Committee are of the view that items of critical importance should be given priority in planning as well as in procurement so that wheeled guns are available to the Army in a given time.

Tanks

6. The Committee analysed from the information supplied to them that availability of tank is very low and the requirement of tanks is also being filled with the MBT Arjun. The Committee note that improved MBT Arjun MK II has been offered by DRDO. The information regarding the performance and satisfaction level of MBT Arjun with Army was not supplied by the Ministry. As various categories of tanks are available with friendly countries, world market and Ordnance Factories it is in the fitness of things that Army should be given a free hand in choosing class of tank as per their requirement and nothing should be forced on them. The Committee desire that the Ministry should make all out efforts to match authorized and held strength at the earliest and for the purpose additional amount should be provided to them.

Missiles

7. The Committee note that some of the missile systems with Army are Brahmos, UBK, Millan and Konkurs Missiles. However, the Committee find that Army also have some deficiencies in holding of missiles. The Committee also note that in reply to a question on the availability of missile carrying vehicles and if any proposal from private sector to supply the same had been received, it has been stated that no concrete proposal for supply of these vehicles were received from the private sector. This means that some initiative was taken by the private sector to supply the same but it could not fructify due to some reasons.

The Committee desire that as missiles are very crucial component in the arsenal of any modern force with a high deterrent value, it should be made available to the Army in required quantity. Missile carrying vehicle is an essential and integral part of carrying missile from place of production to the user, therefore, the Committee recommend that if BEML is not able to supply the requisite quantities due to various controversies or some other reason, private sector should be given an opportunity for presenting their case.

Ammunition

8. The Committee note that at present out of 168 types of ammunition, 30 ammunition items are being currently imported and in order to substitute importation by indigenous production, Defence Research and Development Organization (DRDO) and Ordnance Factory Board (OFB) have been mandated to develop them either through in-house research or Transfer of Technology from OEM (Original Equipment Manufacturer). The Committee desire that information with reference to progress made and timelines so drawn to complete the project by the DRDO and OFB in this regard may be intimated to them.

9. The Committee are happy to note that the Government has taken into consideration the deficiencies in some of the critical ammunitions on priority and has also taken effective steps to mitigate the deficiencies to ensure desired level of operational preparedness commensurate with the threat perception in a dynamic strategic scenario. A system of long term five years roll on indents has been introduced and a road map on ammunition has been approved which envisages procurement ex-import and ex-trade to build up adequate targeted stocks with three years training requirement. An institutionalized mechanism in the form of a Working Group to review critical items of ammunitions and issues of spares, barrels, overhaul programme of infantry and mechanized forces have also been set up.

In this regard, the Committee desire that information about number of sittings held by this Working Group after its constitution and decision so taken may be informed to them. Considering the importance of ammunition which is a basic requirement of the Army to fight a war or train a soldier, the Committee recommend that necessary steps should be taken by the Ministry so that ammunition in required quantity and of high quality is always available with Army at a given time. Otherwise, in the opinion of the Committee, it would not be possible for the country to sustain a war for a longer period. Therefore, the Committee recommend that sufficient allocations should be made to the Army to maintain the mandatory quantity so that Army should have ammunition in sufficient quantity for sustaining a war for few days.

The Committee are dismayed over the fact that while replying the Ministry tried to conceal even the overt information, which is unacceptable to them.

Bullet Proof Jackets

10. The Committee note that the Acceptance of Necessity for procurement of 1,86,138 Bullet Proof Jackets was accorded by the Defence Acquisition Council (DAC) in October, 2009. The Request

for Proposal (RFP) was retracted due to General Staff Qualitative Requirement (GSQR) related issues in December, 2011. The GSQR was subsequently amended and a fresh RFP was issued in December, 2012. After acceptance of Technical Evaluation Report and validation of the velocities achieved by various types of ammunition at Terminal Ballistic Research Lab (TBRL) Chandigarh, the Trials of the Bullet Proof Jackets are to commence shortly.

