

MINISTRY OF DEFENCE

DEFENCE FORCE LEVELS, MANPOWER, MANAGEMENT AND POLICY

ESTIMATES COMMITTEE
1992-93

TENTH LOK SABHA



LOK SABHA SECRETARIAT
NEW DELHI

NINETEENTH REPORT

ESTIMATES COMMITTEE (1992-93)

(TENTH LOK SABHA)

**MINISTRY OF DEFENCE
DEFENCE FORCE LEVELS, MANPOWER,
MANAGEMENT AND POLICY**



Presented to Lok Sabha on 20th August, 1992

**LOK SABHA SECRETARIAT
NEW DELHI**

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COMPOSITION OF THE ESTIMATES COMMITTEE

(1992-93)

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2. Shri K.K. Sharma — *Joint Secretary*
3. Shri B.B. Pandit — *Director*
4. Shri R.C. Gupta — *Assistant Director*

INTRODUCTION

1. the Chairman of Estimates Committee having been authorised to submit the Report, on their behalf, present this Nineteenth Report on the Ministry of Defence — Defence Force Levels, Manpower, Management and Policy.

2. The subject was undertaken for their examination by the Estimates Committee (1990-91) of the Ninth Lok Sabha which also considered the replies to a detailed questionnaire on the subject as furnished by the Ministry of Defence. Thereafter the Committee took evidence of the representatives of the Ministry on 7.2.1991.

3. The Committee wish to express their thanks to the Officers of the Ministry of Defence and representatives of the three Services for placing before them detailed written information as was desired by the Committee in connection with the examination of the subject and sharing with the Committee their views concerning the matters which came up for discussion during evidence. The Committee also appreciate the frankness with which the civilian and Service Officers shared their views, perceptions and constraints with the Committee.

4. The Report was considered and adopted by the Committee at their sitting held on 18.8.1992.

5. The Report is divided into following chapters:—

- (i) Defence Force/Manpower Levels — Policy: Institutional Aspects.
- (ii) Manpower Management and Policy for three Services.
- (iii) Manpower Management and Policy in Non-Combatant sections viz. Ministry of Defence, AFHQ, Inter-Services Organisations, DRDO, Defence Production Units and Ordnance Factories.
- (iv) System of Redressal of Grievances, Discipline and Welfare.

6. In the Chapter-I of the Report the focus is upon the articulation of Policy, System for Higher Direction, Tasking of Defence Services, Decision Making Process, Defence Planning, Adequacy of Existing Force Levels and Cost Effectiveness of Force Level and Manpower Utilisation Policies.

7. The Committee have felt that the existing statement on Defence Policy which is 'to defend the territorial integrity of the country' is a needless oversimplification. They have also expressed dismay over the fact that suddenly emerging situations like Gulf War of 1990 should have thrown country's defence planning into disarray or that country should have fought four wars and launched armed operations in and at the request of neighbouring countries without a clearly articulated and integrated defence policy. The Committee have therefore, stressed upon the need for a clear and comprehensive defence policy based on a viable national security doctrine. In the same context the Committee have recommended to review and rationalise the Official Secrets Act to facilitate a more meaningful debate on national security affairs.

8. The Committee have suggested revival of dormant National Security Council for holistic direction of national security affairs at the highest level. From this perspective the Committee have desired that the Defence policy makers should take a greater note of emerging threat to the country from air and sea.

9. With a view to stabilising defence plan expenditure, the Committee have called for studying the feasibility of making the defence sector allocations for the entire plan period unalterable. This the Committee feel will make Defence planning exercise more realistic by correlating allocation of resources to the tasks entrusted to the Defence Services. Commenting upon the efficacy of decision-making process in the Ministry of Defence the Committee have observed that, often proposals floated for fulfilling the tasks entrusted to Defence Services are subjected to such a prolonged process of scrutiny and series of clearance that it assumes the form of a hurdle race and in the bargain the Services end up with a relatively larger share of anxiety. To mitigate this situation the Committee have highlighted the need to reform the decision-making process in the Ministry of Defence. To this end, they have called for greater powers to be delegated to the three Chiefs of Staff. Also, to ensure proper decentralisation coupled with rapid decision-making and corresponding accountability, it has been recommended that the Financial Advisers may be appointed in the respective Service Headquarters and at various Command/Formation levels. This, they hope, will, to a large extent, save time and cost expended otherwise, on bridging the existing gaps in perception, specialization and familiarity between the Services and the civilian apparatus in the Ministry of Defence. In this connection they have also desired that immediate attention should be paid to imparting greater specialisation to the civilian officers of the Ministry of Defence Secretariat.

10. Giving expression to their anxiety over increasing use of Army in maintenance of internal security the Committee have suggested that the Government should take both long-term and short-term measures which include modernisation and strengthening of Para-military forces as well as State Police Organisations, particularly in the border States to address the problem.

11. Chapter II of the Report dwells upon manpower management and policy, regulation of manpower strength, ceiling on manpower, combat to support force ratio, policies regarding recruitment/promotion/retirement, cadre review, age profile in the Armed Forces, induction of women in Armed Forces and alternative models of manpower management.

12. The major recommendations made by the Committee in Chapter II are preparation of a long-term and cogent manpower management policy statement for proper direction of the manpower related affairs in the Defence Services, undertaking of a comprehensive review of the overall number of personnel in uniform as well as the civilian staff to judge the extent to which it could be pruned; determination of manpower ceiling for the three Services on a futuristic basis and meaningful enforcement of such

ceilings to ensure that these are not exceeded under any circumstances; development, application and monitoring of a set of reliable indices at the higher echelons of the three Services in order to ascertain whether manpower is being optimally and productively utilised; for overcoming shortage of Commissioned officers in the three Services, particularly the Army, bringing of the existing package of incentives being offered to officers recruited under the Short Service Commission Scheme at par with what was being offered to officers recruited under Emergency Commission Scheme in 1962; introduction of attractive voluntary retirement scheme at appropriate levels in the Army in order to bring down the age profile of the unit commanders; targetting of recruitment effort at a wider social base by opening more Sainik Schools in the rural areas so as to catch appropriate human resource at a young and impressionable age; reviewing of the terms of engagement in the three Services; and an appropriate scheme for lateral absorption of retiring Defence personnel in civilian set up. Striking a note of caution the Committee have also suggested that the question of induction of women in the operational arms of the Defence Services should be examined. The Committee have also recommended that the report of the Committee on Defence Expenditure be placed before the Parliament for a comprehensive debate on the subject.

13. In Chapter III the Committee have discussed manpower and management policy in Ministry of Defence, AFHQ, Inter Services Organisations, DRDO, Defence Production Units, Ordnance Factories, Base Repair Depots/EME, Workshops/Dockyards. They have called for reorganisation of the Ministry of Defence and have recommended that more officers from the Defence Services should be inducted in the Ministry of Defence. A series of recommendations have been made in regard to manpower utilization in Defence Production Units with a view to address the problem of considerable idle manpower in these units. These include undertaking of an indepth exercise to identify Defence Production Units which can be modernised and diversified as also commercial exploitation, wherever feasible and without disturbing the Defence and other interests, of the idle assets such as land, building, etc. of Defence Production Units.

14. Chapter IV deals with system of redressal of grievances in regard to promotion, recruitment, advancement policies besides the aspects relating to discipline and welfare.

15. The Committee have observed that the existing system of grievance redressal in the three Services needs to be fine tuned and have called for all the necessary steps required to be taken to impart utmost objectivity to the existing institutions for redressal of grievances, internally. For this purpose, Committee have desired setting up of statutory boards or tribunals exclusively for the Service personnel without any further loss of time. The Committee have also recommended the review of present scales of residential accommodation in respect of Service personnel with a view to optimising satisfaction from the existing housing facilities and ensuring greater availability of hired accommodation within the authorised scales of rent, particularly in the metropolitan cities.

16. The Committee urged the Government to review the proposed Siachen allowance and similar allowances admissible in similar areas after every five years so as to maintain the compensatory value of such allowances. They have also stressed that greater attention be paid to the welfare of Defence Civilians in terms of housing, educational and medical facilities. In fact the Committee feel that the welfare of civilian employees should be considered an important part of the performance of the Officer-in-charge of a Unit/establishment.

17. The Committee would like to express their thanks, to the Estimates Committee (1990-91) for taking evidence on the subject and obtaining valuable information thereon. The composition of the Committee (1990-91) is given at Appendix IV. For facility of reference the conclusions/recommendations have been printed in thick type in the body of the Report and have also been reproduced in consolidated form in Appendix V of the Report.

NEW DELHI;
August 19, 1992

Sravana 28, 1914 (Saka)

MANORANJAN BHAKTA
Chairman,
Estimates Committee.

CHAPTER I

DEFENCE FORCE/MANPOWER LEVELS-POLICY: INSTITUTIONAL ASPECTS

A. Policy

1.1 According to the Ministry of Defence the force levels of the Defence Services are determined by the dynamic perspectives of the security scenario coupled with the overall availability of resources within a Plan period, competing demands from other prioritized sectors, the technological developments and other systemic inputs.

1.2 The Ministry however clarified that the term 'force level' is quite distinct from the total manpower of Defence force. In the Army, since the Corps/Division/Brigade/Battalion/Company etc. generally imply specific laid down numbers in terms of manpower, the term 'force level' has often been used synonymously with the manpower of the Army. However, in the Navy and the Air Force, the term 'force level' specifically relates to the number of ships, submarines, aircraft etc. The manpower required to maintain ships/aircraft is primarily dependent on the number and the types of ships/aircraft being operated. Thus, while an increase in the force level of the Army will invariably mean an increase in the number of its personnel, this is not necessarily so for the Navy and the Air Force. This distinction has to be borne in mind while examining the Policies with regard to the Force Level and Manpower Management in the Army, the Navy and the Air Force.

1.3 A detailed note furnished by the Ministry and indicating the basis on which force levels in the three Defence Services and the manpower size in various allied organizations like Ministry of Defence, DRDO, Department of Defence Production and Ordnance Factories is determined is reproduced at Appendix I.

B. Threat Perception and Defence Policy Formulation

1.4 Explaining the various methods adopted by the Ministry of Defence in arriving at a defence policy, the Ministry in a written note stated:

"The Defence Policy is debated in Parliament at various points of time, particularly during the Debate on Demands for Grants for the Ministry of Defence. Various aspects of the Defence Policy are examined in the course of these Debates and all Questions raised by the Members of Parliament are answered. In the Winding up replies by the Raksha Mantri, the Parliament are informed of the views of the Government and the action taken in respect of the various major issues raised during the Debates. The Consultative Committee of

Parliament for the Ministry of Defence, the Estimates Committee, the Public Accounts Committee and other Parliamentary Committees also study various aspects of Defence Policy and their recommendations/directions are acted upon promptly. Besides, inputs are also obtained from various studies made by the academic institutions as well as articles published by reputed Defence Analyst in formulating Defence Policy. Further, the Ministry of Defence also brings out an Annual Report every year which is laid in both Houses of Parliament. This Report invariably contains chapters on the National Security Environment, and Organisation and Function of the Ministry of Defence and the Defence Plan and the three Services. There are other Chapters containing various aspects of the Ministry of Defence including Recruitment and Training, Resettlement, Welfare of Ex-servicemen etc. Alongwith the Annual Report, the proposed Defence Budget for the ensuing financial year is also placed before the Parliament. The Annual Debate in the Parliament and outside on Defence Policy gets initiated on the basis of these documents, circulated by the Ministry of Defence."

Articulation of Policy

1.5 In reply to a question whether the Ministry had any articulated or well defined policy parameters the Secretary, Ministry of Defence stated during evidence:

"I would submit that perhaps we have not been able to convince the honourable Committee through our various notes that there is a policy. It is perhaps not defined in the manner that the Committee were looking for. That fact remains."

He further added:

"There is a document called the Operational Directives. It is a fairly comprehensive paper, which is issued from the Defence Secretary to the three Chief of Staff. It seeks to bring about as clearly as possible, under given circumstances, the threat situation which has been visualised in consultation not only with the three Services but the various agencies, the Ministry of External Affairs, as necessary with the Home Ministry in consultation with the Prime Minister's Office and finally it is approved by the Defence Minister. We have such a document, which has been in existence for a considerable period. We found on closer examination that the contents of this document required considerable change because of the enormous change that has taken place or is taking place not only in our near immediate vicinity but all around. We have, in the past year or so been getting the views, comments and perceptions of the three Services and have prepared a fresh document which has been very closely examined by the various concerned authorities in the Government. We found that

there were a large number of areas where we were not in agreement. We set up a group of Senior Officers to sit together and come to a debated view on the basic minimum definition of what the country perceives as existing or emerging threats. That document is virtually finalised. It is now to go to the higher echelons. Now if you ask is this the Defence Policy? I would not be able to say the answer is in the affirmative because India's Defence Policy, to the extent that I can venture to make a statement, from 1947 onwards more precisely from 1950 onwards, has been basically a policy to defend our territory, our sovereignty and our freedom and no more than that. But from time to time, *vis-a-vis* our immediate neighbours, *vis-a-vis* Bangladesh at a point of time and *vis-a-vis* Sri Lanka more recently, the policy proceeded to grapple with the problem as it arose. Whatever kind of background we may be able to build up in consultation with various concerned authorities, I venture to submit that it may not still be of the kind that the Committee have in mind. The policy must be clear and this should be subject to debate. I am afraid that may not be there for the moment. But still there is an on-going and continuing effort on all fronts, within the Services, within our Ministry. We are interacting with the various concerned Departments and organisations of the Government. We are trying to proceed very rapidly in that direction. The recent decision of the Government to set up the National Security Council was another step in the same direction. It should not be left merely to the household of the Ministry of Defence or a few other concerned organisations to come to whatever view they think as most accurate. We have to try to expose the perceptions and the concepts to academics, to people from various walks of life, retired Civil Servants, retired Defence service officers, academicians, people from the Universities and Parliamentarians who have been interested in the subject. So, what is ultimately established as the national perception of what requires to be done, would be fairly well tested, on a broad basis.

Finally, if you take any of the West European countries or the United States of America, the document that you will see expressing their so called defence policy does not by any means cover even partially what they actually do in terms of military or strategic interventions. So one wonders very much when you come to the larger aspect of the matter whether the word 'defence policy' is to be viewed largely, if not entirely, in terms of what you do within the country in terms of military spending or defence preparedness or what you aspire in terms of military presence in the region or beyond your region to further your military and economic goals and aspirations. These are other areas which have not been fully debated in recent times. But we do take note to these aspects whenever we debate internally."

Constraints on Policy Formulation

1.6 During evidence before the Committee, the Defence Secretary spoke of problems faced in formulation of a policy. He said:—

“We have problems with the planning parameters. But then, constitutionally, there can only be an annual budget and rest can only be understanding. If the five-year plan is approved at the highest level, again there can be changes in the next four years. The concepts and the projections that we established in close consultation with the Services, Ministry of Finance, Department of Expenditure and Economic Affairs and the Planning Commission in the last four months, all those assumptions have eroded with the implications of the Gulf crisis. These are the kind of uncertainties within which we have to operate internally.

Another problem is that in matters relating to defence and national security, so far, within the culture that we have evolved and imposed on our governmental functioning, in our national thinking and style of debate it has not been possible to indulge in an open debate on some of these areas. There is an element, quite understandably, of restraint and caution. Therefore, all the discussions that we have are necessarily restricted to areas of immediate concern. But as far as I can see the emerging picture in the years to come whatever be the contributing factors, some of these veils are being lifted whether we like it or not. In the matter of defence some of the inhibitions which were traditionally there or some of the arguments which we used to exploit in terms of excessive secrecy, I think, now we are moving in a direction where most of these will not be there in the years to come.”

C. System for Higher Direction

1.7 Asked by the Committee to indicate the existing apparatus and methods for a higher direction in the Ministry of Defence, the Ministry stated in their reply that Raksha Mantri's weekly meetings are the most important existing apparatus for higher direction in the Ministry of Defence. These meetings are attended by Raksha Rajya Mantri, Principal Secretary to Prime Minister, Cabinet Secretary, the three Service Chiefs and Defence Secretary. Besides, the Raksha Rajya Mantri also takes Weekly Meetings involving the three Service Chiefs, Defence Secretary, Secretary (DP&S), Secretary (DB&D), Foreign Secretary and the FA (Defence Services). In so far as Services are concerned, the Chief of Staff Committee meets every week to monitor all relevant developments. Besides, each service has its own system of monitoring and coordination.

The Ministry in a written note further added that “the present system is working satisfactorily.”

1.8 To a question whether these meetings take place regularly, the Secretary, Ministry of Defence stated during evidence:

“If you take six months period, in a particular fortnight may be the meetings got deferred or did not take place. But by and large, they take place with regularity.”

Regarding meeting of Raksha Rajya Mantri, the witness further added:

“Those meetings are more regular. Chiefs normally reserve Mondays not only for our meetings but also for their own Chiefs of Staff Committee meetings.”

1.9 The Committee during evidence enquired whether in the absence of a proper political direction, these meetings at the level of Raksha Mantri's and Raksha Rajya Mantri do not become more routine proforma exercises. The Defence Secretary in his reply stated:

“Every Chief of Staff has his own kind of problems. These are shared with the other Chiefs of Staff. After that, the Chiefs make it a point to bring the very important matters firstly to the notice of the RRM and then RM, depending upon the urgency and sensitive nature of the issue. In our meetings with RRM, from last year onwards we have started involving the Foreign Secretary to throw light on the various aspects in respect of India's neighbours etc. He gives his perceptions of what is happening around us. Of course, these discussions are not recorded because of confidentiality. There are free exchanges. They are useful even if they are held routinely. They do contribute in better understanding of the emerging situations.”

1.10 Asked whether a viable and effective security apparatus would help in giving a clearer direction to defence management, the Secretary during evidence stated:

“This is not an easy question for me to answer in terms of my personal value judgement of how much better things could be. But, I would definitely concede your observation that if we do have a viable and effective national security apparatus, it would definitely go a long way in providing the kind of inputs which I can see from your observations would be relevant to give a direction for defence management which obviously include a view on all international security aspects whether we are subjected to the proxy war, or what is happening in Jammu and Kashmir, Punjab and Assam and elsewhere in the country. Definitely, this impinges directly on the operation of the Ministry of Defence, operating through the three Defence Services. But, I am not altogether well placed to suggest what could be the apparatus for improved, more effective direction, structure or apparatus.