The Committee also note that Bullet Proof Jackets (BPJ) are procured on the basis of the requirements of the Army and this is an ongoing process and the current procurement is on the basis of the revised GSQRs. Although the Ministry has mentioned that BPJs are procured on the basis of the requirements of the Army yet, the Committee could easily draw that the requirement must have arisen well before the approval of Defence Acquisition Council in October, 2009. The Committee believe that the figure of 1,86,138 lakh jackets must have soared in the last five years due to increase in number of new recruits and also wearing down of the old stock.

11. The Ministry was not able to supply information in detail about the total requirement of BPJs in Army and current BPJs held, comparative analysis regarding weight, protection to cover lethality, price etc. of BPJs presently available with Army and soon to be procured one. The information was also sought on the quality of BPJs available with Armies of developed countries and in world market but no response was received from the Ministry.

12. The Committee are perturbed over the fact that such an important life saving device has not been purchased by the Ministry jeopardizing the lives of thousands of soldiers. Therefore, the Committee recommend that in such cases where lives of soldiers are at stake, fast track procedures should be adopted to procure the items. They are not happy over the state of affairs in the Ministry where such an important purchase could not be materialized even after a lapse of five years. The Committee also recommend that the present purchase should be completed in short time frame after the evaluation trials are over at TBRL Chandigarh and delays, if any are due to callousness of a person, responsibility should be fixed for the same.

13. The Committee also desire that they may be informed whether BPJs for future procurements other than the present one, are included in the long or short term plans e.g. LTIPP, SCLAP, AAP or not.

Night Vision Devices

14. The Committee came to know during deliberations about the shortage of Night Vision Devices (NVD). The Committee also find seemingly inconsistency between the satisfaction level of the Ministry and Army. While the Ministry seems to be satisfied with what forces have on the other hand, the Army has altogether different view. It appears that Ministry is not taking Army in confidence while doing its perspective planning. The Committee feel that to have operational preparedness for all times to come perspective planning of Army as well as other forces should be visualized and strengthened. The Committee feel that delays in procurement may adversely impact operational preparedness of the services and also result in substantial cost overruns.

Shortage of basic items for Army

15. The Committee note that the Empowered Committee which looks into the procurement of 55 types of Special Clothing and Mountaineering Equipment (SCME) authorized to troops deployed in Super High Altitude Areas including Siachen has already been constituted in August 2007 as per the direction of the Raksha Mantri. The Committee also note from the initial reply that there are no significant deficiencies for these equipment, however, to make these items available in adequate quantities, contracts have already been awarded to firms. A total of approximately Rs. 500 crore has already been earmarked for the procurement of Ex-import SCME items from the current year budget. From the reply to the supplementary questions, the Committee conclude that the Ministry first tried to avoid the matter altogether and informed them that there were no significant deficiencies for these equipments, however, later on revealed that there exists shortfall of 2,17,388 number of High Ankle Boots, 13,09,092 Canvas brown rubber sole shoes with laces, 4,47,000 Cap Balclava, 65,978 Durrie IT OG and 1,26,270 number of Net Mosquito. The Committee are surprised over the fact that such deficiencies of basic items of regular use where no high-end technology is warranted, was allowed to exist. Therefore, the Committee desire that perspective planning should be done to foresee such deficiencies and pre-emptive action must be taken.

Mountain Strike Corps

16. The Committee note that Mountain Strike Corps which is needed to counter advances of neighbouring countries at high altitude areas has been sanctioned keeping in view the 15 - year

perspective plan. However, the Committee are surprised to note that for raising of this Corps, no separate allocation has been made in this year's budget. As informed, an amount of Rs. 5000 crore has been earmarked for it but it is not over and above the actual budget allocated and the Army has been asked to raise this Corps out of its own budget. The Committee also came to know that for raising this corps only war wastage reserves are being utilised. It seems very impractical and incongruous that a new Corps is being raised with war wastage reserves. The Committee feel that the Ministry should do away with its proclivity of *ad-hoc* planning and provide adequate budgetary support commensurate with the requirement of Mountain Strike Corps.