I suggest this would inherently relate not in a large sense to a stability of tenure which we do enjoy to a large extent, but I think from much

extended tenures of all civilians who are dealing with matters of internal security and defence. I think the time has now come when this cannot be played by common sense. It requires some backgrounds experience, some knowledge and awareness. This would in turn also relate to a continuity of reasonable harmonious approach at the political level. On this aspect I am not competent to make any statement. In a democratic structure changes do take place. It is not within the realm of civil servants to conjecture on this matter. But, I would submit that despite all kinds of changes that we have undergone in recent times, definitely our own internal apparatus for Defence management has not been affected in any matter. I say this with confidence and clarity. Despite various problems, because of the apparatus that we have inherited and which we still operate, we are not so badly placed. We have gained from our experience in recent years of the defence forces involvement in the Sri Lanka, in the IPKF, and from the Army's involvement in the internal security. The Army has learnt from this experience. I can trust and hope that we should be able to benefit by this experience and move towards a more refined system in the times to come."

D. National Security Council

1.11 When asked to furnish details of the constitution, organisational set up, working methodology and functions of the newly formed National Security Council (NSC), the Ministry in their post evidence replies stated that:

"The National Security Council was set up by Government in August, 1990. The constitution of the NSC is as follows:

Prime Minister	Chairman
Minister of Defence	Member
Minister of Finance	"
Minister of Home Affairs	
Minister of External Affairs	

The Council may, as necessary, request other Union Minister and any Chief Minister of a State to attend meetings of the Council. The Council may also invite experts and specialists to attend its meetings as necessary. Currently, Chairman, JIC serves as the Secretary of the National Security Council. The NSC was set up in order to enable a consideration of all aspects of National Security in a coordinated and comprehensive manner, taking into account linkages between the evolving external situation in the political, military and economic fields and our domestic situation. The NSC, it is proposed, would apply itself to the formulation of medium and long term assessment, which would serve as a tool for shaping Government policy.

E. Tasking of Defence Services

1.12 Asked by the Committee to indicate as to where from and how frequently the Ministry of Defence receives its tasks and how it further tasks the various services, the Ministry of Defence stated:

“Under Transaction of the Business Rules of the Government of India the Raksha Mantri has been allocated the business of ensuring the defence of the country against external aggressions and related matters.

The basic responsibility for assessing the threat scenario, the capabilities of the adversaries and determining the steps that need to be taken to face these threats lies with the Ministry of Defence which is assisted by the three Services. For this purpose, the Ministry of Defence is also in constant inter-action with the Ministry of External Affairs, Ministry of Home Affairs, various intelligence agencies etc. As a result of this constant inter-action and feed-back, the emerging tasks are identified.

DRDO advises on all scientific aspects of military equipment/logistics and formulates defence research, design and development plans of equipment used by the three Services. The Department of Defence Production and Supplies (DDPS) deals with matters pertaining to Defence Production, indigenisation of imported items of equipment and spares, planning and control over departmental production units and Defence Public Sector Undertakings. Their contribution has a more direct impact on Defence related matters.

The DRDO and the DDPS constantly inter-act both with the Department of Defence as also the three Services. The DRDO laboratories and the scientists inter-act directly with the three Services and the defence PSUs. The requirements are identified and decisions taken at appropriate level within DRDO and DDPS. Decisions, as required, are taken at the level of the CCPA, Cabinet, the Raksha Mantri in consultation with the Vitta Mantri, by the Secretaries in the MOD and the Officers below them, as per power delegated to them.”

1.13 To a question whether the Government, while issuing directive to the Ministry of Defence, also have any corresponding commitment by it to fulfil such a directive the Secretary, Ministry of Defence replied that this was not so in all the cases.

1.14 Asked to explain the position in regard to providing to the Ministry of Defence with the necessary wherewithal for executing the directives received by it he replied:

“A very crystal clear directive comes from the highest levels of the decision-making process and the same is transmitted to RRM, the Defence Secretary and, in turn, it goes to the Service Chiefs. Then, they proceed to translate these directives into realities. They would

consider as to what would it mean in terms of manpower, in terms of equipment etc. All these proposals from the Service Chiefs get translated into financial implications, manpower implications. It is not as if everything travels from top to bottom. It all depends upon the nature of the case. If it is incumbent on the Government to provide hundred per cent wherewithal which comes with the direction, it will consider. But I would submit that it doesn't happen at all like that. For example, the Navy and Air Force, for the last 10 years, have been seeking considerable outlays for upward mobility, in terms of expansion. What happens is that what they have in their holdings in the past gets out of use and so they want to modernise it. There are modern equipments like radar etc. So, they go in for new items. Army is a much larger service. Whenever it comes to additional financial implications we may not be able to completely accept them. We try to cut down the requirements to the realistic level. The debate goes on. Sometimes, it takes almost a year or so. Sometimes, acrimonious discussions may take place. Finally, we come to an agreed view by chopping here and there. After discussion, the final proposal is sent to the Cabinet or the CCPA. Army, because of its larger size, has not been treated so well as the Navy and Air forces, are, in the sense that we have far more compelling reasons to absorb them. In recent times, they have absorbed a great deal in terms of new equipments etc. within their overall capacities. So, all this process is an extended one where we work with the Service headquarters. Once we come to a reasonable agreement, we go to the Department of Expenditure. The bureaucracy is there also. It is not very easy to satisfy them. Then, there is the Minister. It is more difficult to get sanctions. But once the Finance Department gives its consent, then we go to PM and the CCPA. The problem will continue to remain unless we have a situation of no economic constraint. Within that, I concede your observation that any direction which comes gets transmitted to the Services."

F. Decision Making Process

1.15 On being asked by the Committee whether the present system of decision making, particularly in the light of the organisation of the Ministry of Defence is geared towards achieving optimal efficiency, the Ministry, in their preliminary material, stated:

“By and large, the obtaining decision making system is satisfactory. The type of steps to bring about improvements therein would depend, inter-alia, on overall national goals. For the major part of India's post-independence period, the country has opted for an ostensibly defensive posture; the major preoccupation has been the goal of rapid socio-economic development of the country. In our democratic policy we have also laid considerable emphasis on an effective system of checks and balances and parliamentary accountability. The other factors influencing the process and the system of

decision making are the concern for containing defence expenditure and for ensuring stringent standards for the procurement of equipments/weapon systems for the defence forces.

It is in the context of these important considerations there is an elaborate system of technical evaluations and trials, commercial and contractual negotiations, careful scrutiny at a number of levels and maintenance of elaborate records. In the wake of Independence, our political leadership had also perceived the need for objective advice, independent of the military. Hence, a civilian Secretariat renders assistance to the political leadership. The Service Chiefs also have access to the Minister. Unlike other Ministries in Government of India, MOD operates a single file system on most matters so that the advice of the Services HQs is available to the political executive."

1.16 The Committee wanted to know whether in the absence of clearly defined national security objectives, a methods could be reached whereby the existing system of decision making could function more effectively with greater clarity especially of National Security objectives and certainty about defence budgets. In this connection the Ministry replied:

"The process of decision making can become more effective if realistic Defence Plans are formulated on the basis of clear national security objectives and military aims. Such objectives would provide clarity about the requirements of force levels and the specific capabilities required to be developed by the Defence Forces. The absence of clearly defined national security objectives/military aims, leads to proposals being examined on a somewhat general basis. Similarly, in the absence of clarity long-term financial commitment, proposals/cases having financial implications cannot be decided in an optimal manner, leading to need for reviewing priorities to match the available resources. In the context of uncertainties about availability of resources, at times proposals have to be kept pending or returned for later review."

1.17 Observing that over the years, several institutionalised mechanisms such as PAC & C&AC have been highlighting unsatisfactory decision making leading to cost escalation purchases of outdated and obsolete materials/equipments, improper purchase etc. it was enquired by the Committee whether the existing decision making apparatus was satisfactory. The Ministry of Defence in their written reply stated:

"It would be incorrect to describe the decision making process in respect of procurement of Defence stores as unsatisfactory. The C&AG/P.A.C. etc. may have pointed out procedural irregularities in the procurement system, which may not necessarily reflect on the decision making process and the cost effectiveness of the items procured. Procurement action is taken only after requirements have been justified and approved. Once a requirement has been approved,

procurement action follows an established system of finalising technical evaluations before conducting commercial negotiations. Technical assessment is therefore objective and not dependent on commercial considerations. Commercial negotiations are restricted to the technically acceptable sources and are conducted through specially constituted committees in which are represented officers of the MOD, Def. (Finance), Service HQrs. DRDO and Deptt. of Defence Production & Supplies. In the case of Weapons & Weapons systems, negotiations are held directly with the manufacturer or their Governments. The decision making process is, therefore, fair and objective."

1.18 The Ministry stated further:

"Continuing efforts are made to streamline the existing process to ensure optimum utilisation of the resources of time, money and manpower, at all operational levels."

Cost overruns

1.19 On being asked whether any independent study other than SIU been made to assess the cost over run of delays on defence projects, the Ministry of Defence replied:

"No special study has been carried out. However, all projects, Particularly the CCPA approved projects are monitored on a regular basis."

Cost escalation of projects under consideration of the Ministry of Defence

1.20 About the cost escalations of some of the projects under consideration by MOD, the Ministry in their post evidence replies stated that "Only two cases have been reported." Elaborating further the Ministry furnished details in case of Army, Air Force and Navy as under:

	Army	Air Force	Navy
No. of projects received in 1989-90	—	One (Mirage 2000 overhaul)	One (8th EKM Submarine)
Period elapsing between initiation & final sanction	—	The proposal was initiated in September 89. Expert Committee was constituted by MOD in August, 90 to study the techno-economic feasibility of the overhaul project. The Committee submitted its report in February 1991. The proposal is under examination of the MOD.	January 88 to October 89
Total cost escalation	—	Initial cost was 200.02 crores. Fixed price contract. The estimated cost for the mean in Roubles. However delivery year of 1992 is Rs. 292 cost escalation due to crores at the revised exchange exchange rate variation works out to Rs. 22.39 crores.	

	Army	Air Force	Navy
No. of projects turned down	—	—	Projects have been delayed or deferred due to the paucity of funds. The delay in finalisation of the Agreement/Contract for the 8th EKM accrued on account of the prolonged negotiations required to solve certain contractual matters which were not in keeping with the earlier Agreement/Contracts.
No. of projects under consideration	—	—	—
Cost escalation registered	—	—	—

1.21 Asked to comment on undue delay in finalising decisions, the Secretary stated:

"Much of problem arises because of the immediate financial implications. It is as simple as that. Otherwise, our decision making process is as speedy as it can be. In our kind of structural set up some of the things drag because of the enormous financial implications that they throw up in the immediate context and in the recurring context."

1.22 On being asked whether the Ministry of Defence would recommend any amendment to the Transaction of Business Rules, the Secretary, Ministry of Defence stated during evidence as under:—

"They are, by and large, already good. Recently we have been suggesting certain delegations to the Department of Finance and Expenditure. They had given us, in the interim, some concessions, for instance, deployment of foreign exchange, they have entirely transferred to us; earlier we used to get case by case noted by them and approved by them. They have raised the limit of the level of financial sanctions at all levels of functioning, Under Secretary upward. But the problem really is not of this kind; the problem perhaps lies somewhere else. Now, presently, there is a move that we are going to give across the board larger delegations to the Services Headquarters the authority that we have in the Ministry; this proposal has made a considerable headway. Our Financial Adviser has discussed this more with the Ministry of Finance. There is an agreement. We are working out a detailed procedure of how it will work out from the lowest formation level upto the Army Commanders and then Service Headquarters."

1.23 In this context the Committee also wanted to know whether it would not be prudent to have the Financial Advisor become integral to the Ministry of Defence, so that financial concurrence alongwith financial delays can be minimised. The Secretary, Ministry of Defence reacted:

“The idea which is being processed by our FA is to place trained financial officers of CGDA organisation right from the bottom level upwards commensurate to the tasks to be performed. We will have very senior officer at the level of Army Commander and naturally more experienced in work in each of the Service Headquarters, the senior-most will be in army because of the scale of expenditure. That is built in financial delegation. That is what we are seeking to establish now.”

1.24 Asked whether the Ministry of Defence would simultaneously be considering the revision of the financial authorisation of expenditure, the Defence Secretary stated:

“Some of our financial powers have been increased. What was Rs. 50 lakhs is now Rs. 1.5 crores, what was Rs. 1 crore is now Rs. 2.5 crores. We have again recently reviewed the cost of the value of money and the kind of spending we do. Our FA has been examining expenditures relating to Defence. These delegations are not for government as such but relating to us and we will try to get further dispensations.”

1.25 In this connection, Defence Secretary, however, added:

“I think, answerability, accountability alongwith responsibility would, over a period of time, considerably improve the situation. And I have a feeling that the delay which now takes place in the Ministry vis-a-vis the main Defence, when the responsibility gets transferred to the Chief of the Staff and those below, the similar delays will remain there because they will be equally tough with their own supporting organisations in not agreeing to certain cases when the direct responsibility for expenditure travels from the Ministry to the Service Headquarters because when there is constraint of resources, decisions do get dragged. it is as simple as that.”

1.26 Asked to comment on steps which could further improve the decision making process, the Ministry, in a written reply, stated:

“Certain other steps which can further improve the decision making process could, inter-alia, include: (a) training of Civilian Officials/ Staff in Defence matters; (b) encouraging specialisation in Defence among civilian cadres and placement of experienced officers for sufficiently long tenures in MOD; (c) enhanced delegation of powers and reduction in number of levels, from MOD to Services HQrs and from Services HQrs to field formations; (d) introduction

of improved management techniques/systems in both MOD and Services HQs; (e) a more constructive and fruitful relationship between the Audit and MOD."

G. Defence Planning

1.27 Asked by the Committee to elaborate on the present system of defence plans, the Ministry of Defence stated:

"In 1986, the Government created the Defence Planning Staff. The functions assigned to the Defence Planning Staff (DPS) are briefly enumerated below:—

- (a) To carry out threat analysis and formulate threat assessment for various time frames.
- (b) Evolve military aims.
- (c) Formulate concepts of combined operations.
- (d) Conceive and recommend planned force levels to achieve military aims.
- (e) Carryout joint training and joint logistic management.
- (f) Coordinate perspective planning for about 15-20 years.
- (g) Interact closely with R & D, Defence Production, Industry and Finance.

The process for Defence Planning is initiated by the DPS by carrying out an assessment of Strategic and Technological Environment of the country. Guidelines are communicated by the MOD to the Services HQs. for formulation of the draft plan. Based on the Services projections, DPS prepare a draft integrated Plan. This is considered by Government/CCPA for approval, in consultation with all the other concerned agencies.

In each of the three Services, the Annual Plan is based on the 5-Year Defence Plan which, in turn, take into account the 15-Year Defence Perspective Plan. However, at times, unforeseen developments in the security scenario in the neighbourhood, changes in the adversary capability, technological advancements in the field of defence equipment etc. necessitate a matching response on our part, which would be invariably influenced by overall constraint of resources. The plans are, therefore, suitably fine tuned from time to time, depending upon the arising situations and corresponding requirements of the situation."

1.28 Explaining the position further Ministry of Defence stated:

"In the area of defence, the priorities are quantifiable in terms of the minimum requirements of operational preparedness, both to deter war as well as to achieve satisfactory conclusion in a war that might be thrust on the country. These requirements, are worked out jointly

by the Defence Planning Staff and the Planning Staffs of the three Services in consultation with other involved agencies like Department of Defence Production and the Defence Research and Development Organisation. The requirements are also further reviewed by the Committee on Defence Planning before being finally approved by CCPA. The newly formed National Security Council is expected to play a role in this process in the future."

1.29 Asked whether the present defence planning arrangement is satisfactory, the Ministry of Defence stated:

"Continuing efforts are made to improve the existing/structure/processes of defence planning, which had been found adequate in the past but is beginning to prove insufficient because of progressively increasing financial constraints of the overall economy."

1.30 Asked to comment on the possibility of pegging defence expenditure at Rs. 80,000 crore net during Eighth plan period and various consequences likely to be encountered in such a situation, the Ministry of Defence in their post evidence replies stated that the Committee on Defence Expenditure undertook a very careful assessment of VIII Defence Plan requirement. Despite the current resources constraint, CDE has recommended a significantly higher outlay for the VIII Defence Plan. If the outlay is restricted to only Rs. 80,000 crore, it would not be adequate even for meeting the contractual and committed maintenance liabilities. Consequently, it will be well nigh impossible to take up any modernization projects. Such an allocation will adversely affect the country's defence preparedness.

1.31 As regards building Force Level on fixed percentage of Gross National Product formula, the Ministry of Defence have in a written note submitted to the Committee, stated that the defence expenditure as a percentage of the GNP has, in the preceding decades, been around 4%. For a sound economy with a steady, positive growth, this is not an insubstantial allocation and is a reflection of the level of our current defence capabilities and preparedness. The deterrent capability of our Defence Services, built up over the years, has resulted in long stretches of comparative peace, enabling the nation to concentrate on its task of technological, economic and social advancement.

1.32 In regard to impact of GNP based approach on force level and their combat effectiveness the Ministry of Defence, in a written reply stated:

"It will not be practical to build force levels on any fixed percentage of the GNP formula as the overall military potency will require to relate with the threat to be encountered, as perceived from time to time.

While there may be arguments in favour of fixing defence investment as a percentage of the GNP in the interest of long term planning, the actual determination of force levels may not necessarily relate with the overall allocation for defence. It may be mentioned that this matter is being considered by the Committee on Defence Expenditure set up in June, 90."

H. Uncertainties of Annual Budgetary Support

1.33 Asked to explain how a 15/5 year time frame can be maintained as viable when budgetary allocations are on an annual basis with mid-year review, the Ministry replied:

"As a mechanism, a 15 year perspective plan would be conducive to rational manpower planning and for providing sustained support to long gestation projects for weapons/equipment production and procurement. There need be no conflict between such an approach and that of the annual budgetary allocations. It is expected that the annual allocation for defence would take care of the inescapable requirements of maintaining operational preparedness.

Under the country's Governmental system, there is provision only for annual budgetary allocations. Given the resources crunch and the competing demands for resources from the socio-economic development sectors, the present arrangements appear the best available option."

1.34 Commenting upon the impact of delay in finalization of 8th Five Year Plan on Defence Planning Process, the Secretary, Ministry of Defence said:

"Uncertainty is definitely there and the fact that a particular Five Year Plan gets approved in the third or the fourth year is something that is neither desirable nor justifiable. I would say that even if there are uncertainties down the road, the five year planning process should get approved in time. When adversities come, they will come anyhow and we will face them and absorb them."