Force Level of Army

17. The Ministry could not inform the Committee about the required (Authorized) and existing (held) force level, armaments equipment, aircraft, etc. The Ministry seems to be contented with the current situation as it stated that force accretion of the Armed Forces and development of their combat capabilities to tackle the entire spectrum of security challenges is an ongoing process dictated primarily by capabilities to be achieved, threat perceptions, prevailing external strategic security environment and emerging technologies and the Government is taking necessary measures to ensure that the Armed Forces are appropriately equipped to tackle the range of challenges. Induction of the equipment including tanks, aircraft, 51 aircraft carrier, etc. in the inventories of the Armed Forces is an ongoing process which are reviewed from time to time and necessary steps taken. In the absence of any authentic information about the authorized and held strength of any defence equipment, the Committee take a serious view on this matter and desire that this information should be furnished to them forthwith.

18. The Committee note from the manpower part that held strength of Officers in Army is 39,585, while the authorized strength is 47,574, therefore, shortage of Officers in Army is 7989, which is about 17 per cent of the authorized strength of the Officers. In the Other Ranks, the position is somewhat satisfactory where authorized strength is 11,50,463, while the held strength is 11,33,866 leaving a gap of 16597, which is approximately 1.5 per cent of the authorized strength.

19. The Committee note that the Government has taken a number of measures to encourage the youth to join the Armed Forces, including conduct of recruitment rallies, media campaign,

implementation of the recommendation of the VI Central Pay Commission with improved pay structure, additional family accommodation through Married Accommodation Project and improvement in promotion prospects in the Armed Forces. The Committee appreciate the steps so taken by the Ministry to attract the youth but they also desire that the Ministry should find out the reasons as to why today's youth is not considering armed forces as a fit profession and what more it can do to make it more attractive. In this task, the Ministry can take the help of Defence Institute of Psychological Research (DIPR) of Defence Research and Development Organization (DRDO). Besides, the Ministry should make all out efforts to bridge the gap in both the categories.

Need for new Rifle for Army

INSAS Rifle Vs. Assault Rifle

20. The Committee note that INSAS Rifle was designed and developed by DRDO based on Qualitative Requirements (QRs) set in 1982 and met all QR parameters and inducted into Service in 1996. The Rifle has been fully exploited since then including OP Vijay in 1999. Subsequent to OP Vijay, the problems started occurring e.g. loosening of flash eliminator, loosening of Piece guide etc. The requirement was also felt for Upper Hand Guard, additional safety in firing mechanism, Grenade sight requirement, Improved Lever Locking Gas Cylinder. The Committee also note that DRDO and Ordnance Factory Board (OFB) jointly took up product improvement programme based on this feedback and introduced the Improved Rifle as Rifle Mark 1B1 in 2001. Later on, plastic magazine cracking problem was reported. Earlier, the magazines were procured ex-trade but now production has been established at Ordnance Factory Dum Dum and problems have been resolved.

From the information furnished, the Committee are dismayed to learn that DRDO started working on INSAS Rifle way back in 1982 but surprisingly it took 14 years in its development and could not deliver the Rifle only in 1996. But just after 3 years, the quality of rifle tested in Operation Vijay revealed that product was not up to the mark and many improvements were needed. The Committee find it shocking that even years of expertise has not evolved DRDO to develop a world class basic product like rifle.

21. The Committee also note that at present Army uses in-service INSAS and AK-47 rifles in various situations, however, Indian Army is in the process of procuring Assault Rifles through a global tender with Transfer of Technology to Ordnance Factory Board.

Considering the track record of DRDO, the Committee recommend that a world class product after satisfying the requirement of user *i.e.* Army may be purchased out rightly for immediate use after trials are over and services of DRDO may be utilized to get Transfer of Technology to produce this item in the country.