1.35 In the context of annual budgeting he added:

"Constitutionally the budget which actually flows to us is an annual budget. There is no legal system by which we can have more than an annual budget. This has been under debate and discussion between us, the Finance, the Planning Commission, the Prime Minister's Office, the Cabinet Secretariat and in the last four or five months we have had very intensive discussions and some understandings have been reached. I was personally in the process of formalising this understanding."

1.36 The Defence Secretary further said:

"The Committee's perception of defence requirements and problems are such and the timelags are such, for the planning, for the

procurement, for the management to put it into operational use, the gaps are such that even for maintaining a satisfactory inventory of small arm weapons it would do a great deal of benefit if we had certainties all around. But these do not seem to relate to the situation as we have on the economic scene. We will continue to strive for better arrangements. I am not sure how far these are really practicable for implementation in the foreseeable future."

1.37 The Ministry further stated:

"In so far as manpower management policies are concerned, the financial resources required for meeting expenditures on pay and allowances, provision of free rations etc. are provided for in the Annual Budget allocations. Such allocations constitute revenue expenditure which is committed and the full requirements in respect thereof are invariably provided for."

1.38 About the effect of budgetary uncertainties and pressures during the last five years on Force Levels and on defence preparedness, the Ministry of Defence, in their written notes stated:

"The last three years have witnessed progressing uncertainties about the availability of funds/foreign exchange, which have led to a review of certain pipe-line proposals made by the Services. The Committee on Defence Expenditure have recently tendered a Report on the 8th Defence Plan to provide greater certainty for defence planning and thereby enable assured preparedness. This Report is receiving Government's attention."

1.39 In regard to Defence Production Units the Ministry of Defence further stated that the attempt is to meet the requirement for capital expenditure through additional internal resource generation.

1.40 Elaborating upon this approach the Ministry stated:

"Internal resource generation can be improved by increasing the profits earned by the Companies. In addition, annual allocations are made towards "Depreciation Fund" from the Sales revenue, which is ploughed back to meet a part of the Capital expenditure."

1. Adequacy of Existing Force Levels and Related Aspects Navy

1.41 When the Committee were informed that the current force levels of the Navy are commensurate with India's maritime interests, they desired to know whether it implies that there would be no further expansion. The Ministry of Defence replied:

"The current force levels of the Navy are commensurate with India's current maritime interests. However, it is anticipated that with the rise in population and depletion of land resources our maritime interests are likely to grow very significantly in the future. Further,

the induction plans of the Navy also need to cater for the growing strength of the Naval force of India's potential adversaries. The future expansion of the Navy's force levels would take these factors into account."

1.42 With regard to the time frame required for sea control capability, the Ministry of Defence stated, that sea control operations are based on an important principle which calls for controlling all activities in a given maritime area over a period of time. The theatre of operations in Naval warfare may cover thousands of square kms. It is, therefore, not possible to create force levels which can control all the areas for all the time. Hence there is need for very mobile forces which can and must shift in the light of the threats that may develop from time to time and ensure that they can control these areas of interest, when required. The Indian Navy employs the Carrier Task Force concept in which one or two Aircraft Carriers, supported by escorts, are used to keep large ocean areas under surveillance and control. The Naval Plan 1985-2000 caters for a modest modernisation programme which includes replacement of obsolete units by suitable new inductions. However, due to the resource constraints experienced during the last three years, several of the planned inductions have had to be either deferred or slowed-down. It is, therefore, necessary to provide adequate financial support for both the long/short term objectives in order to enable the Navy to realise their planned sea control capabilities.

1.43 Asked whether present force level was adequate for EEZ protection, the Ministry of Defence clarified in their post evidence replies that the protection of the EEZ is essentially the responsibility of the Coast Guard. However, with their present force levels, the Coast Guard will not be able to provide effective security to India's very vast EEZ, particularly the Offshore Oil Installations, which have, therefore, been made the responsibility of the Navy till such time as the Coast Guard acquire the necessary force levels.

1.44 Replying to a question as to whether maritime surveillance over EEZ by the present force levels (particularly Naval aviation) is possible, the Ministry stated:

"The Navy has an adequate number of aircraft for providing maritime surveillance over EEZ. However, this force level needs to be progressively modernised and augmented for better coverage. This will be catered for in the Navy's plans."

1.45 On the nature of protection provided/expected to be given to offshore economic assets such as Oil fields/installations etc., the Ministry, in their post evidence replies, stated as follows:

"India's valuable offshore economic assets would be prone to attacks from all three dimensions (during any hostilities) i.e. sub-surface, surface and air. Further, during peacetime and during hostilities,

threats of sabotage by terrorists, through clandestine attacks may also exist. The protection of these assets, therefore, requires all round surveillance and deployment of forces on an as required basis. For the defence of these installations, the Government have therefore approved the acquisition of 7 offshore Patrol Vessels (OPVs), 4 reconnaissance aircraft and 2 high speed boats. 4 of the OPVs have since been inducted into service. 3 more OPVs are scheduled to be inducted by mid-92. The aircraft/speed boats shall be acquired subject to adequate funding by the Ministry of Petroleum & Natural Gas."

1.46 It has been stated in a written note submitted to the Committee that in the present geo-strategic environment, the Indian Navy are also required to cater for modest amphibious and sea lift capabilities to protect the country's national interests or go to the assistance of friendly foreign countries in the Indian Ocean, whenever required. Asked as to how this statement fits in with a 'Blue Water Navy' concept projected by Naval Establishments, the Ministry, in their post evidence replies stated that Certain amphibious and sea lift capabilities are required for the Navy to safe-guard our Island territories in the Arabian sea and the Bay of Bengal. Amphibious forces are basically supportive force for transporting men and material for the defence of territories across the seas. They do not have any offensive capability. Thus, they have to be generally escorted. The blue water concept essentially deals with Naval forces which can operate away from their base ports for long durations and intercept hostile forces well out at sea. These forces generally consists of carriers, destroyers and frigates with tankers and logistic support ships. Amphibious forces are dependent on blue water units for protection. Hence they are mutually supportive.

Air Force

1.47 Asked whether it was time to review Air Defence Organisation in the country and to upgrade it to a full fledged command keeping in view the increasing reliance on Air power in inter-state conflicts, the Ministry of Defence in their post evidence replies furnished to the Committee stated as follows:

"Setting up of a full-fledged Air Defence Command has not been found viable in view of the size of the territory to be covered, which would involve a large organisational structure, and the resources for centralisation of the Air Defence. The present system of decentralized responsibility of the geographically organised Command HQs meets the present requirements. Air HQ. are, however, examining the need and possibility of Strategic Air Command with control over all strategic forces and mission including strategic reconnaissance, airlift, long range strike and surface to surface engagement."

1.48 In this context the Ministry further stated:

"Army Hqrs. had proposed bifurcation of Air Defence Artillery from the Regiment of Artillery and establishment of a separate corps of Army Air Defence. Army Hqrs. have been advised to submit a paper indicating the detailed proposal to clearly bring out the foreseen advantages of the proposed reorganisation on the understanding that the same shall duly accommodate the near future induction of missiles and on the condition that no new/additional costs on account of manpower, vehicle, equipments, infrastructure etc. shall be involved."

J. Cost effectiveness of Force Level and Manpower Utilisation Policies

1.49 Regarding any study conducted on the cost effectiveness of existing force level and manpower utilisation policies; providing details of its conclusions and follow-up action, the Ministry of Defence in their preliminary material furnished to the Committee stated that;

"In the Army, Navy and the Air Force, force levels are always sanctioned as additions to the existing levels. This is notwithstanding the redeployment of existing forces, to achieve optimum results or to cater to changes in threat perceptions/security scenarios /technological advancement. Additions to force levels are preceded by a detailed analysis of the circumstances warranting the additions, as also of the various options available. The cost effectiveness of each option is taken into consideration while selecting the most appropriate option, which, no doubt, will also depend upon many other factors.

The analysis referred to above is preferably done through in-house efforts, because of the sensitivity involved. Studies on additions to Army force levels, the determination of Naval force levels and changes in Air Force strategies are always done by Expert Committees composed from within the Service concerned. The broad details of additions to existing Naval and Air Force levels are also undertaken by the Services themselves. Over the years, a number of such in-house studies have been undertaken and, invariably, these have formed the basis for future force level planning in these Services. All these studies are classified in nature.

Even after the basic decision with regard to the numbers (i.e. addition to force levels) have been taken, there are other decisions, such as those relating to type of ship/submarine/aircraft/weapon system etc. which need to be taken. Here again, because of the sensitivity involved, in-house studies are undertaken.

Since 1986, the review of the overall force levels for each of the three Services and the most desirable inter-Services mix is also undertaken by the Defence Planning Staff. The process of formulation of the Seventh Defence Plan (1985-90) was initiated much before

the creation of DPS. Thus, in the Seventh Defence Plan, the issue of appropriate force-mix was not articulated in an elaborate manner. However, DPS has since been engaged in the formulation of a fully integrated Eighth Defence Plan (1990-95) in which the force-mix factor shall receive high attention.

Various other studies relating to the cost effectiveness of inventory/stores management/repair and maintenance philosophy etc. in the three Services have been undertaken from time to time. These are also sensitive in nature and, therefore, classified."

Action on the Recommendations of the Expert Committees

1.50 Regarding Expert Committee constituted by Army HQs, on the question for overall reviews and rationalisation of Army for time to time, the Ministry of Defence stated that Army Headquarters institutes expert committees and one such Expert Committee was constituted by Government in September 1975 to investigate the possibilities and suggest measures for bringing about additional effectiveness as well as economies in the management and functioning of the Army. The Committee submitted their report in July 76. The recommendations were examined with the Field Force Commanders and heads of arms and services concerned and large number of recommendations were accepted in toto/in modified form. In some cases trials were also conducted for concept validation.

1.51 The Committee desired to know about the recommendations of the Expert Committee that were accepted but not implemented. Reference was also made to the recommendation with respect to raising of air mobile division which was accepted but not implemented. In this regard, the Secretary, Ministry of Defence, stated during evidence:

"One major reason has been lack of resources. Viewing the accepted recommendation with reference to other high priority-demands within the Services, it is to be considered whether Air Mobile Division would come first or the Army Aviation Wing should come first. Army Aviation Wing has become a reality, But the Air Mobile Division may take some more time when it comes about. This kind of scrutiny is going on. The fact that it is not implemented does not mean that it has been put into permanent cold storage but it remains dormant. Except for some hard cases, these are the reasons. In some cases, the ground situation has changed and the General Staff reviews have shown that the next Expert Committee's views should be awaited. The recommendation of another Expert Committee, the Narasimhan Committee, we will be going through shortly. That is viewed from the current context of the situation in the Defence Ministry. I think, it requires speedy handling."

1.52 A second Expert Committee was formed by Army HQ in April 1989 with the following tasks:—

- (a) Examine critically all organisations and suggest re-organisations resulting in more effective utilisation of manpower and equipment.
- (b) Revise scaling and manning patterns of equipment to ensure more economic utilisation.
- (c) Examine over-all force level for opposing and suggest changes as considered necessary in each sector.
- (d) Assess areas of weakness and suggest ways and means of redeployment of resources to make it more effective.
- (e) Examine existing logistic structure and suggest measures to improve functional efficiency as well as achieve economy where feasible.

The Committee submitted their report to the Army HQs in April 1990. The recommendations are under consideration of Army HQs in consultation with HQ Command, lower formations and units and concerned branches/directorates.

1.53 Further, in their post evidence replies, the Ministry stated:

“Army HQs had shared all major issues raised in the Expert Committee of 1989 report with the Committee on Defence Expenditure so that the same are debated and included in the CDE’s report on economy. The CDE has already submitted its report, which is under examination in the Ministry.

Simultaneously, a Steering Committee has been set up in the Army HQs under the Chairmanship of Vice Chief of Army Staff to take a view on the Expert Committee recommendations. Proposals pursuant to the Expert Committee recommendations requiring Government’s approval, would be processed expeditiously, as and when received from the Army HQs.”

K. Equipment Force Level Correlation

1.54 On the correlation between enhancement/reduction of force level and equipment requirements, the Ministry of Defence in their preliminary material stated as under:—

ARMY

“Based on approved force levels and structure, the requirements of equipments are worked out. The Army HQs carefully analyse each component of the force structure to determine the requirements of equipments. The nature and requirement of the equipment depends on various factors related to force levels thus co-ordination between force levels and equipment requirements are carried out effectively and the force levels are raised or the forces are re-equipped with new weapon systems after the equipment is inducted.

The existing weapons/equipment are either required to be upgraded (with suitable modifications) so that they are battle worthy for the next 10-15 years or new platforms (based on state of art technology) are to be inducted to replace obsolete equipment. Some of the equipment like CBI have a force multiplier effect, without any physical increase in the force levels.

In the Army HQs., there is a standing Committee called the General Staff Equipment Policy Committee which determines the requirements of equipment for the force structure and the need for modernisation of the equipment and systems. Only in cases where the requirements of equipment are limited and cannot be met indigenously, imports are resorted to. In cases where the Army has immediate/long term requirements and the indigenous development would take an unacceptably long time, imports of minimum quantities of equipment to meet immediate requirements and import of technology under licence for meeting the long term requirements indigenously are undertaken. The forces are given training in the operation and use of the new sophisticated equipment. In order to improve the level of training and to impart training in a cost effective manner, simulators of sophisticated equipments are procured so that real-time training is imparted to the Army personnel in the use of the weapons and the force levels raised have the requisite experience and training to meet the requirements in a combat zone.

NAVY

There is a definite correlation between enhancement of force level and equipment requirements in the Navy. Being equipment intensive, the size/character of the force level in the Navy is, to a large extent, determined by the equipment inducted. Choice of equipment is predominantly used to enhance the effectiveness of the existing force level, thereby achieving a force multiplier effect. The existing force level and the equipment which is/can be fitted on them is continuously examined to prevent obsolescence and to make sure that the force levels are contemporary in a scenario in which the threats are rapidly acquiring different dimensions owing to the fast pace of technological developments.

The choice of a particular type of ship/submarine/aircraft necessitates the procurement of other equipments to support and maintain them. Thus, increase in the force levels will also require increase in the quantum of support/maintenance equipment. These equipment will not only have to be procured but also integrated into composite support/maintenance facilities for which the planning process would need to commence simultaneously with the plans for acquisition of the ship/submarine/aircraft.

AIR FORCE

The manpower requirements of the Air Force are dependent upon the number of aircraft, helicopters, radars, missiles and other equipment, their sub systems and the number of Commands, Wings, Stations and Units. An increase in the number of aircraft, helicopters and radars entails an almost proportional increase in the number of aircrew/operating crew. It also entails an increase in the manpower for maintenance. However, the number of logistic and administrative staff is not directly related to the number of Commands, Wings, Stations, Depots and other Units, their spread over the country and the quantum and type of spares to be procured from abroad and from indigenous sources. A decrease in the force level in terms of aircraft, helicopters, radars and missiles may not necessarily entail a decrease in manpower as such a step will normally be accompanied by the induction of more modern aircraft and other equipment with large number of systems and sub systems. The overall requirement of manpower is, therefore, assessed on merits with regard to all the above factors and the norms laid down for common type of activities."

1.55 Asked whether this type of co-ordination was effective and working satisfactorily, the Ministry stated:

“The choice of equipment, whether it is the basic/submarine/aircraft/weapon system of those required to support and maintain such vessels/aircraft/weapon systems, is determined by several factors: the indigenous existing capability/capacity; whether it is possible or even desirable to develop these further; the availability of resources, particularly the foreign exchange element; the time frame for introduction of the new weapon system/equipment etc.; the political situation in and equations with the countries where such weapon systems/equipment are available etc. etc.

The decision as to which equipment is to be procured for a given purpose is dependent on all the aforesaid factors and the equipment finally procured will, therefore, have to be on the basis of overall advantage to the Service/Government.

Experience has shown that there are gaps between the time when the need for the equipment was initially identified and the time when they finally become available, specially in regard to the support/maintenance equipment which have to be integrated into existing/new facilities. Nevertheless, it has been the constant endeavour of the Services/Government to reduce such gaps and achieve as much coordination as possible, within the obtaining constraints.”

L. Aid to Civil Authority

1.56 Regarding frequent deployment of Armed Forces in aid to civil authorities, the Ministry of Defence have stated that as per policies, the deployment of Army in aid to civil authorities should be as a last resort, and that too for a minimum period. Raising of Rashtriya Rifles, a para military force under the Army is one of the measures towards reducing the actual incidence of Army's involvement. The tasks entrusted to the Rashtriya Rifles are rear area security; counter insurgency operations; maintenance of law and order and aid to civil authorities and augmentation of the field force during war like situation.

1.57 On the concept of Rashtriya Rifles, the Ministry of Defence have informed the Committee that in the recent years, a hitherto unknown dimension has been added to our security concerns a threat to rear areas of the battle zone from enemy commandos and terrorists. Terrorist groups are highly motivated, well trained and armed with sophisticated weapons. They are organised like guerrilla units on military lines with well specified channels of command and control emanating from across the border. There is also the possibility of another dimension to this threat in the form of enemy air borne/para dropped commandos fully supported by local terrorists. It is felt that as the civil authorities are not trained or equipped to withstand such attacks merely through the deployment of para military forces, a specialised Army oriented force will be necessary to effectively tackle the situation. During actual operations, the Army would not be in a position to divert its troops from their operational tasks to perform protection duties in the rear areas. The proposed para-military force will be a back-up for the regular Army and be employed in tackling insurgency, internal security duties, rear area security and special operations. Conceptually it will:

- (a) operate under the direct control of the Army, be officered by the Army and have Army ethos;
- (b) initially draw its entire manpower from the Army; Subsequently, it will have its own organisational structure, recruitment, training and administration. However, it will continue to be officered by the Army and remain under the direct control of the Army.

1.58 Clarifying the position in this regard, the Secretary stated during evidence:

"6 Battalions have been raised by collateral induction, i.e. men and officers on deputation from Army to Rashtriya Rifles. We have stopped further expansion till the matter is discussed further by the present Minister, Finance Minister with the Prime Minister and the Army Chief."

1.59 The Ministry of Defence have furnished to the Committee latest details on the present position of the concept of Rashtriya Rifles alongwith the financial implications thereof as under:

"Raising of Rashtriya Rifles is being implemented in a phased manner. Following raisings ordered for the year 1990-91 have been completed:

- (a) Hqrs. DGRR
- (b) Two sector Hqrs.
- (c) Six Rashtriya Rifles Battalions.

For the year 1991-92, approval for raising one sector Hqrs. and 3 Rashtriya Rifles Battalions exists. However, in view of the financial constraints, plan for raising the projected 15 Rashtriya Rifles Battalions may not be possible. The approx. cost of raising Rashtriya Rifles will be as follows:

(a) Personnel, weapons and equipment

	Initial cost	Recurring cost	Total
	(Rs. in Crores)		
For the 1st phase of 6 Bns.	35.64	29.01	64.65
For the total force of 15 Bns.	88.21	70.06	158.27

(b) Capital Works

- (i) The cost of constructions for 6 Bns. 2 Sector Hqrs., the Directorate General and related support establishments will be approximately Rs. 63.12 crores. The cost of construction for 15 Bns. 5 Sector Hqrs., the Directorate General and related support establishments will be approximately Rs. 143.94 crores.
- (ii) *Cost of Land:* Land will be given from within the existing resources of the Army, to the extent available. A decision has recently been taken not to proceed with any further raising of RR units over and above what has already been raised, in view of resources constraints."

1.60 The Navy are basically employed to assist the civil authorities during natural calamities and for maintaining essential services during strikes. No adverse effect on the morale and combat effectiveness of Naval personnel has been observed on these counts.

1.61 The IAF is mainly called upon to assist the Civil authorities for meeting internal disturbance or national calamities in terms of airlifting para military forces to disturbed areas, air dropping of supplies, rescue of civilians marooned during floods, earthquakes etc. Such tasks do not affect the morale of IAF personnel or their combat effectiveness.

1.62 The Ministry of Defence however admitted that no specific examination regarding the adverse effect, if any, arising from frequent military aid to civil power has been recently made.

1.63 Being asked about the additional task which the three services have to do sometimes is always at the cost of something, the Secretary, Ministry of Defence replied:

“Not necessarily. The more recent examples of the additional task assigned to the Army relate to their responsibilities in the area of internal security. But I would say that the Army's own internal functioning is fortunately reasonably flexible. I concede that every task which cannot be reasonably dealt with by the authorities who are responsible to perform the task gets transferred to the Army. The Army is very well aware of what you are saying. Personally, I am extremely aware of what you are saying and the Government is not unaware except that in some of these problems that we are negotiating today, do not have the minimum solution till the other sectors of responsibilities match their capabilities to the problems which are emerging on the scene. In India, as of now, the air support that air force has provided always remains unpublicised, undiscussed, whether it is floods, cyclone or drought relief or transporting para military force from one place to the other. There is a great deal of strain on the air force also in certain areas of J&K and NE where only helicopters can fly.

The Navy fortunately is slightly privileged in the sense that they can go into action only in given circumstances. When it is a question of cyclone or flood, it is the Navy that offers help. In cases where there is a mishap and if a diving team is needed, divers are rushed immediately by the Navy and relief is provided. These are examples of what we do round the year in meeting all kinds of problems which are divergent, in nature.”

1.64 Giving his own personal views, the Defence Secretary stated during evidence:

“My own view as Defence Secretary is that we should not raise any further formation which is at the cost of the Army.

Second is, the Olive Green involvement in civil strife now and in the years to come, whether it is regular Army or a force under the Army control, it is very difficult whether it is Northeast or elsewhere. Assam Rifles is taken as being a part of the Army. It is very difficult to convince anybody that it is not the regular Army. I have my own perception on the basis of professional, personal background as in Punjab. As it happens, the Government after taking the views of all concerned, specially of the then Chief of Army Staff a decision was taken that there should be a force. At that time, the immediate

compulsion or anxiety related to the situation in Punjab and the fact that the rear area security, specially guarding vital areas, vital installations was causing great concern to the Army Chief and to the Government. So, this decision did come about."

Conclusions .

National Security Doctrine

1.65 The Committee are apprised that force level under Ministry of Defence are determined by the dynamic perspectives of the security scenario coupled with the overall availability of resources within a plan period, competing demands from other prioritised sectors, the technological developments and other systemic inputs. They are shocked to find that the question of force level which is inherently linked with perspectives on national security should be dealt with on such vague and unpredictable considerations. Even as national security problems are influenced by dynamics of global, political, economic and technological environment these are, nevertheless, essentially rooted in the geography and history of a nation. The Committee are therefore not able to fully comprehend the statement that Indian Defence Policy has been to defend her territory. This, they feel, is a needless over-simplification. In this context, the Committee are dismayed to note that suddenly emerging situations such as Gulf War should throw defence planning into disarray, thus ultimately, affect adversely, the defence capability of the country.

1.66 Further, the Committee deprecate the fact that the country has fought four wars and launched armed operations in and at the request of neighbouring countries without a clear articulated and integrated defence policy. The Committee firmly believe that underlying the question of force levels is the question of having a formal National Security Doctrine. The Committee are deeply disturbed at the absence of such a doctrine. It is also their belief that such a doctrine must not only take a long term view of national security affairs but should also be comprehensive enough to encompass country's vulnerabilities in relation to internal security.

Operational Directive

1.67 The Committee are further informed that Ministry of Defence has issued to the three Services viz. Army, Navy and Air Force an Operational Directive. Taking note of the description of the document given to them, the Committee can safely assume that it is a set of tasks given to be performed by three Services in a particular situation. However, they are convinced that, such a document cannot be equated with a policy on National Security. In fact the Committee are of the opinion that directions and tasks must necessarily flow from a well-defined policy or else tasks to be performed by the armed forces can tend to be guided by ad-hocism.

Higher Direction of Defence Services

1.68 The Committee note that the apparatus for higher direction in the Ministry of Defence are periodic ministerial meetings with the Chiefs of the three Services and senior civil servants, besides the meetings held at the level of Chiefs of the Staff. However, the Committee are of the opinion that in absence of a political direction such meetings would tend to be routine in nature. Such meetings can, obviously neither serve as a viable national security apparatus nor provide inputs necessary for appropriate direction of defence management. The Committee are painfully aware that any degree of political instability in the Government would rob the existing system of what ever effectiveness it has demonstrated hitherto. In this context, the Committee are least heartened by the manner in which the National Security Council was set up in 1990 and are hardly surprised that it has really not taken off. The Committee, therefore, feel that the Government should evolve a more formal manner of higher direction of national security, taking a holistic view of national security in its both internal and external dimensions.

1.69 The Committee are informed that excessive secrecy in matters concerning Defence and uncertainties of annual budgetary support have rendered the task of formulating Defence Policy difficult. The Committee, while appreciating these difficulties are, however, surprised that not much has been done so far to overcome these by way of rationalization of the regulations governing secrecy of information and the budgetary procedure in relation to Ministry of Defence. The Committee note that culture of excessive secrecy has inhibited free and wider debate, in the country, about the issues concerning national security.

Inadequacy of Existing Force Levels

1.70 The Committee are apprised that the current force levels of the Navy are commensurate with India's current maritime interests. However, with the rise in population and depletion of land resources country's maritime interests are likely to grow very significantly in future. Besides this, the growing strength of the Naval Forces of India's potential adversaries is also a factor to be taken into account. The Committee, however, are concerned to note that owing to resource crunch the Naval Plan 1985-2000 caters for only a modest modernisation programme which includes replacement of obsolete units by suitable new inductions. For similar reasons several of the planned inductions have had to be either deferred or slowed down. The Committee are also informed that the Air Headquarters are examining the need and possibility of establishing a Strategic Air Command with control over all strategic forces and means including strategic reconnaissance, air lift, long range strike and surface-to-surface engagement. In this context the Committee are acutely conscious of the fact that, as has been conclusively demonstrated during the recently fought Gulf War, in future country will face a far greater threat from sea and the air. The Committee are convinced

that time has come to pay far greater attention to strengthening country's Naval and Air Power.

Decision Making Process

1.71 The Committee are apprised that decisions relating to Defence of the country against external aggression and related matters are taken at various levels in the Government and the Ministry of Defence, the highest such level being the Cabinet Committee of Political Affairs. While arriving at these decisions Ministry assess the threat scenario, the capabilities of the adversaries and determine the steps to be taken to face the threat. In doing so, the Ministry also interact with Ministries of External Affairs, Home Affairs and various intelligence agencies, etc. Ultimately a crystal clear directive is issued from the highest level and final decision communicated to the Service Chiefs who are to translate these directives into reality. The three Service Chiefs then determine the financial and manpower implications of the directive given to them. The resultant proposals for additional manpower, equipment and weapons are then projected back to the Ministry of Defence. The Committee find that this process almost assumes the form of a hurdle race. The proposals are reviewed at various desks in the Ministry of Defence, Ministry of Finance and the Prime Minister's Secretariat before being presented to the CCPA. The decision making process obviously gets prolonged and in some cases it is years before a decision might be taken. The Committee are apprised that underlying such costly delays are the economic constraints of the country and the competing demands from other segments of the Government. Under these circumstances it is obvious to the Committee that the directives issued by the political authority carry no concomitant assurance about the availability of resources necessary to transform them into the reality. The Committee find this situation in which the Services end up with a relatively larger share of anxiety, ironic. The Committee would like the situation to change for the better.

1.72 In their submission before the Committee the Ministry of Defence have projected somewhat contradictory viewpoints on the effectiveness of the decision making process in the Ministry. While on the one hand the periodic observations made by Comptroller and Auditor General of India and Public Accounts Committee, pointing out delayed decisions, cost overruns and missed opportunities, have been dismissed by the Ministry as procedural irregularities and position considered to be not unsatisfactory, at the same time it has been stated that the Ministry are continuing to make improvements to optimally utilise the various resources viz. manpower, money and time at all the operational levels. It has also been conceded that some matters do drag on without a decision because of the enormous financial implications involved. At the same time it has been argued before the Committee by the Secretary, Defence that mere delegation of more powers may not lead to expeditious decision making because resource constraints would compel the Service Headquarters also to procrastinate

over proposals submitted to them in the lower formations. The Committee are surprised at this loud thinking on the part of the Ministry. They are not convinced by the logic put forth and feel that by empowering the Service Headquarters to take more decisions at their own levels a great deal of time and cost can be saved by merely eliminating, to a great extent, the consequences of the gap in perception, specialisation and familiarity that exists now between Services and the civilian apparatus in the Ministry of Defence Secretariat. In fact, the Ministry itself has stressed upon the need for greater training and specialisation of civil servants inducted at various decision making levels in the Ministry of Defence. Therefore, the Committee are of the firm opinion that delegation of greater financial powers accompanied by integration of financial advice at different levels of command will be a step in the right direction.

Defence Planning

1.73 The Committee also take note of the Ministry's viewpoint that decision making in matters relating to Defence Services can become more effective if realistic Defence plan are formulated on the basis of clear national security objectives and military aims. They are further informed that in absence of these two pre-requisites most of the proposals coming before the Ministry are examined on a general basis. The Ministry are also forced to review the priorities set in the Defence plan. The Committee feel that beyond a point this tendency weakens the very rationale of planning. In fact the Ministry of Defence are of the view that Defence planning structure and process is beginning to prove insufficient.

1.74 In this context, the Committee observe that weaknesses inherent in the existing practice of tasking the Defence Services can also be traced back to the weaknesses in the Defence planning process. They are informed that Defence Planning Staff (DPS) under Ministry of Defence initiate the planning process by carrying out an assessment of strategic and technological environment of the country. However, the Committee are apprised that in financial terms only Annual Plans provide a firm basis for decision making.

1.75 The Committee, therefore, are inclined to agree with the viewpoint that both 15-year Perspective Defence Plan and the 5-year Defence Plan serve only a limited purpose. They, however, note that the Ministry of Defence are more or less reconciled to this situation. In this regard the Committee are apprised that in order to make Defence planning effort worthwhile the suggestion to let Defence plans carry concomitant assurance about budgetary allocations for at least over a period of 5 years, has not been found favourable for various legal and technical reasons. The Committee however, wish to make two observations in this context. Firstly, the fluctuations in the annual revenue of Government of India are relatively marginal and secondly, Defence expenditure has rarely been cut back. The Committee, therefore, conclude that on practical considerations, a 5-year

budget allocation should be feasible, the legal and technical difficulties notwithstanding. Moreover, since there will always be competing demands in an economy, an unlimited availability of funds can perhaps, never be expected even under the most favourable economic conditions. The Committee are convinced that the Government must firmly commit funds, at least, for these projects and procurements which are high on the priority list over a period of five years. This, they feel will not only speed up decisions but also obviate prohibitive cost over-runs.

1.76 In this context, the Committee also note that an Expert Committee of Ministry of Defence, had in 1976 recommended creation of an Air Borne Division. Though accepted, the recommendation remains unimplemented. However, the Ministry are hopeful of raising an Air Borne Division in future. The Committee are not satisfied with the explanation given by the Defence Secretary in regard to non-implementation of the recommendation for such a long period. They find it difficult to understand how a proposal which continues to remain relevant even after 16 years should have been given a low priority.

1.77 The Committee are also concerned to note that the report of Expert Committee set up in 1989 is still under consideration. They wish to underline the importance of expeditious action thereupon.

1.78 The Committee are concerned at the gaps being experienced between the identification of the need for an equipment and its operational availability due to delay in setting up support/maintenance facilities. They feel, that in this manner the country can not take full benefit of investment being made in the Defence Sector. In fact, in their opinion any complacency in the matter can even tell upon the defence preparedness of the country.

Aid to Civil Authority

1.79 Deployment in aid of civil authority is one of the legitimate functions of the armed forces. However, such use of the armed forces should be sparing and in fact resorted to when there is no other option left. The Committee are, however, perturbed by the increasing involvement of Army in the maintenance of internal security. This they feel has a deleterious affect on the combat effectiveness of the Armed Forces besides telling upon their image and morale. Since most of the internal security problems arise from political issues and administrative mismanagement, the Committee consider inappropriate, the attitude of transferring to Army more and more responsibility in handling the consequent problems. This the Committee apprehend will bring Armed Forces in direct conflict with the citizens.

In this context the Committee note that in order to ensure rear area security, to tackle insurgency and discharge internal security duties, the Government have set up Rashtriya Rifles which is to function under the direct control of the Army. Besides the Army is also expected to provide to this Force all the personnel in the initial stages and officers on a continuous basis. The Committee are apprised that this new Force is still in a state of

infancy. The Government have decided to withhold further strengthening of this Force in view of the resource constraints. The Committee however are of the view that even though Rashtriya Rifles is supposed to be a Force independent of the Army it may not be perceived by the populace to be a different organisation particularly in view of its close association with the Army. The Committee are apprehensive that setting up of such a Force may lead to a permanent involvement of Army in the maintenance of internal security which they think is not desirable. Moreover the Committee are not in favour of a new force being created at the cost of Army. A more appropriate course of action would be to strengthen and modernise the para-military forces as also State Police organisations for maintenance of the internal security including that of the rear areas.

Recommendations

The Committee, therefore, make the following recommendations:

1.80 The Government would be well advised to articulate a clear and comprehensive defence policy. This can only be based on a viable national security doctrine.

1.81 For a more effective higher direction of national security, the dormant National Security Council should be revived.

1.82 The Official Secrets Act may be reviewed and rationalised to facilitate a more meaningful debate on national security affairs.

1.83 With a view to stabilising defence plan expenditure, the feasibility of making the defence sector allocations for the entire plan period as unalterable may be examined.

1.84 The Defence Policy must take a greater note of emerging threat to the country from air and sea and must be reshaped to safeguard growing economic and maritime interests of the country. For this purpose greater attention needs to be paid in future defence plans towards modernisation of Air Force and Navy.

1.85 The process of Defence Planning and allocation of resources should be so correlated that tasks given to the Defence Services are backed by sufficient assurance about the availability of resources.

1.86 The decision making process in the Ministry of Defence needs to be reformed to avoid time and cost over-runs. For this purpose far greater powers should be delegated to the three Chiefs of Staff.

1.87 Financial Advisers may be appointed in respective Service Headquarters, and at various Command/Formation levels to ensure proper decentralisation coupled with rapid decision making and corresponding accountability.

1.88 Immediate attention may be paid to imparting greater specialisation to the civilian officers of the Ministry of Defence Secretariat.

1.89 The question of maintaining the combat effectiveness of the Armed Forces should be examined afresh in the light of the current budgetary constraints. Fleet modernisation, Force Multipliers for the Air Force and specialised troops for the Army are to be seen in this light.

1.90 Action on the recommendations of the Expert Committee set up in 1989 as well as those of the Committee on Defence Expenditure should be expedited and progress reported to the Committee within a period of six months.

1.91 Serious efforts should be made to plan infrastructure for maintenance and support service for weapon systems and equipments to minimise gap being experienced presently between the identification of the need and actual induction into service of weapons system/equipments etc.

1.92 Government should take both long term and short term measures in order to minimise the involvement of Armed Forces, particularly, the Army, in the maintenance of internal security. These measures should include modernisation and strengthening of Para-military forces as well as State Police Organisations, particularly in the border States.

1.93 The desirability of raising Rashtriya Rifles may be reviewed.

CHAPTER II

MANPOWER AND MANAGEMENT POLICY FOR THREE SERVICES

A. Policy

2.1 The Committee wanted to know whether there was a policy for manpower management, the Ministry of Defence in their written reply stated:

“The policy relating to manpower management is a means towards an end, a tool for attaining the objective underlying the resource allocation. Manpower management seeks to ensure the optimum use of the force level through appropriate recruitment policy, imaginative and effective training programme, a clearly defined personnel policy and creation of an internal structure which has a good fit with the environment as also with the strategy.”

2.2. Giving further details in respect of each of services the Ministry stated:

Army

“A policy for manpower management exists in the Army. The Army manpower is classified into Composition and Non Composition Table Units. The Composition Table Units constitute the main Field Force whereas the Non Composition Table Units comprise elements which play a supportive role to the main Field Force. The main purpose of classification of the manpower into these two categories is for ease of accounting, budgeting and evolving channels of command and control. Government sanctions manpower for the Army Five Year Plan and for its non-Plan programmes having regard to the projected force levels/structure.

Navy

Naval manpower can be classified into two categories i.e. Operational, which includes the complement/crew of ships/submarines/ aircraft etc. and Administrative and Maintenance personnel posted at the shore support and command facilities. The number of personnel required for such purposes is directly linked to the force levels of the Navy as well as the nature and type of the Naval equipment under operation. The effort has been to progressively reduce the man-ship ratio from the 1962 level of 410:1. The present manpower policy of the Navy places greater emphasis on restricting its growth by means of

re-deployment of the complements of decommissioned ships/submarines/aircrafts, cutting down of non-essential staff and increasing the productivity and efficiency of Naval personnel, particularly those employed at the Naval Dockyards and other maintenance establishments.