22. After contemplating over the various issues involved in INSAS and Assault Rifles, the Committee feel that either Long Term Integrated Perspective Plan (LTIPP) and the five year Services Capital Acquisition Plan (SCAP) is not properly designed or there is some fault with the procurement procedures, otherwise, the problems of INSAS Rifle which were surfaced in 1996, almost 18 years ago, a Request for Proposal for new Rifle could be issued more than a decade later.

Conditions for treating a soldier as martyr

23. The Committee note that 54 missing defence personnel of 1965 and 1971 Wars are believed to be in custody in Pakistan and the Government has repeatedly been taking up the matter with the Pakistan Government. The Government of Pakistan does not acknowledge the presence of any such personnel in its custody. A delegation of 14 relatives of missing 54 defence personnel also visited 10 Jails in Pakistan during 1st June, 2007 - 14th June, 2007. The delegation, however, could not conclusively confirm the physical presence of any missing defence personnel.

The Committee also note that the families of the missing defence personnel (MDP) had been provided liberalized pensionary/ rehabilitation benefits as per extant rules. Subsequently, the Government accepted the judgment dated 23.12.2011 passed by the Hon'ble High Court of Gujarat for payment of service and retirement benefits to the next of kin (NoK) of the MDP believed to be in the custody in Pakistan, as if they had retired on superannuation. Necessary orders in this regard have been issued. However, as the reports are reaching to the Committee through various sources about non receipt of benefits, therefore, the Committee recommend that the Ministry should look into the matter afresh and issue orders for all the benefits in respect of these 54 missing defence personnel. The Committee also desire that the Ministry should show respect to defence personnel who without worrying for their lives made or slated to make supreme sacrifice for the nation, and take *suo-moto* decision for providing benefits to them and their family members without waiting for the orders of a

Court of Law. It is not desirable where a soldier or his family members has to approach a court of law for the service benefits.

Ex-Servicemen Contributory Health Scheme

24. The Committee note that the Ex-Servicemen Contributory Health Scheme (ECHS) was launched with effect from 01 April, 2003, which provides Ex-servicemen pensioners and their dependents treatment in specifically empanelled civil/private hospitals besides service hospitals. The Scheme is financed by the Government of India. The Committee analyzed the budget provided to ECHS for the last five years and found that in Revenue Outlay from the year 2010-11; to 2014-15, the allocation got dwindled by Rs. 278.96 crore, Rs. 608.86 crore, Rs. 460 crore, Rs. 606.49 crore and Rs. 1068.63 crore respectively. The position in Capital Budget is no better, wherein ECHS is short of Rs. 30 crore this year.

The Committee were further enlightened by the Secretary, Ex- Servicemen Welfare during the oral evidence that low BE raises the issue of pending bills and the department get into arrears with the hospitals resulting in refusal by the hospitals to treat the patients. This issue was echoed by the Managing Director of ECHS also. The Committee are dismayed over the cut in the allocation and feel that is an instance of greatly misplaced priorities. The Committee are of the view that it is the responsibility of grateful nation to look after their veterans who have given best years of their lives to it. Therefore, the Committee recommend that the Ministry should take immediate necessary modification in their planning processes so that ECHS get what it has projected for and our veterans and their family members do not suffer due to fault of others.

25. The Committee note that the sanction for going on-line for all 28 polyclinics is available since 1st April, 2014, however, he admitted a glitch in terms of the agreement to be done with them in terms of the bugs in the software. However, out of those 28 polyclinics, 18 were not on-line and the specialists in hospitals have stopped accepting the patients. The Committee feel that software updates and making hospital billing online is not highly technical affair now a days, therefore, it should be done in a time bound manner and the Committee may be informed accordingly. The Committee also desire that the effective steps should be taken to stop malpractices prevailing in ECHS.

Keeping in view wide spread population of veterans, the Committee recommend that ECHS should increase its reach in far flung areas so that aged veteran may not travel long distances to get medical facilities.