Air Force

The manpower employed in the Air Force can broadly be classified as aircrew for flying aircraft and helicopters; maintenance staff for the first, second, third and fourth level maintenance of aircraft, helicopters, radars, missiles and other equipment; logistic and administrative staff engaged in support activities. The aircrew required is directly related to the strength of the aircraft and helicopters being operated; the number of maintenance personnel depends upon the number of systems and sub systems of aircraft, helicopters, radars, missiles and other equipment and the complexities of such systems and sub systems; the logistic and administrative personnel required depends upon the number of commands, wings, stations and other units, the quantum and variety of spares to be procured and stored, the number of sources from which equipment and spares have to be procured and several other factors. In general, whenever there is an increase in the number of aircrafts, helicopters, radars and other equipment, the manpower requirements also increase though not always in the same ratio. Even if the number of aircraft, helicopters etc. remains constant, their mix may change and whenever new types of machines are inducted, the number of personnel required as aircrew and for maintenance may go up."

Basic Approach

2.3 The basic approach of Service HQrs. in determining their total staff requirements, as given by the Ministry of Defence is as under:

Army

"Economy in expenditure is the upper-most consideration. The staff is based entirely on the functional requirements. Expertise, experience, span of control and correlation of disciplines dealt with are important underlying considerations in deciding staffing pattern and organisation. The number of clerical personnel is dictated solely by workload and is subject to periodical review by ASEC. Wherever possible, civilian personnel are utilised in place of combatants, to be re-served for operational tasks. The authorisation of stenographic assistance and subordinate staff is done strictly as per the scales laid down.

Navy

In the Navy, staff requirements for any Ship/Submarine/Aircraft are determined according to the roles that are envisaged for them. These roles vary between different platforms. Further, in respect of a particular type of unit viz. a ship, all aspects of the design, machinery, weapons and sensors, emergency damage control arrangements and arrangements for support system determine that staff requirements. Naval staff requirements are, therefore, the sum total of the operational/support requirements of a designated unit designed to enable the same to perform its planned role in the most effective manner. They also take into account the operative environment and the tactical philosophy of the Indian Navy.

Air Force

The staff requirements for various aircrafts and systems are determined on the basis of functional aspects and the effective use of the equipment for which the following aspects are considered:

- (i) The minimum functional/operational requirements of each equipment.
- (ii) The minimum support element required to sustain the functions of the equipment at its optimum efficiency.
- (iii) The deployment necessities which emanates from the threat assessment."

Changes made in the Policy

2.4 In regard to the changes made in the Policy periodically and the need for these changes, the Ministry in their preliminary material stated:

"The manpower management encompasses the various aspects of personnel management such as recruitment, training, promotions, pay and perquisites, retirement etc. Each of these aspects, in the three Services, have, at any given time, comprehensive rules and regulations. The number of such rules and regulations is very large. The rules and regulations reflecting Government's policy in regard to a given aspect, undergo appropriate changes from time to time as may be necessitated by changes in the environment, technology etc. as also to fine tune them. At times, the attempted solutions generate fresh problems which, in turn, necessitate new approaches. Thus, the process is evolutionary. It will not be practical to provide an exhaustive account of the changes (since initial promulgation) in the various rules and regulations governing the personnel policy in the three Services, and the circumstances that dictated the changes brought about."

2.5 Asked to indicate whether these changes in policies have made any impact on the combat effectiveness of the Armed Forces, the Ministry further stated:

“Changes in policies are necessitated by changes in the environment, technology etc. and to achieve the optimum utilisation of the manpower, within existing constraints. The ultimate aim is to enhance combat effectiveness. While a qualitative assessment of “combat effectiveness” is not possible, it can be said that the various changes, have directly/indirectly, resulted in enhancing combat effectiveness. Thus, the cadre reviews have enabled the Services to utilise officers with maturity, experience and expertise in billets where these are required. It has also indirectly boosted the morale of the forces. The introduction of the Two Steam concept has enabled the Army to give command to officers of high calibre for longer tenures than would otherwise have been possible. Rationalisation of the ages of retirement have reduced grievances and improved satisfaction/morale, besides enabling the Services to utilise trained officers for longer periods. Introduction of the 10+2 Scheme in the Navy has enabled them to reduce shortfalls in recruitment and in introducing the cadets, at a very young age, to the Naval ethos, thereby enhancing not only the number of the officers but also their quality.”

Ministry's Assessment of the Policy

2.6 Asked whether the Ministry of Defence was satisfied that the present manpower policy was the most appropriate and if it could be altered, modified or improved, the Ministry stated:

“The existing manpower policy of the Services is based on the need for having efficient and well-trained manpower which is motivated/determined to defend the security/integrity of the Nation against all contingencies. Accordingly, the Recruitment, Training and Career Management of the Defence Forces are very carefully laid down in order to meet the desired objectives. Adequate career advancement prospects, satisfactory service conditions/perquisites and the provision of housing, medical and educational facilities, the grant of free rations and a wide network of benefits for ex-Servicemen have been established by the Government for ensuring the morale/motivation required of the Armed Forces.”

Cost Factor

The Ministry also stated:

“While providing for the requirements of efficient/motivated manpower for the Defence Services, Government have to duly keep in mind the financial position and the socio-economic problems of the country. In recent years, with the increase in the emoluments of Service personnel in all ranks, the grant of free rations and the steep

increase in the cost of other perquisites extended to them, the cost of manpower in the Defence Forces has been progressively going up, steeply. This has made it incumbent for the Services/Government to find ways and means of reducing the cost of manpower to be able to find more funds for the modernisation of the Defence Forces. Concerted efforts are, therefore, being continuously made by the Services/Ministry of Defence to see that the rise in the cost of manpower is curtailed to the maximum extent possible. This involves improving the teeth to tail rations as well as a review of the existing Colour Service to determine whether reduced tenures at various levels, specially of ORs/NCOs, may yield better management. These studies are on going."

2.7 Asked whether the Ministry of Defence were satisfied about their present policy regarding force level, management of manpower, promotion, advancement etc., the Ministry stated:

"The existing force levels and the prevalent policies relating to manpower management, are, by and large, satisfactory, considering the socio-economic conditions in the country. However, there is always scope for further improvement and Government constantly endeavour to identify the weak links/problem areas, to eliminate the same."

2.8 To a further query as to whether the present policy provides adequate opportunities at all levels/ranks as regards promotion and other benefits are concerned, the Ministry of Defence further replied:

"The present manpower policy is fair and equitable and provides adequate opportunity for career advancement at all levels and enables a satisfying career to the deserving/competent personnel."

Monitoring the Policy

2.9 About the steps taken to monitor the policy, the Ministry stated:

"Manpower management is kept under constant review in order to ensure that recruitment, training, promotion, appointments, transfers etc. are in keeping with the requirements of each Service. In the Army, such reviews are undertaken by the AG's and MS's Branches. In the Navy and the Air Force, the Directorate of Manpower Planning and Recruitment and the Directorate of Personnel Planning constantly monitor all functioning relating to manpower management. Whenever changes are considered necessary, appropriate decisions are taken. The obtaining policies are amended from time to time with a view to securing improved manpower management."

2.10 Asked whether the present policy involves non-governmental segments affected by it, the Ministry clarified:

“Except for Servicemen, ex-Servicemen and their families, the manpower management policies normally do not directly affect other segments of the society.”

2.11 On being asked whether the Government envisages any re-adjustment/changes in the existing policy, the Ministry replied:

“The Services/Government constantly endeavour to identify the problem areas and to find suitable resolution of the difficulties being actually faced by the Defence Personnel.”

Alternative Models of Manpower Policy

2.12 Giving details of alternative models of manpower policy and employment, the Ministry of Defence have in their written replies stated:

“Certain suggestions about manpower policy models have been made by the services etc. Briefly these are as under:

Army

(a) Voluntary National Service (VNS) Scheme.

This is a visionary scheme prepared by the DPS which proposes induction of 70% VNS men doing 5 to 7 years service and then being resettled in Civil Sector. This would take 25 years to accomplish full implementation and envisages annual absorption of 83,000 VNS Officers and 1,53,000 men in Civil Sector. If practical of implementation, it would reduce the personnel cost by 40 percent and pension bill by 80 percent.

(b) Revision of Terms of Engagement of Other Ranks of the Army.

A similar proposal, exclusively for the Army suggests reduction of terms of engagement of the combat categories to 10 years and envisages remustering of certain skilled categories (based on aptitude) and the remainder (approximately 20,000 personnel annually) to be absorbed in Civil Sector. This proposal if potential of implementation, will reduce pension bill by 64 percent and will generate saving on accommodation and other areas.

Both the above schemes envisage high level of reservation in various civil sectors for absorption of surplus manpower from the Army and would require firm commitment for such absorption. Being long term schemes, implementation of any scheme, if accepted, may have marginal impact on the 8th Plan.

An exercise to analyse the optimal utilisation of manpower by reviewing the existing norms and rationalisations of existing organisations has also been undertaken. This exercise is

likely to release manpower for re-deployment/implementation of modernisation schemes and force structure plan within the existing manpower ceiling."

Future Direction of Manpower Policy Changes

2.13 With regard to the changes in the manpower policy to enhance the combat effectiveness of the Armed Forces, the Ministry of Defence stated:

Army

"Changes in the manpower policy which are potential of enhancing the cost/combat effectiveness of Armed Forces are:

- (i) Re-deployment of manpower and equipment, which would improve the present profile and reduce the expenditure (this is already under examination).
- (ii) Improvement of the teeth to tail ratio
- (iii) Review of existing Colour Service to determine reduced tenures at various levels, especially of ORs/NCOs, may yield better management.
- (iv) Reducing the manpower in static installations where the productivity is not commensurate to the manpower employed.
- (v) Reduce Service manpower vis-a-vis civilians in production/repair installations to reduce overheads and improve productivity.

Navy

Manpower inductions need to be made on the basis of long-term projections commensurate with the growth of the force levels. For this purpose, a longterm commitment of funds is a pre-requisite. Manpower sanction should be accorded alongwith the sanctions for the new inductions/projects.

More comprehensive training facilities to be set up for the civilian manpower, as they have to progressively deal with higher levels of technology.

Career management and promotion prospects for civilian personnel need to be improved."

2.14 To a question whether there are any concrete proposals to push these ideas into the realm of possibility, the Ministry of Defence stated:

"The Committee on Defence Expenditure has considered this aspect and had recommended that it would be possible to reduce manpower without adversely effecting operational capability."

B. Regulation of Manpower Strength

2.15 In a written note to the Committee the Ministry stated:

"With the growth in the absolute numbers of personnel and the fact that personnel costs today constitute a large part of the Services

Budget, the share of resources available for pursuing modernisation schemes gets affected."

2.16 In regard to regulation of manpower strength the Ministry in a written note to the Committee stated:

"Presently the actual strength is almost the same as the authorised establishment.

Optimum utilisation of the existing manpower is ensured through following measures:

(a) Periodic Reviews of Existing Organisation.

All the existing organisations are subjected to a periodic review, every 4 to 5 years, by an expert body, namely the Army Standing Establishment Committee (ASEC). This system ensures the combat effectiveness of all the organisations taking into account weapons profile, absorption of technology and most appropriate manning norms.

(b) GS Reviews: These are undertaken by the General Staff at the Army Headquarters to take an overview of the commitment of manpower for various purposes e.g. operations, training and administrative purposes.

(c) Expert Committees: Army Headquarters institutes expert committees for overall reviews and rationalisation of the Army from time to time.

Navy

As far as ships and other operational units are concerned, the manpower complements are fully maintained. In case of other establishments, because of the time lag between sanction and the actual raising/deployment of trained manpower, certain shortages exist.

Air Force

The Air Force has tried to maintain the manpower strength slightly lower than the sanctioned Cadre so that, in case of any urgent new induction or requirement arising, the same could be sanctioned within the approved establishment."

2.17 During evidence, when the Committee asked whether the Ministry of Defence have an authorised establishment for all the three Services, the Secretary, Ministry of Defence replied in affirmative.

2.18 On being pointed out that South Western Air Command did not have an authorised establishment which had been in existence for the last

ten years and the still was being operated from a borrowed land, the Vice Chief of Air Staff clarified during evidence:

“In 1980, No. 1 Operational Group was made into SWAC. It is correct that the present establishment is that of No. 1 Operational Group and not that of a fulfilled operational Command. We have been seized with this problem and are progressing the case accordingly. However, in the interim period, we have ensured from within our own resources that SWAC has adequate manpower to conduct its assigned tasks.”

2.19 Asked why the Government could not authorise establishment for so many years. To this, the Secretary, Ministry of Defence reacted during evidence:

“What happens is that a particular need is perceived. It is agreed to by the Service Headquarters, Administration and the Finance. But small problems remain, whether the entire establishment should be hundred per cent above what the Service has. These things drag on, but it has no impact on the operational implications. Whatever the South-West Air Command constitutes in terms of officers, man and equipment, they are all there, but on a piece of paper, what constitutes authorised establishment is perhaps still not there. Perhaps before we go to Cabinet, CCPA etc. we are not satisfied and keep on pressurising for a review. We have similar examples in the Army also, where things are on the ground for a considerable period, but they are not on permanent basis.

We have not dismantled the erstwhile IPKF headquarters. The General recommended that it should be the South Headquarter under a particular name. But, we were not entirely convinced. After debate we found that we could merge it but tomorrow if there is a national contingency and we require a structure like this then this could become very handy. Your point was that such things should normally not be there. All that I would like to submit is that they do not have any adverse operational implications.”

C. Ceiling on Manpower in Three Services

2.20 There is an overall ceiling on the manpower in the Army and the Air Force. There is no such ceiling for the Navy at present which is still considered a growing Service. In spite of the aforesaid ceiling, depending on requirements, suitable additional manpower for the Army and the Air Force is being sanctioned by the Government, mainly to enable them to take up specialised tasks or to suitably man new acquisitions/assets. There are a number of modernisation projects and force multipliers which dramatically enhance the force levels.

2.21 On being asked whether a ceiling on manpower in Army implies ceiling on Force Levels, the Ministry of Defence replied in the negative.

2.22 Further, explaining the rationale behind arriving at the Manpower ceilings, the time fixed and their relevance in the present context, the Ministry of Defence stated:

“The rationale for ceiling in the Army fixed first in 1966 is based on the defence objectives, security environment geopolitical scenario and futuristic planning, keeping in view the growth modernisation of the armed forces of our adversaries. The main aim of a ceiling is to ensure optimal utilisation of the allocated resources. The ceiling for the Army was fixed in 1966. However, in the successive Five Year Defence Plans since 1966, suitable additional manpower has been selectively sanctioned, based on the aforesated objectives. Increase in manpower can take place only with Government’s approval.

The Air Force is an equipment intensive Service. To ensure operational preparedness, the Force has to constantly update its equipment in terms of new aircraft systems/equipments, necessitated by the phasing out of existing systems and/or by the threat posed by the adversary (ies). Assessment of additional manpower is undertaken for new raisings/future inductions. Since the gestation period is usually 2-4 years, manpower planning has to be done well in advance, keeping in mind the financial implications and the phasing out of certain budgetary requirements, as necessary.

In the IAF, the first cadre was authorised in April, 1964. Subsequently, a ceiling was fixed in December, 1973. This ceiling was revised in 1982, keeping in mind the large number of new Units raised within the earlier ceiling to handle equipment subsequently acquired. Subsequent to March 1985, when the ban on creation of new posts was imposed by the Government, no ceiling has been fixed. The few establishments sanctioned thereafter were approved on the merits of each case.”

2.23 In this context the then Vice Chief of Air Staff stated:

“We had a ceiling earlier on manpower but post 1985 this ceiling was not effective as a ban on creation of new posts was brought into being and, therefore, although our establishment and strength were well below the ceiling we had to go to the Government case by case in respect of the manpower. Thus, for all intents and purposes, the concept of ceiling on manpower was only hypothetical.”

2.24 Dwelling upon the point, Defence Secretary during evidence further stated:

“In the case of each of the three services, the history behind that is the expansion in the strength of Army after the post-1962 aggression, both in numbers as well as in quality in terms of new formations, new equipments, modified roles and so on. At that time, it was felt that

there has to be a considerable upward increase in the manpower. I would submit that these are the parameters imposed and there are twin considerations. One is the purely strategic and tactical consideration seeing what requires to be done in terms of a particular force, in terms of manpower. The other is to view it in terms of the available resources. We have however, in each of the three Services, tried to see how our modernisation programmes can be carried out in the years to come with the changes that are taking place all around. We have to do it indigenously when the new systems and equipments are inducted. In that case, we have to see whether manpower would be required additionally or the number could be found from within the existing levels.

So, these are the exercises that are being done on Service by Service basis."

2.25 Explaining the position further the witness added:

"As of today, only the Army has a ceiling strength which becomes an inhibiting factor. But the Navy and the Air Force are smaller Services in size. Therefore proposals for expansion are viewed on a case to case basis by a very detailed analysis on what they hold and whether it is possible without compromising their operational capabilities to the existing strengths against their fresh demands. Roughly, this is the picture."

2.26 Explaining the position in regard to the Navy, he said:

"The real meaningful expansion in the Navy has taken place from 1975 onwards. From the middle of 1989s, of course, expansion took place, on a continued basis, depending upon how long it takes to find replacement."

Role of Expert Committee

2.27 On the role of Expert Committees, the Defence Secretary during evidence said:

"Expert Committees take considerable time to discuss various issues at various levels and come up with renovation or modification of structures, re-ordering of numbers, equipment that they carry and the manner in which they will be deployed in future etc. But, this goes side by side. In the next months or two, we will be coming out with the results of the last and latest Expert Committee which the Army Headquarters has established to reorder the structures and so on. So, very interesting results appear to be on the horizon. They will lead to a great deal of improved effectiveness."

D. Combat to Support Force Ratio

2.28 On the present combat to support force ratio of the three Services and how it compares with the ratio of 1970 and 1980, the Ministry of Defence in their written replies have stated that for Army the teeth to tail ratio during 1970 and 1980 and the current are as under:—

1970		1980		1990	
Teeth	Tail	Teeth	Tail	Teeth	Tail
62	38	65	35	70	30

2.29 The concept of combat to support force ratio is not altogether relevant to the Navy because of its structure and the nature of operations undertaken. However, there is a ship to man ration which can be a very misleading index and would depend entirely on the type of the Vessel.