Directorate General Quality Assurance

26. The Committee note that Directorate General Quality Assurance (DGQA) is responsible for Quality Assurance of Defence Stores produced by Ordnance Factories, public, private sectors and ex-import and it takes all the actions necessary to ensure that the Defence Forces of the country get the entire range of arms, ammunition, equipment and stores of the desired quality that will enhance the combat efficiency and effectiveness of the fighting forces and they are able to easily maintain and fully exploit the equipment and stores.

During oral evidence, the Committee were informed by the Director General DGQA that it provides quality assurance to all the stores which are supplied by the Ordnance factories, Defence PSUs and trade firms. The Committee note that the establishments of DGQA are co-located with the ordnance factories and they provide intimate quality assurance cover to the products which are being manufactured by the ordnance factories.

The Committee also note the elaborate system of inspection by DGQA before inducting a weapon system into the force has essential features like Formulation of General Staff Qualitative Requirement (GSQR), Technical Evaluation Committee (TEC), User Trials, DGQA Technical Trials and Environmental Testing, Finalization of Specifications out and Pre Dispatch Inspection (PDI).

However, during deliberations many issues have raised about quality problems including long fuse of grenades, barrel bursts of guns, poor quality ammunition reaching the forces etc. etc. The Committee are indeed surprised over the fact that despite having seemingly elaborate and foolproof procedures to examine the stores as mentioned by DGQA, why and how such incidents are taking place. The Committee fail to understand that if DGQA is inspecting the stores in the Ordnance Factories itself, how defective stores are reaching the forces. The Committee are of the view that something very serious has plagued the organization otherwise accidents do not recur, therefore, the Committee recommend that thorough review of procedures already in vogue should be undertaken to make it infallible.

27. The Committee also desire that DGQA should be more vigilant in inspections carried out by it so army personnel are sure of what they are getting. Moreover, the DGQA is there to instil confidence in the forces and not to scare them. The improvement in procedure so done may be informed to the Committee at the earliest.

National Cadet Corps

28. The Committee note that NCC aims at creating a pool of organized, trained and motivated youth with leadership qualities in all walks of life, who will serve the Nation regardless of which career they choose. It also 58 provides an environment conducive to motivate young Indians to join the armed forces.

The Committee also note that during the year 2010-11 NCC was allocated Rs. 970.37 crore, however, the actuals were Rs. 707.67 crore, during the year 2011-12 NCC were allocated Rs. 984.01 crore, however, the actuals were Rs. 713.81 crore, during the year 2012-13 NCC were allocated Rs. 1128.80 crore, however, the actuals were Rs. 791.87 crore, during the year 2013-14 NCC was allocated Rs. 887.12 crore, however, the actuals were Rs. 874.03 crore. During the year 2014-15 NCC has been allocated Rs. 1025.17 crore, however, till July 2014 it has spent just Rs. 362.44 crore. It can be analyzed from the data that even after the Revised Estimates, there has been underspending every year. The Committee desire that NCC Directorate must be guided by the Finance Division of the Ministry of Defence in the financial planning process to avoid this underspending.

29. The Committee further note that total sanctioned strength of NCC cadets is 15 Lakh. At present the actual strength of NCC cadets is 11,73,029. Out of it, the Girl cadets are 3,04,661, consisting of 26%. The NCC has covered 10,174 Schools, 5,548 Colleges and 670 Districts. However, it has 4790 Schools and 2549 Colleges in the waiting list. However, NCC is taking initiative for expansion in five phases. In addition, the Government has recently approved a self-financing scheme in which the Government does not have to pay, but the institution, if it wants to join, can join after paying approximately Rs. 6,500 per cadet per year and 153 minor units which will upgraded may take care of the major part of the waiting list.

The Committee recommend that to have wider reach of NCC in schools and colleges, the Ministry of Defence should look into the possibility of coordinating with the Ministry of Human Resource Development. The Committee also desire the Ministry of Human Resource Development to make NCC as a part of the education policy so as to create organized, trained, disciplined, selfless and motivated future generation. The steps should be taken to encourage girls to join NCC to correct ratio of Girl vs Boy Cadets.

30. As the information is not available in public domain regarding a provision, wherein an individual from any school, whether that is enrolled or not, can apply to be trained as an NCC cadet, the Committee desire that this information should be made available on public domain for larger benefit to the aspiring NCC cadets.

31. The Committee further note that NCC is having Youth Exchange Programme with 10 countries e.g. Russia, Singapore, Kazakhstan, Vietnam, Turkmenistan, Sri Lanka, Maldives, Bangladesh, Nepal and Bhutan. The Committee desire that youth exchange programme should be spread to other countries also where similar organizations exist.

The NCC cadets are given training in Mountaineering Courses, Mountaineering Expeditions, Boys and Girls expeditions, Para Basic Courses, Para Sailing, Snow Skiing, Trekking, White Water Rafting, Sailing Expeditions, Yachting Regatta and Desert Camel Safari. The Committee recommend that NCC cadets should also be encouraged and facilitate to participate in International adventure sports also.

NEW DELHI;
22 December, 2014
 01 Pausha, 1936 (Saka)

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

APPENDIX

STANDING COMMITTEE ON DEFENCE

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

The Committee sat on Monday, the 22 September, 2014 from 1100 hrs. to 1625 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

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

MEMBERS

Lok Sabha

2. Shri Dharambir
3. Shri Thupstan Chhewang
4. Col Sonaram Choudhary (Retd.)
5. Shri Sher Singh Ghubaya
6. Shri G Hari
7. Km Shobha Karandlaje
8. Shri Vinod Khanna
9. Dr Mriganka Mahato
10. Col Rajyavardhan Singh Rathore (Retd.)
11. Shri Malla Reddy
12. Shri AP Jithender Reddy

Rajya Sabha

13. Shri Narendra Budania
14. Shri Rajeev Chandrasekhar
15. Shri AU Singh Deo
16. Shri Harivansh
17. Shri Vinay Katiyar
18. Smt Ambika Soni

SECRETARIAT

- | | |
|-------------------------------|-------------------------------|
| 1. Dr RK Chadha | — <i>Additional Secretary</i> |
| 2. Shri RK Jain | — <i>Joint Secretary</i> |
| 3. Shri DS Malha | — <i>Director</i> |
| 4. Shri Lovekesh Kumar Sharma | — <i>Additional Director</i> |
| 5. Shri Rahul Singh | — <i>Under Secretary</i> |

WITNESSES

REPRESENTATIVES FROM THE MINISTRY OF DEFENCE

1. Shri RK Mathur, Defence Secretary
2. Smt Sangita Gairola, Secy. (ESW)
3. Shri AK Gupta, AS (DP)
4. Shri AK Bishnoi, AS (B)
5. Shri Subir Mallick, JS&AM (LS)
6. Shri Ravindra Panwar, JS&AM (MS)
7. Shri Rajiv Verma, JS&AM (AIR)
8. Smt AS Lakshmi, JS (ESW)
9. Shri Vikram Dev Dutt, JS (G/Air)
10. Shri Sanjeev Ranjan, Secy BRDB
11. Shri Ram Subhag Singh, JS (O/N)
12. Shri Anil Bahuguna, JS
13. Shri Navin K Chaudhary, JS (E)
14. Shri Sanjay Garg, JS (DIP)
15. Shri KK Pant, JS (AS)
16. Smt Kusum Singh, JS (P&C)
17. Shri Deepak Anurag, JS (C&W)
18. Maj Gen Ranbir Singh, ADG MO(A)
19. Lt Gen Philip Campose, VCOAS
20. Lt Gen JPS Dalal, DGQA
21. Lt Gen AT Parnaik, DGBR
22. Maj Gen Satish Kumar Dua, ADG Proc
23. Brig SK Prashar, DDG Procurement
24. Gp Capt Surinder Singh, Inspecting Officer, Sainik School Society
25. Shri Arunav Dutt, FA (DS)