However after 1970 the ratio has been as follows:

	Ship to man ratio
(a) 1970	—
(b) 1980	—
(c) 1990	—

2.30 The Naval Hqrs. are not following the ship to man ratio as an index for planning purposes. This index is at times used as an expression to roughly indicate the growth of manpower of the Navy and also make a comparison with other modern Navies of the world.

Despite the introduction of high technology, which requires increased back-up support from ashore, there has been a decline in the number of personnel. However, it is relevant to emphasise that the ship to man ratio can be a very misleading index and would depend entirely on the type of the vessel. An A/c carrier can result in a ship to man ratio of 1 : 2000 whereas acquisition of a small vessel can result in a ship to man ratio of 1 : 60 or there abouts.

2.31 The Air Force is an equipment intensive service. Equipments require a large number of maintenance and support personnel. The combat element in the IAF would include all personnel of Flying Units, SACW sqns and Radar Units included in the Combat category, which constitute about 36% of the Force. The operational element comes to about 29% and includes personnel of Flying Bases/Wings, Operations Staff at Air HQs., Staff of Operation Commands and Communication Units as also Joint Operation Organisations. The support element would include all staff of Air HQs. other than Operations Branch of Repair Depots, Liaison Units and Training Units and Training Establishments constituting 31% of the Force and House Keeping staff such as personnel of Selection Centres.

AFCAO, Record Office, Hospitals, Dental Centres etc. who add up to 4% of the Air Force.

The ratios during 1970-1980 are not readily available with the Air Force.

2.32 The Ministry of Defence have been continually asking the Service HQs. to closely monitor the Teeth-to-Tail ratios, for progressive improvement of the teeth element.

E. Gap Between the Authorised and Actual Strength

2.33 The Committee also wanted to know whether there was any perceptible gap between authorised strength and existing manpower. In this connection Secretary, Ministry of Defence stated during evidence that the gap was hardly mentionable. However, the Committee called for the views of three Vice Chiefs of staff about the level at which this shortage existed and whether a similar difficulty was encountered in Navy and the Air Force. The Vice Chief of Army Staff stated during evidence:

“There are some deficiencies in the rank of Colonels and Lt. Colonels and so on but they are not significant. The deficiency really lies in the rank of Captains where we are short of almost 9,000 officers. This is causing us some concern because it is this rank which is really the cutting edge of an operational unit. The reasons for this deficiency are many but the fact is that we have a deficiency.”

2.34 On being asked whether the deficiency of 8,000 officers at the rank of Captain and below in Army was on account of not getting officers or faulty planning or due to erratic recruitment System, the Vice Chief of Army stated' during evidence:

“I do not think there are any structural problems, because the Army has not really expanded for quite some time and it has remained static. Our training establishments are under-subscribed.”

2.35 Explaining the point further, he stated:

“The reason is that adequate people are not coming forth with the required quality. While the Selection Boards do have their full complement of people coming in for each Selection, but the selection rate is such that the people are not coming up with required quality. Therefore, the capacity of institutions like the NDA or the IMA or the OTA are not fully utilised. So, the problem is that the right type of material is not coming forth, and not that there is any problem regarding any recruitment procedure and so on and so forth. The entrance examinations are conducted through the UPSC. It is an intensive examination and for that adequate publicity is given. The real problem is that the Armed forces services are not considered

attractive enough. In a survey carried out it came out that, out of nine, our rank comes seventh in order of preference of the youth of the country."

2.36 To a question whether the existing shortage would not later materially affect combat effectiveness, the witness replied:

"I would totally agree with you. But when the wastage rate is taken into account, the intake is not commensurate with the wastage, then obviously the deficiencies over the years will mount. We may have problems. It is not only within the Army that we have go to provide officers' cadre but we have also to provide officers' cadre in the Assam Rifles, NCC, National Security Guard and so on. These are the organisations where we will have to subscribe fully or at least 80 per cent. That again impinges on the efficiency of the Army. But at the moment, I would like to assure the Committee that it is not that we are in a difficult position. It is absorbable. If this trend continue, then we will run into problems."

2.37 As the deficiency was in the ranks of wing commanders and pilots, the Committee addressing to Vice Chiefs of Air Staff, enquired if it was because the Government were not able to find suitable airmen or otherwise. The Air Marshal replied:

"[As against the present approved establishments]" the deficiencies of the officers and airmen in the Air Force are to the tune of 900 and 6000 respectively. As far as the officers are concerned, the shortage mainly relates to Squadron Leaders and below and in the Flying and AE(L) Branches. We have taken steps to ensure that deficiencies are by and large made up by the turn of the century. Sudden large induction and drop in that figure soon after is not considered as advisable as we have had some experience in this regard during the period 1963 to 1967 which resulted in a serious problem to us in the officers' cadre because of the artificial bulge that had been created.

In respect of the airmen, suitable steps have also been initiated to overcome this acute shortage. We have no doubt that with help from the Government the same would be overcome in due course."

2.38 Elaborating further, the Vice Chief of Air Staff stated during evidence:

"There is no denying that the best material in the country does not opt for the Services. Notwithstanding this, the Air Force has made a

* Inserted at factual verification stage vide Ministry of Defence O.M. No. PC 14(24)/90/D (GS-V) Vol. III dt. 20.8.92.

very concerted effort particularly from 1980 onwards to attract the best material for the Air Force. This is not only in respect of the officers but also the airmen as the Air Force has a very high technological base. I have no hesitation in saying that possible help from the Government to attract better material for the services would go a long way in our aims in this regard."

2.39 Commanding on the shortage in case of Navy, Vice Chief of Naval Staff informed during evidence:

"In the case of Navy, shortage are of the order of 10 per cent and these once again are at lower levels. As against the sanctioned strength of about 7,000 (on land), we have 6200 officers. We are short of 700 to 800 people. Most of these shortages are in the technical cadres. We are trying to make up these shortages by various schemes that we have introduced over the last few years and we are hopeful that in the next two or three years, we will be able to make up the shortage if not wholly, at least partly. As far as the sailors are concerned, the shortage is about 2.5 per cent which works out to approx. 1000. This shortage too used to be mostly in the non-artificer cadre."

2.40 Enquired whether the Government was not able to find technical people or whether the recruitment system was erratic or the strength was deliberately being kept at a lower level, the witness commented as under:—

"We have no intention of keeping below the sanctioned strength. At a point of time before the Fourth Pay Commission, technical people were leaving the service earlier and that was one of the main reasons for the shortage both in the officers and artificers cadre. We have now introduced various schemes such as the university entry scheme, 10+2 scheme, etc. and these are beginning to give results. Our training pattern for the technical side is rather lengthy and it takes a while to have a fullfledged officer performing his function. These shortages which were of the order of 15 per cent have now come down to 8 to 10 per cent. We can make up this shortage also in the next couple of years."

2.41 Asked whether the existing shortages did not lead to operational difficulties, the witness replied:

"It is not so. What has happened over the years is that the services are becoming high-tech. services and we are yet to start a number of high-tech. establishments and certain facilities in the dockyards. While the

necessary sanctions have come but there is always a lag between the sanction and the actual raising and we have not been able to induct persons to make up those shortages as it takes a little while. Sanctions did come through in the last two or three years."

2.42 On being asked further whether the Navy had sufficient forward planning in this regard, the witness added:

"Yes, we did have. We used to be a buyers' Navy. We are now becoming a builders' Navy. When we were a buyers' Navy, regrettably the choice was really not of our making as it was a question of what was available whether from Soviet Union or from other sources. Therefore, those establishments were set up a little behind time. Now that we are a builders' Navy, one is able to forecast about the type of weapons or new systems that are to be installed. Now forward planning is being made adequately."

2.43 On being asked by the Committee during evidence, whether shortage of officers can be met by offering Emergency Commission, as a kind of incentive, the Secretary Ministry of Defence stated:

"I think—the very concept and approach of EC—we can have a look at it. I think that in the years to come, services, for a variety of other reasons also, they will not like to make wastages. But as a general approach to get certain fairly high percentage of the officers' cadre on a short term basis, they may do so, we do not know. But that is a matter that we are discussing internally. And what kind of package that they will ask for 5-7 years at various ranks, for various services? It is because each Service has its own attraction and lack of attraction. We are examining this to see how to not only reduce the day-to-day expenditure but to reduce the pension bill which is overtaking us. We will definitely take stock of the EC and SSC and if it suggests any lesson, we will definitely examine them."

F. Policies Regarding Recruitment/Promotion/Retirement in the Services

2.44 Commenting upon the present policy in regard to recruitment, promotion and retirement in respect of all three services, Ministry of Defence stated as under,

(i) Army

(a) Recruitment Policy Commissioned Officers

2.45 The recruitment policy aims at enrolment of young officers having a high level of intelligence and physical fitness. Efforts are made to recruit persons who display potential for being groomed into highly proficient and capable Army Officers who can motivate and inspire troops under their command and provide them effective leadership in times of peace and war.

2.46 Recruitment is done through the UPSC for admission to NDA, IMA, Officers Academy (as also Naval Academy and Air Force Academy). Normally, the recruits are of the age between 16-1/2 and 19 years with academic qualification of Class 12 passed. Officers are given regular commission after they complete the course in these training institutions. Recruitment is also made for Short Service Commission for which the prescribed age is 19 to 25 years and the qualification is Graduate Degree of a recognised University. Short Service Commission is for 5 years and before completion of this period, they are screened by the Selection Board for grant of Permanent Commission. About 50% of them are granted Permanent Commission and 35% are given extension of service for another 5 years.

2.47 In addition to these methods of recruitment there is direct entry for Engineering Graduates (Technical) and Graduates (Non-Technical) of Army Education Corps. AOC and for Military Farms after interview by the Selection Board.

2.48 Those soldiers who have served in the Army in Other Ranks for five years but have got the academic qualification of Class 12 or equivalent are selected for grant of regular commission, after passing an entrance examination conducted by the Army Headquarters and SSB. There is also an opportunity for Junior Commissioned Officers and Non-Commissioned Officers below the age of 40 years to get Permanent Commission in the Special List Cadre on the basis of their 'in Service performance' and clearance by the SSB but without any Entrance examination

Other Ranks

2.49 According to the policy, all citizens of India are eligible for recruitment into Armed Forces provided they meet the prescribed physical, medical and educational qualifications. There is no reservation for Scheduled Castes and Scheduled Tribes for recruitment in the Army. However, with a view to increase intake of personnel of these communities, rules of admission in Sainik Schools have been liberalised for them. Arrangements have also been made to give free recruitment coaching/training to the candidates from these communities.

2.50 Recruitment in the Army is done in proportion to the Recruitable Male Population (RMP) of a State. The RMP is 10% of the total number of males between the age group 17 to 22 years in each State. Although general recruitment is in accordance with the RMP but on account of fixed class composition of certain Regiments intake in these Regiments has, per force, to be taken from a particular region e.g. Dogra Regiment, Sikh Regiment, Punjab Regiment, Sikh LI, Jat Regiment, Rajputana Regiment, Rajputana Raj Rifles etc. The latest policy is that attempts should be made to have 'All Class' regiments to remove this imbalance which has continued due to historical reasons.

2.51 Recruitment is made through Recruitment Offices located all over India. Annual recruitment requirements are worked out in the

beginning of each year on the basis of vacancies arising out of retirements, discharges, battle casualties and new raisings.

**(b) Promotion Policy
Officers**

2.52 Upto the rank of Majors, officers are given time scale promotion. An officer with five years of service is promoted to the rank of Captain and with eleven years of service promoted to the rank of Major. Superseded Majors are considered for Lt. Col. by timescale. Beyond the rank of Major, promotion is made by selection on comparative merit. The main considerations are performance in various appointments, honours and awards, course profile, weaknesses, suitability for higher appointments, disciplinary background and employability of the officer. Command performance is given greater weightage. In the rank of Major General and Lt. General, officers are bifurcated into two streams 'Command & Staff' and 'Staff Only'. Officers promoted to 'Command & Staff' stream are required to hold Command appointments also. Only those officers who are superior in merit are promoted for 'Command & Staff' stream.

2.53 The selection process for the rank of Colonel and above consists of gradings by the Selection Board consisting of Senior Army Officers, approval of gradings by the Chief of the Army Staff, details scrutiny at the level of the Ministry and final approval of the Government.

Jawans

2.54 Army Jawans get an opportunity of being promoted as NCOs (Lance Nk. and Hav.) — NCOs have got further chances of promotion to JCOs (Nb. Subedar and Subedar Major). In addition to these promotion prospects, serving Army soldiers can get regular commission through Army Cadet College entry on the basis of Entrance Examination conducted by Army Headquarters and interview by the Service Selection Board provided they have the academic qualification. JCOs and NCOs below the age of 45 years can get permanent Commission after screening by the Service Selection Board without any Entrance Examination. The scheme of Regimental Commission to increase the promotion prospects of JCOs has also been introduced from May, 1984.

(c) Retirement Policy

2.55 In order to maintain a youthful profile in the Indian Army, different ages of retirement have been fixed for other ranks and commissioned officers. Therefore, ages of retirement are linked to ranks as shown in the table below:

Arm/Service	Lt. Gen.	Maj. Gen.	Brig.	Col.	Lt. Col. (Sel)	Lt. Col. (TS)	Major & Below
1	2	3	4	5	6	7	8
AC Arty Inf Engrs Sigs	58	56	54	52	52	51	50

1	2	3	4	5	6	7	8
ASC, ACC, EME & Pms	58	56	54	52	52	52	52
Food Inspection	—	—	—	—	55	52	52
JAG, AEC and MF	58	57	56	55	55	55	55
Int Corps	58	56	54	52	52	52	52
RVC	58	57	56	55	55	55	55
AMC, AOC & MNS	60	59	58	57	55	55	55
SL	58	57	56	55	55	55	55

2.56 Ages of retirement for Junior Commissioned Officers/Non-commisioned officers were revised in 1976. Following age/service limit for retirement have been laid down:

- (a) Naik — 22 years service or 47 years of age whichever is earlier.
- (b) Havaldar — 24 years pensionable service or 47 years of age whichever is earlier.
- (c) Naib Subedar/Naib Risaldar . — 26 years pensionable service or 50 years of age whichever is earlier.
- (d) Risaldar/Subedar — 28 years pensionable service of 50 years of age whichever is earlier.
- (e) Risaldar Major/Subedar Major — 32 years pensionable service or 4 years tenure or 52 years of age whichever is earlier.

Ages of retirement for other ranks were revised in 1979. These are as given under:—

- (a) GD Categories — 17 years colour service and 2 years in the reserve or 40 years of age whichever is earlier.
- (b) Semi-skilled/Technical categories — Same as above.
- (c) Skilled/Technical categories — 20 years colour service and 3 years in reserve or 46 years of age whichever is earlier.

2.57 Officers are allowed premature retirement on their request on the ground of supersession, low medical category, compassion and lack of career prospects.

(ii) Navy

a. *Recruitment Policy*

2.58 *Officers*: The recruitment into the Navy is open to all citizens of India. The recruitment of officers is made on an all India basis through the

UPSC as well as by Direct Entry. Apart from the normal quota through the NDA, the UPSC selects candidates for entry into the Naval Academy as well. In order to meet the shortfalls, the Navy has also introduced the 10+2 Scheme, both in the Executive Branch and the Technical Branch. Over and above this, there is also the University Entry Scheme. A small number of Naval Architects are also selected from the Cochin University.

2.59 *Sailors*: The sailors are recruited through Zonal Recruitment offices. The average qualification is High School. In the Technical Branch, however, there is a provision to induct Engineering diploma holders, as Artificers for the maintenance of equipment and machinery.

2.60 The schemes of intake into the officer and sailor categories are constantly reviewed to cater for qualitative changes necessitated by changes in technology in the operational units or to overcome shortfalls in intake of any category.

b. Promotion Policy

2.61 *Officers*: Upto the rank of Lt. Cdrs., officers are given time-scale promotion. An officer with 3 years service is promoted to the rank of Lieutenant and with eleven years of service promoted to the rank of Lt. Cdr. Superseded Lt. Cdrs. are considered for Commander by time-scale. Beyond the rank of Lt. Cdr. promotion is made by selection on comparative merit. The main considerations are performance in various appointments, honours and awards, weaknesses, suitability for higher appointments, disciplinary background etc. Performance at Sea is given greater weightage.

2.62 The selection process for the rank of Captain and above consists of gradings by Selection Board consisting of Senior Naval Officers, approval of grading by CNS, detailed scrutiny at the Ministry of Defence and final approval of the Government.

Sailors

2.63 Sailors get an opportunity of being promoted to Master Chief Petty Officers. In addition to these promotions prospective serving sailors can get regular commission through CW and SD List Schemes.

c. Retirement Policy

2.64 Different ages of retirement have been fixed for sailors and officers. The ages of retirement are lined to ranks as shown below. These refer to the rank held in the substantive capacity.

Upto CPOs	— 50 years
MCPOs	— 55 years
Lt Cdrs & below	— 50 years
Cdrs	— 52 years
Capt/Cmde	— 54 years

R Adm	— 56 years or 4 years tenure whichever is earlier.
V Adm/C-in-Cs	— 58 years or 4 years tenure whichever is earlier.
Admiral	— 60 years or 3 years tenure whichever is earlier.

2.65 Officers are allowed pre-mature retirement on their request on grounds of supersession, low medical category and compassionate grounds.

(iii) Air Force

A. Recruitment Policy

2.66 *Officers*: Officers into the Flying Branch are inducted through exams conducted by the UPSC followed by selection through Air Force Selection Boards. There is reservation for NCC 'C' Certificate holders and Airmen. In these cases, applications are invited directly by Air HQrs. and thereafter selection is done by the Air Force Selection Boards. Induction of Ground Duty Officers comprising Administration, Logistics, Accounts Education and Aeronautical Engineering Branches is done through Air HQrs. The applications are invited directly by Air HQrs and finalised through Air Force Selection Boards.

2.67 *Airmen*: In the IAF, recruitment of Airmen is made from the civilians. Candidates in the age group of 16 to 20 years with Matriculation as qualification and those within the age group of 16 to 22 years with 10+2 qualification, are eligible for enrolment. The selection is done on merit through a written test followed by medical examinations.

B. Promotion Policy

2.68 *Officers*: The substantive promotions upto the rank of Sqn Ldr and Wg Cdr (T/S) are granted on completion of a specified service to all officers who satisfy the QRs as per AFI 3/87, irrespective of the vacancy situation.