26. Smt Veena Prasad, JS&Addl FA
27. Shri Rajnish Kumar, JS&Addl FA
28. Smt Devika Raghubansi, JS&Addl FA
29. Shri Ranbir Singh, JS&Addl FA
30. Smt Arti Bhatnagar, FM (MS)
31. V Adm Anurag G Thapliyal, DG ICG
32. ADG Rajendra Singh, ADG
33. DIG VD Chafekar, PD (P&P)
34. Lt Gen Omprakash, QMG
35. Brig Tarun Kumar Aich, DDGCS
36. Lt Gen A Chakravarty, DG NCC
37. RAdm Kapil Gupta, Addl. DG(A)
38. Maj Gen C Prakash, Addl. DG (B)
39. Shri NK Phukan, DDG (P&F)
40. Maj Gen Amrik Singh, DG (Resettlement)
41. Dr. Avinash Chander, SA to RM
42. Lt Gen Anoop Malhotra, CCR&D (R&M)
43. Lt Gen Jatinder Sikand, E-in-C
44. Lt Gen GS Bisht, DGLWE
45. Maj Gen Gurdip Singh, DGMAP
46. RAdm AB Singh, ACNS (P&P)
47. Cdr Maneesh Kapkoti, JDNP
48. Maj Gen Sanjay Kumar Jha, ADG PP
49. Brig KJS Dhillon, DDG PP

2. At the outset, the Chairperson welcomed the Members and representatives of the Ministry of Defence to the sitting of the Committee and drew their attention to Direction 58 of the Directions by the Speaker, Lok Sabha. The Chairperson initiated the discussion and requested the representatives of the Ministry of Defence to brief the Committee on overall Demands for Grants of the Ministry of Defence Civil, Army, National Cadet Corps (NCC), Procurement Policy, Capital Outlay on Defence Services, Canteen Stores Department (CSD), Coast Guard and Sainik Schools.

3. The representatives of the Ministry gave a powerpoint presentation on each of the subject, except procurement policy. The Committee had detailed deliberations on the various issues in the

context which include marginal hike in the Defence budget, full utilization of modernization budget, transparency in defence deals, construction of all weather dependable border roads, raising of Mountain Strike Corps, increase in FDI, implementation of Kargil Review Committee, Kelkar Committee, Naresh Chandra Committee Reports, supply of products in CSD, mobile canteen, coastal security programme, etc.

4. The representatives of the Ministry responded to the queries raised by the Members during the deliberations. As regards, the points on which the representatives could not readily respond, they promised to furnish written information at the earliest.

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE

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

The Committee sat on Wednesday, the 17th December, 2014 from 1500 hrs. to 1550 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

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

MEMBERS

Lok Sabha

2. Shri Suresh C Angadi
3. Shri Shrirang Appa Barne
4. Shri Dharambir
5. Shri Thupstan Chhewang
6. Shri H D Devegowda
7. Shri G Hari
8. Km. Shobha Karandlaje
9. Shri A P Jithender Reddy

Rajya Sabha

10. Shri A U Singh Deo
11. Shri Harivansh
12. Shri Tarun Vijay

SECRETARIAT

1. Shri P K Misra — *Additional Secretary*
2. Shri R K Jain — *Joint Secretary*
3. Shri D S Malha — *Director*
4. Shri Lovekesh Kumar Sharma — *Additional Director*
5. Shri Rahul Singh — *Under Secretary*

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee. The Committee then took up for consideration and adoption of the following draft Reports on Demands for Grants 2014-15 of the Ministry of Defence:

- (i) General Budget (Demand No. 20, 21 & 27);
- (ii) Army (Demand No. 22);
- (iii) Navy and Air Force (Demand No. 23 & 24); and
- (iv) Ordnance Factories and Defence Research and Development Organisation (Demand No. 25 & 26).

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

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

The Committee then adjourned.