Promotion to the ranks of Wg Cdr and Gp Capt. are based on merit and are selective, depending on the availability of vacancies. Promotion Boards III and II decide the merit of the empanelled officers for promotion to the rank of Wg Cdr and Gp Capt respectively. Promotion to the ranks of Air Cmdrs and AVMs are based on seniority-cum-merit and decided by Promotion Board I. A Special Board is constituted for clearing officers to the rank of Air Marshal.

2.69 *Airmen*: Airmen are eligible for promotion to higher rank on fulfilling the following conditions:

AC to LAC	— After one year from passing out from Training Institutions.
LAC to CPL	— 3 years as LAC or 5 years total service.

CPL to SGT	—	4 years as CPL or 8 years total service.
SGT to JWO	—	4 years as SGT or 12 years total service.
JWO to WO	—	On selection basis with 2 years service as JWO.
WO to MWO	—	On selection basis with 4 years service as WO.

2.70 In practice, however, Corporals of Gps I & II are promoted to the rank of Sgt. after 10 years service and those belonging to Gps III and IV after 12 years service. Further promotions are authorised on the basis of availability of vacancies on each trade.

C. Retirement Policy

2.71 *Officers:* The retirement ages for AF officers are given below

	Flying	Ground
Sqn Ldr	48	52
Wg Cdr (T/S)	50	52
Wg Cdr (Sel)	50	52
Gp Capt	50 (52)	55
Air Cmde	52 (54)	55
A V M	55 (56)	55 (56)
Air Mshl	58	58
A C M	60	—

Note: 1. Figures in brackets indicate extendable ages.
 2. Retirement ages for officers of Edn and Met branches, upto the rank of Air Cmde is 55 years.

2.72 *Airmen:* Candidates are initially recruited (w.e.f. 20 Aug. 79) for a period of 20 years. Thereafter, they are granted extension of service for a period of 6 years followed by a span of 3 years at a time till they attain the age of superannuation i.e. 55 years subject to their suitability, willingness and requirement of service.

2.73 On the changes in the ages of retirement, the Ministry of Defence stated that for Army Officers, there was a rank-wise range of ages of retirement. Army officers were screened for retention in service after attainment of the minimum age of retirement. This screening has been dispensed with and retirement ages modified.

In the Air Force, the retirement ages of officers were revised in 1981 to reduce the disparity in the retirement ages that existed between the Flying Branch Officers and Officers of equivalent ranks of the other two Services.

The age of retirement for ORs in the Army were revised in 1976. The initial engagement now is for 20 years for the skilled/technical categories and 17 years for others. In the Navy, the initial engagement in respect of non artificer sailors was raised from 10 to 15 years, in 1976. As regards Artificers, it was further raised from 15 to 20 years in 1986. For the Airmen in the IAF, the initial engagement was increased to 15 years in 1969 and to 20 years in 1979. Apart from being a reflection of the overall increase in life expectancy, it enabled the Services to retain for longer periods personnel trained at considerable cost.

2.74 On being asked about the suggestions for improvement in the present policy for three services in the recruitment, promotion, retirement and post retirement benefits for all ranks, the Ministry in their written replies stated:

“The present manpower policy in regard to the recruitment, promotion, retirement, post-retirement benefits has evolved over a considerable period. While no patent approaches can be suggested, across the board for the Services and other Armed Forces of the Union, improvement in manpower policy and management would require sustained critical review.”

G. Cadre Review

2.75 As regards uniformity of opportunity for advancement/promotion between the various services, the Ministry of Defence stated as under:

“Opportunities for promotion in the three Services are not uniform. Promotions depend upon varying factors: the number of vacancies available; number of candidates competing for the vacancies; wastage of officers at various levels; nature of work assigned to a vacancy which in turn determines minimum service experience/qualifications required in the lower grades etc. Since these criteria are different in the three Services, the promotion opportunities vary from Service to Service.”

2.76 Further on being enquired whether an attempt has been made to rationalise advancement opportunities at all ranks and between services, the Ministry of Defence furnished that the two Cadre Reviews held in 1980 and 1984 did take into account the promotion prospects of various ranks in the three Services. It is not possible to achieve uniformity for all the Services in respect of promotion prospects.

2.77 In their preliminary material, the Ministry of Defence on cadre Reviews have stated that primarily to increase the promotion prospects of Service Officers, two Cadre Reviews were held, one in 1980 and the other in 1984. The most important aspect of these reviews was the change in the level of command. The reviews resulted in a very substantial increase in

the number of Selection Grade ranks, as would be clear from the following:—

Rank	Army		Navy		Air Force	
	Increase in 1st cadre review	Increase in 2nd cadre review	Increase in 1st cadre review	Increase in 2nd cadre review	Increase in 1st cadre review	Increase in 2nd cadre review
1	2	3	4	5	6	7
Lt. Gen., V Adm., AML	+11	+11	+3	+2	+5	+4
Maj. Gen., R. Adm., AVML	+51	+41	+5	+5	+11	+10
Brig. Cmdr	+125	+120			+10	+30
Air Cdre			+52	+45		
Col. Capt.	+458	+1941			+70	+170
Gp. Capt.						
Lt. Col., Cdr Wg Cdr	0	0	+60	+100	+280	+677

2.78 These increases in the cadre strengths across the line, enabled the Services to utilise officers with maturity, experience and expertise in billets where these were required, besides the improvement in the promotion prospects having a beneficial impact on the morale of the Service Officers, particularly at the lower levels.

2.79 In respect of JCOs and ORs in the Army, Sailors in the Navy and Airmen in the Air Force, the promotion prospects were improved through rank up-gradations. The increases have been equally substantial as may be seen from the following tables:—

ARMY

Rank	Increase in 1st cadre review	Increase in 2nd cadre review
1	2	3
Sub. Maj.	+990	+800
Sub.	+14266	+2000
Nb. Sub.	+1610	+6945
Hav.	+43167	+12445
Naik	+46732	
L/NK	+45633	
Sepoy	-152398	-22190
<i>NAVY</i>		
MCPO/CPO	+1544	+390
PO	+2744	+60

1	2	3
Ldg. & below	-4284	-450
AIR FORCE		
MWO	+509	+445
WO	+604	+345
JWO	+2742	+827
Sgt.	+12701	+247
Cpls & below	-16556	-1864

2.80 Cadre reviews had increased the rank's pay/retirement ages. Asked whether this review simultaneously involve an enhancement in responsibility and the authority commensurate with rank, the Ministry of Defence in their written replies stated:

"With these Cadre Reviews there has been upgradation in the appointment in the select ranks of Lt Col and above. Due to the upgradation there has been readjustment in the responsibilities and the qualitative requirements for the appointments. Earlier, the Battalions/Regiments were being commanded by Lt Cols. After the Second Cadre Review the Battalions/Regiments with a strength of 600 and above are being commanded by full Colonels. In the Army rank structure, authority goes with the appointment held by an officer and his seniority. The job content of the appointments upgraded as a result of Cadre Reviews was taken into account at the time of upgradation."

2.81 The Ministry in their written statements to the Committee attributed more or less similar advantages to Cadre Review carried out in the Navy and Air Force.

2.82 During evidence Vice Chief of Air Staff in this context stated:

"Cadre reviews in the I.A.F. have been carried out in order to ensure functional efficiency and keeping in view the actual conditions with regard to enhanced responsibility alongwith rank. We have got Chadha Committee. We have three categories which we have implemented."

2.83 The Vice Chief of Naval Staff also placed his views before the Committee as under:

"The increases in the cadre strength have enabled the Navy to utilise officers with maturity, experience and expertise where these were necessary. The improvements in the promotion prospects have had a positive impact on the morale of the Naval Officers, particularly at the lower levels."

Problems Created by Cadre Review

2.84 Asked whether the Cadre review had stabilised and whether it was irreversible, the Secretary, Ministry of Defence stated during evidence:

"I do not think anything is non-reversible. Certain openings which were created in each of the three Services are irreversible. Senior level post over a period of time would take away the irrelevance of having very senior officers performing the task of Lt. Gen, which was performed by Col. in the past. That is ridiculous. I think, the Services themselves are aware of this. I would say that they have to see that the new requirements of senior level posts are adjusted against some of the cushions which they have in the existing structure. This has already been done in each of the three Services. But at the middle level, for instance in the Army, the damage was done."

2.85 Asked how the bulge created by Cadre Review at certain levels are being reduced the Defence Secretary during evidence said:

"So far as the bulges are concerned, they are the direct consequences of the first and second cadre revisions. It takes a little time for things to get even. We have a scheme where we can make it well known that anybody who wants to leave can leave. In a period of 12 months or 18 months, if the officer is one of the high runners in the upper bracket, one would not let him go. If it is the people in the middle bracket, they will be encouraged to go with the helping hand from the Government in regard to reemployment and resettlement. I think, there is a good case for getting rid of the bulge. These are the problems which we have created ourselves.

Now we are planning to see what further can be done to reduce these aberrations to the basic minimum."

2.86 To an observations that in all the three wings, shortages are found in the critical areas of wing commanders, captains and technical people the Secretary Ministry of Defence stated during evidence:

"There are three or four areas which have been identified in 1985-86 when the General Staff Review was taking place and the Ministry reviewed these matters. One was in the field of nursing staff and one was in the ranks of officers for Army Medical Corps and the others were in the technical wings of Navy and Air Force especially, and partially in the case of the technical wings of the Army. Then the Navy and Air Force initiated special recruitment drives more oriented to the kind of people they would like to induct through schemes like 10+2 cadet entries, direct entry from the university, short service commission, etc. These approaches were followed to fill up even the cockpit vacancies in the Air Force. Because of these efforts over a period of time and because of a visible increase in the remuneration and perquisites after the 4th Pay Commission, the number of people

leaving the services at given levels has gone down. Except in some critical areas which have high market value with four or five times more pay, the position is not bad and there is nothing to cause worry. Things are in hand, and can be evened out."

H. Age Profile of the Service

About the average age of troops (ORS) and Battalion Commanders in the Army and their status in 1970 and 1980, the Ministry of Defence in their written note furnished to the Committee stated that the average age of ORs and Battalion Commanders is 35 years and 40 years, respectively. The data for 1970 and 1980 are not immediately available. However, it may be stated that in the 1970s, the profile was much more youthful in both categories. Since the Colour Service period was increased in the 1970s, the age profile of ORs increased. Similarly, after the Second Cadre review, since the rank of OCs was upgraded from Lt Col to full Colonel, there has been increase in the age at this level also.

2.88 Asked whether the existing colour service was being reviewed, the Secretary, Ministry of Defence stated:

"So far as the Army colour service is concerned, we are any time awaiting the recommendation of the Chief of the Army Staff. We have done a great deal of work earlier. We referred it to the Chief of Army Staff. We are awaiting his recommendation any time now."

2.89 The Committee pointed out during evidence that even if the servicemen today join at the age of 16 years, they are there upto 40 years, the witness stated:

"We admit that the profile is much older than in the past."

2.90 Further elaborating the point, the Vice Chief of Army Staff replied:

"In the case of commanding officer, today the situation is that the commanding officer i.e. full Colonel, the average age is about 46. And this has caused us concern. In fact, this factor became manifest in the performance of individual units in Sri Lanka, which was basically infantry operation requiring very good standards of physical fitness. As a result of analysis carried out we have found that wherever there was a younger age group in a unit, it did better than the other. We have discussed this issue in the Army Commanders Conference and certain exercises have been done to try to reverse this. We hope that in the next two years we may be able to bring down the age from 46 years to 42 years. But at the age of 42 it is very difficult for the commanding officer to respond to a war situation in a proper manner. This is one problem that we have. So for this some answer has to be found. Defence Secretary has mentioned the scheme of handshake or attractive parting gift in the case of middle level officers. Another suggestion is to consider officers of various ranks including Lt. General, Maj. General,

Brigadier for lateral transfer to other Departments so that some more promotional avenues will attract better quality of people."

2.91 In this connection, the Vice Chief of Air Staff added:

"We, in the Air Force, are also oriented to keeping our service young. Unlike the Army, in the Air Force, it is the officers' cadre that takes active part in battle or the airman, one thing is very clear. We have reviewed the period of initial engagement not so long ago. We started with nine years and we went upto 15 years and 20 years. He is required to gain the experience as far as an air man is concerned. For example, the cadet is appointed at the age of 21 years and after completion of sixteen to seventeen years, they become Lt. Col. and Wing Commanders."

2.92 In regard to Navy, Vice Chief of Naval staff, said:

"The people rank for rank in the Navy are young as compared to the Army and Air Force. The average age of the Naval Officer in command in the rank of captain is about 45-46 years. Fortunately we have been able to manage the cadre reasonably well. In senior ranks we created or upgraded the jobs more in the field rather than in the Headquarters like Flag Officer, Naval Aviation and flag officer submarine and FOMA. The problem we are facing is in the case of Sailors, not so much in the case of Officers. That was when we created Master Chief First Class and Master Chief Second Class. We are taking measures which would ensure that these problems are overcome and the average age of the service does not unnecessarily go beyond what we would like it to be. It seems to be working out well."

2.93 In their reply on the increase in engagement periods leading to increase in the average age in service and consequently incurring higher pension bill, the Ministry of Defence stated:

"The necessity for increasing the engagement periods was felt after the 1965 war largely to provide continuity of experience and tenure and to ensure optimal use of the trained man-power available. The advantages of such a policy decision at that time overshadowed the budgetary consequences as the size of the total force was rather small."

I. Induction of Women in Armed Forces

2.94 Furnishing details as to how the induction of women would affect Armed Forces and the latest position in this regard, the Ministry of Defence, in their post evidence replies stated:

Army

"Presently, in Army induction of women is limited to Army Medical Corps and Military Nursing Services. It was earlier felt that due to

difficult and varied service conditions in Army, induction of women should be difficult. This perception has changed and currently the modalities of induction of women into Army are being reviewed afresh.

Navy

Presently women are inducted only in the medical and nursing branches. However, a proposal is under consideration to induct women officers in Logistics, Education and Law branches of Navy. This will not only provide women a greater chance to serve in the cause of defence of the country, but would also be in keeping with their equal status with men in almost all spheres of human activity.

Air Force

A proposal for the induction of women into the officer cadre of the non-technical ground branches of the Air Force is under consideration."

Conclusions

2.95 The Committee are informed that the policy relating to management of manpower in the Defence Services subserves the objectives underlying the resource allocation to the Defence sector and therefore seeks to ensure optimum use of force levels. Appropriate recruitment and personnel policies besides an effective training programme and creation of an internal structure that is well tuned with the environmental and strategic factors, are the essential components of this policy.

2.96 The Committee are further apprised that with the growth in the absolute numbers of personnel and the fact that personnel costs today constitute a large part of Services budget the share of resources available for modernization schemes gets affected. As budgetary support is circumscribed by availability of resources and the competing demands from other sectors, manpower size in the Defence Services is causing anxiety at the policy making levels as well as in the Services.

2.97 A natural, but unwelcome fallout of this situation has been the difficulty being experienced by the Services in keeping the manpower well provided in terms of infrastructure, equipments, stores or welfare and in being unable to attract human resource of desired quality at existing package of incentives. Under these circumstances, despite the assertion of the Ministry that there is a manpower management policy the Committee are constrained to note that the Ministry have not been able to place before them any articulated statement outlining the basic parameters of such a Policy. They are further constrained to observe that various statements proffered by the Ministry on composition of manpower in the three Services, its functional classification, its structural features in different Services reflect but only a diffused thinking on policy issues and can not be purported to be a statement of policy. On the contrary the multifarious problems being faced currently in the management of man-

power itself underline the very absence of a well thought and long term policy in the matter. The Committee are deeply perturbed over this situation.

2.98 The Committee further find that the basic task of determining the size of the manpower has been dealt with differently in the three Services. In the Army the size of the manpower is determined on the basis of projected force level, the command structure and the concomitant support element. On the other hand in the Navy and Air Force requirement of manpower arises from the nature and number of weapon system i.e. ships and aircrafts, besides that of allied installations on the shore/ground, the different roles and mix in which weapon systems are to be deployed, the operational environment and tactical philosophy being followed. The Committee are informed by the Ministry that within the Army economy in expenditure remains the uppermost consideration whereas in the Air Force emphasis is on providing the minimum necessary manpower for operational requirement and the necessary support element. Moreover, there are Standing Establishment Committees in respect of the three Services which review periodically the manpower in each Service taking into account the relevant manpower norms, the latest weapon profiles of Services and the questions relating to absorption of new technology.

2.99 The Committee are also informed that there is an overall ceiling on manpower in the Army and Air Force. There is no such ceiling for the Navy which is still considered to be a growing Service. These ceilings, however, do not imply a ceiling on force level. In fact as and when new weapon systems or equipment are inducted into the services or their configuration undergoes a change, additional manpower requirements which may arise are sanctioned notwithstanding the ceilings. The ceilings on manpower have also been reviewed from time to time. The Committee are, however, apprised that deviations notwithstanding such a ceiling serves a useful purpose in futuristic planning and are determined taking into account Defence objectives, security environment, geo-political scenario besides the growth and modernisation of the Armed Forces of our adversaries. Moreover, to have a ceiling also helps in matching resources with the needs of the three Services thus facilitating the optimal utilisation of allocated resources. In this context, the Committee are surprised to learn that the South Western Air command has been staffed during last 10 years of its existence without there being an authorised establishment. They are further informed that in order to provide for future induction of manpower at short notice and to obviate delay in sanctioning of authorised manpower for operationalisation of new weapon systems/equipment the Air Force have developed a practice of keeping their establishment well below the ceiling. Similar logic has prevented the Army from disbanding the IPKF Headquarters even though its involvement in the Srilanka has ceased to exist. It has been argued that a National contingency may arise in future to warrant bringing together such an organisation at short notice.

2.100 From these facts the Committee cannot but infer that, under the existing set of circumstances the concept of ceiling on manpower has become hypothetical and has not been used as an effective instrument in keeping Defence manpower within limits. They also find that South Western Air Command has been operated by drawing upon the existing authorisation of other establishments which is, obviously, in excess of requirement. The Committee wish to emphasize that this is a practice of doubtful merit in as much as it militates against the very objective of having authorised manpower for individual commands/units.

2.101 The Committee are, however, apprised that indicators like teeth to tail ratio in the Army and man-ship ratio in the case of Navy have, over the years, declined and reflect an improvement in the level of efficiency/productivity in the utilisation of manpower in these Services. However, these ratios do not reflect the true picture in as much as the size of the ship or the extent of high-tech equipment deployed on it have not been taken into account. On the other hand in the Air Force the ratio of combat to support element has been established only after 1980. Hence no conclusive trend is available. The Committee are, however, amused to note that Ministry itself has called these ratios misleading. They are dismayed to find that the Ministry have not developed meaningful indicators for measuring manpower efficiency in the three Services. Further, the Committee are least impressed by the statement of the Ministry that the Service Headquarters have been continually asked by them to closely monitor the teeth to tail ratios.

2.102 The Committee are deeply perturbed to note that there are significant shortages of manpower in the three Services. These include a shortage of 9,000 officers in the rank of captains in the Army, 900 officers in the rank structure of squadron leader and below and 6000 airmen in the IAF and 700 to 800 officers and about 1000 sailors in the Navy. The Ministry have contended that the three Services have been able to live with these deficiencies and maintain their operational readiness. However, since the shortages related to those ranks which constitute the cutting edge of the Armed Forces, the Committee are alarmed by this state of affairs

2.103 The Committee are informed that one of the factors which has contributed to shortages in the ranks of Squadron Leaders/Captains etc., is the Cadre Review carried out, first in 1980 and later in 1984. Since large number of posts were created in the higher ranks, vacancies in the lower ranks could not be matched by the normal intake of officers, particularly through the Short Service Commission.

2.104 The Committee further observe that the cadre review enhanced the rank held by an officer without corresponding enhancement of authority thus causing an imbalance in his position besides giving rise to an unfavourable age profile in the Services. This has resulted in units being commanded by older men thus affecting the operational effectiveness of troops as noticed during IPKF involvement in Sri Lanka. The Committee

are also apprised of the bulge created by Cadre Review in the higher ranks. In regard to this situation, the Committee are not impressed by the Ministry's view that Cadre Review has helped in retention of officers of maturity, experience and expertise. They are afraid the baneful consequences of cadre review may prove to be irreversible unless the situation is eased by introducing attractive voluntary retirement scheme or a scheme for lateral transfer of middle rank service officers to appropriate civilian jobs in the Government. That levels of stagnation were allowed to reach a pressure point where Cadre Review became unavoidable itself speaks volumes about the myopic management of manpower in the Defence Services.

2.105 The Committee are also apprised that the Armed Forces no longer attract required quality of personnel in adequate number as a result of which training establishments like NDA, IMA and OTA have lately remained under-utilised. Besides, there are considerable wastages in the selection process itself due to sub-standard quality of human resource that drifts towards Defence Services. This trend has further accentuated the deficiency of officers in the Services. Although concerted efforts have been made by the Services to attract better quality of human resource and in adequate numbers, the results have not been uniformly encouraging. In this context, the Committee find that there is near unanimity amongst the Services in holding the view that Government must do something positive in helping the Services to overcome this problem. The Committee are inclined to accept the view that improvement in the existing terms of Short Service Commission by incorporating in it some of the attractive features of the Emergency Commission Scheme (ECS) introduced in the wake of 1962 hostilities with China, will go a long way in obviating the middle level shortage of officers in the three Services. The Committee are also of the view that for attracting officers of high quality recruitment effort of the three Services must be to focus on a wider social base particularly the rural population.

2.106 The Committee are informed that the existing terms of engagement in the three Services ensure a service profile which stretches from 18 years to 35 years. Consequently, the periods of colour service have become longer. This obviously puts the available infrastructure such as housing, medical and educational facilities etc. to great strain besides burgeoning the pension bill of the Defence Services. Moreover, prospect of comparative earlier retirement with no assurance of re-employment also dissuades potential candidates from joining the Services. The Committee are apprised that Ministry are reviewing the existing terms of engagement to reduce the period of colour service for the Servicemen. The Committee welcome this step. However, they feel a final decision in the matter must simultaneously be accompanied by a better resettlement strategy so as to ensure that the working life of the servicemen is not cut-short.

2.107 The Committee in principle welcome the induction of women in the Armed Forces which have been traditionally a preserve of the man.

However, they expect the Government to make gradual progress in this direction without, in any manner upsetting the discipline and fighting capabilities of the Services. They consider it highly important that the initiatives taken recently are thoroughly reviewed in the light of experience on the ground.

2.108 The Committee note that the Ministry of Defence are in the process of evolving an alternative model of manpower policy under which various new initiatives are contemplated. These include voluntary national service, reduced terms of engagement in the Army and lateral transfer of servicemen to various civil sectors which if implemented can reduce the Defence pension bill by 64%. Apart from this the Ministry have also highlighted the need for more comprehensive training of civilian manpower to enable them to deal with higher levels of technology besides effecting better career management and promotion prospects for them. All these matters are stated to have been deliberated upon by the Committee on Defence Expenditure.

Recommendations

The Committee make the following recommendations:

2.109 A long term and cogent manpower management policy statement needs to be prepared by the Ministry of Defence for proper direction of the manpower related affairs in the Defence Services.

2.110 The Ministry of Defence should undertake a comprehensive review of the overall number of personnel in uniform as well as the civilian staff to judge the extent to which it could to be pruned.

2.111 The manpower ceilings fixed in the Services should be determined on a futuristic basis and enforced meaningfully to ensure that these are not exceeded under any circumstances.

2.112 The data relevant for determining the ceiling on manpower at different levels should be maintained in a systematic manner and updated at appropriate fixed intervals.

2.113 For ascertaining that manpower is being optimally and productively utilised, a set of reliable indices should be developed, applied and monitored at the higher echelons of the three Services.

2.114 In order to overcome shortage of Commissioned Officers in the three Services, particularly the Army, the existing package being offered to officers recruited under the Short Service Commission Scheme should be improved upon to bring it at par with what was being offered to Officers recruited under Emergency Commission Scheme in 1962.

2.115 More Sainik Schools should be opened in the rural areas to target recruitment efforts at a wider social base and to catch appropriate human resource at a young and impressionable age.

2.116 Serious efforts may be made to bring down the age profile of the unit commanders. For this purpose attractive voluntary retirement scheme for the officers at the appropriate level should be introduced.

2.117 Steps may be taken to reduce the top heaviness of the Services in order to streamline the command structure in the Services.

2.118 In the normal course a cadre review should be used merely for fine tuning promotional policies and the rank structure and should not result in upgradation of most ranks over a wide canvas. Appropriate manpower policy models should therefore be developed to meet enhanced requirement of officers and men.

2.119 The terms of engagement in the three Services may be reviewed and desirability of a reduced colour Service considered after examining the recommendation of the Committee on Defence Expenditure.

2.120 Appropriate schemes for lateral absorption of retiring Defence personnel in civilian departments should be drawn by offering appropriate relaxations of recruitment rules and procedures. The Government should urgently prepare an appropriate scheme for gainful re-employment of ex-servicemen.

2.121 The question of induction of women in the operational arms of the Defence Services may be examined.

2.122 Greater attention may be paid to appropriately training civilian manpower in the Defence Services.

2.123 Promotion prospects of the civilian manpower in the Defence Services may be reviewed and improved upon.

2.124 The question of voluntary national service may be subject to a comprehensive national debate and all necessary steps taken for the purpose.

2.125 The report of the Committee on Defence Expenditure be placed before the Parliament for a comprehensive debate on the subject.

CHAPTER III

MANPOWER AND MANAGEMENT POLICY IN NON-COMBATANT SECTIONS VIZ. RELATING TO MINISTRY OF DEFENCE AFHQ, INTER SERVICES ORGANISATIONS, DRDO, DEFENCE PRODUCTION UNITS AND ORDNANCE FACTORIES

A Determining the Requirement of Manpower

3.1 With regard to the policy in respect of Defence organisations and establishments like the Ministry of Defence, the DRDO, Defence Production Units and Ordnance factories etc. the Ministry of Defence stated as under:

“(i) There exists a rational mechanism for determination of manpower requirements of the Ministry of Defence Sectt. Inspections, studies and reviews are conducted by the Staff Inspection Unit(SIU) of the Ministry of Finance, an independent organisation, to measure the workload and to recommend the requirement of personnel in various Sections, Divisions and Offices of the MOD Sectt. The last such study by the SIU was made in 1985 for the Deptt. of Defence. Similar studies have been made for the Deptt. of Defence Production and Supplies.

(ii) In addition, there is an Internal Work Study Unit (IWSU), which is entrusted with the responsibility of studying procedures/ performance of various Sections and conducting work measurement studies. Based on its recommendations suitable modifications, redeployment and re-arrangements are introduced in the system of working of the MOD Sectt.

(iii) Sanction of additional posts is preceded by detailed and searching examination both by the Ministry of Defence and Ministry of Finance. The MOD being a non-plan Ministry, stiff yardsticks have been prescribed and adhered to while sanctioning posts. Very few posts have been sanctioned in the last three years in the MOD Sectt. even though the Defence Budget has gone up by about 25% during the same period (87-88 to 89-90).

(iv) The MOD Sectt. has only about 1800 civilian staff in the Groups A,B,C & D posts. Annual expenditure on their salary and allowances is of the order of Rs. 8 cr. only against the total Defence Budget of Rs. 15,750 crore (90-91).

(v) Most of the Groups 'A' posts in the MOD Sectt. are manned under the Central Staffing Scheme operated by the Deptt. of Personnel and Training. Most of the Group 'B' & 'C' posts are encadred in the Central Sectt. Service, Central Sectt. Stenographer Service and Central Sectt. Clerical Service. No separate rules of recruitment are, therefore, necessary for the posts filled under the Central Staffing Scheme or by the officials belonging to Central Secretariat Services. A few posts, which are outside the purview of the Central Staffing Scheme, have their own rules of recruitment specific to the job requirements. Some of the posts under this category are: Chief Director of Purchases and Deputy Chief Director of Purchase in the Army Purchase Organisation, Planning Officers, etc."

3.2 When asked to elaborate the statement that 'there are few posts which are outside the purview of Central Staffing Scheme', the Secretary, Ministry of Defence stated during evidence:

"All posts under the Central Government Departments and Ministries wherever they are located, cannot be left to the whims and fancies of a given administrative department to say from where they will get an officer, how they will fill up a post and so on. We place our indent on the Establishment Officer in the Department of Personnel and they have a list of Officers, Section Officer upwards, the posts of which are based either on a purely Central Service or based on compilation of officers who have been screened for holding the posts of Under Secretary upwards. That is the Central Staffing Pattern Scheme but the Ministries and Departments cannot choose their own people. I have to place an indent on the establishment Officer, he will give 6-7 names, I have to do my best to select from among them the most suitable persons, then I send them to the appointments Committee of the Cabinet and if they are junior posts, they will go to the Central Establishment Board. So, there is a rigorous procedure. There are various criteria for selection. The point that was made here is that there are a few posts like our planning officers in P&C and elsewhere which cannot be made part and parcel of the Central Staffing Pattern Scheme because they are rather peculiar in their requirements. Whether in DOD, DRDO or DDP&S such posts are kept outside the Central Staffing pattern and we follow the criteria requirements of the posts and get the approval of the Minister. We also ask the Personnel Department to send us nominations for such posts. We also consult the Civilian Departments to suggest a person of our own requirements and we appoint that person for a period of two or three years. These are a very small section of the total staff of the Ministry."

3.3 The Committee during their Study Tour visited DSSC(Wellington). While holding informal discussion with the Commandant DSSC, the Committee were informed that five vacancies are reserved for civilian officers from the Central Government Services in each Staff Course. The aim of reserving these vacancies was to disseminate greater knowledge about the organisation, functioning and the ethos of the armed forces to those civilian services for whom such knowledge is of critical importance during peace and war. Till a few years ago these vacancies were generally sub-allotted to officers from the IAS, IFS, IPS, Railways, BSF and so on. Lately, however, hardly any officer from the above services, who need to have greater knowledge about the armed forces, are being detailed; instead these vacancies are being allotted to officers from services like the Indian Postal Service, Indian Telephone Service, Indian Defence Accounts Service, Military Engineering Service, Indian Ordnance Factory Service and civilian gazetted officers from defence services headquarters. Allocation of vacancies to such departments not only defeats the purpose for which they were earmarked but also degrades the values of the course.

The Committee sought the views of the Ministry of Defence on this issue. However the Ministry did not furnish any views in the matter.

* The Ministry have intimated in August, 1992:

"It is true that from 1988, there has been a fall in the number of IAS, IPS, IFS and Railway Officers nominated for the Course. This had occurred on account of certain difficulties faced by the Cadre Controlling authorities in nominating officers of the appropriate seniority for the course. For example, in the IAS, the DOP&T introduced a rule that Officers can be sent for long term training only after 9 years of service. Such an Officer would have been too senior to undergo training at the DSSC with Services Officers of the rank of Major.

The above issue was also taken by the Chief of Staff Committee with the Ministry of Defence. Accordingly, the MOD took up the matter directly with the Secretaries in the concerned Ministries. As a result of persistent follow up, for the year 1992, the MOD were able to get nominations from the IAS, IFS, IPS the Railways. In fact, the DOP&T have even waived their normal rules that IAS Officers will not be sent for long term training Courses before completing 9 years of Service. For the 1992 Course, however, no IPS Officer could be selected as the name suggested by the MHA did not meet the QRS. Similarly, the IAS Officers selected could not join the Course as the State Govt. concerned could not agree to pay the fees for the Course. The 1992 Course is, therefore, being attended by Officers from the IFS, Railways, Coast Guard, MES and the IDAS. We hope that from next year onwards, we would be in a position to nominate an IPS and an IAS Officer also for the Course.

It needs to be pointed out, however, that Services such as the Coast Guard, MES (Civilians), IDAS, IOFS etc. also have a significant role to play vis-a-vis the 3 Services. The MOD feels that it would be unfair to these Services who play a very important and supporting role, if they are not given even one slot, MOD are unable to agree with the views expressed by the Commandant DSSC that allocation of vacancies to such Departments degrades the value of the Course. While attempts to nominate officers from the IAS, IFS, IPS and the Railways will continue, the MOD will also strive to give opportunities to Civilian Officers of other Services related to the Defence Forces, to be included in the DSSC Course."

3.4 On being pointed out during evidence that since the Ministry of Defence Secretariat has only civilian staff, whether the Ministry of Defence would consider to undertake the process of examining the total number of people both civilians and uniformed, the Defence Secretary answered in affirmative and clarified:

“While we are almost entirely civilian, there are one or two areas of functioning which cannot operate only through civilian elements. For instance, in the Department of Defence Science Research, we have a number of uniformed officers up to the rank of Lt. General from the three Services who are directing and administering various important research projects or development projects, such as, the Submarine Project, the Main Battle Tank Project, etc. The entire organisation of the erstwhile DGI, which is now the Directorate General of Quality Assurance, has a mix at the headquarters of senior uniformed officers, largely from the Army but also drawn from Navy and Air Force, but they are not much in number. In the Department of Defence Production and Supplies, we have a Directorate of Planning and Coordination which has a civilian Director, but the other elements in the Directorate are from the three Services because all the planning for Defence production is done by drawing service officers on deputation for three to five years. Likewise, in the Department of Defence a Division called the planning and the Coordination Division which is partly for the entire Ministry and partly for the Department of Defence. Here we have Planning Officers drawn from the Services. They come in various ranks and we do not directly correlate them with Under Secretaries, Deputy Secretaries and all that. So, we call them Planning Officers. I just wanted to mention that even as of today, it is not that there are no uniformed people in the civil set up. But what perhaps you have in mind is for more efficient functioning and improved decision-making, we should think and consider their integration.”

B. AFHQ and Inter-Service Organisations

3.5 The civilian cadre of the AFHQ and Inter-Services Organisations located in Delhi are governed by the manpower policy of the organisation they serve. Since the Services Hqrs. and ISOs are a mix of combatants and non-combatants, arrangement exist to oversee and ensure that the pre-scribed ratio between the civilians and the combatants is maintained in different organisations and is not changed to the detriment of these civilians except with due approval of the Government. The ratio between

the combatants/non-combatants of the lower formations and the civilians of the AFHQ prescribed in different organisations is as under:

	Civilians of AFHQ	Combatants/Non-Combatants of lower formations
(a) Army HQrs.	80	20
(b) Naval HQrs.	95	5
(c) Air HQrs.	80	20
(d) IS Organisations	80	20

C. DRDO

3.6 DRDO carried out manpower planning exercises in 1987 wherein revision of PE was proposed by merging the posts which became surplus due to closure of projects and the additional manpower sanctioned for new projects. With a view to reduce administrative delays in the sanction of manpower, the Govt approved sanction of additional manpower to the extent of 8435 for new projects and merger of 4583 old project posts into the PE of the labs. The held strength of DRDO, as on 30th June, 90 is 28825.

Policies for Scientific and Technical Manpower

3.7 The manpower policies in respect of scientists (gazetted), scientific and technical manpower, and the administrative and industrial manpower has been reviewed by a Committee constituted by the SA to RM and DG, DRDO. The following policy issues have been approved by the Govt. recently in respect of Scientists (gazetted):

- (a) 100% Flexible Complementing scheme for promotion of Scientists upto the level of Sc. 'G' (Rs. 5900-7300) w.e.f. 1st July '90. This will facilitate *in-situ* promotion on merit-cum-performance basis by upgradation of the posts, where continuity is considered essential.
- (b) To restrict the sanction in the permanent strength of the DRDO, a scheme of hiring research associates has been approved.
- (c) 20 posts of Consultants and 5 posts of Emeritus Scientists have been sanctioned to avail services of specialists in specific areas.

3.8 In respect of scientists and technical personnel (non-gazetted), a merit promotion scheme, as prevailing in other scientific departments, has been devised and is awaiting approval of the Govt.

The salient features of the scheme are:—

- (a) All scientific, technical and industrial (Group B,C & D) posts will be classified into 4 groups, depending on the pay scales and qualifications.
- (b) Direct recruitment will be made at the entry level in the first three groups. There will be no direct recruitment in the Group IV, which will be filled only by promotion.
- (c) The promotions will be governed by a limited Flexible Complementing Scheme based on merit to be assessed by the Assessment Board.

3.9 In order to have the administrative structure responsive to the dynamic needs of the DRDO, a phased change in administrative, stores and finance cadre is proposed to be made by inducting professionally qualified personnel. In the new structure, the promotion and career advancement has to be linked with the performance of the staff. The new structure would also improve the teeth to tail ratio (i.e. scientists vis-a-vis administrative staff). Adequate measures are also proposed to provide the required job training as well as continuous re-training throughout the career to check obsolescence. The proposed desk based single window structure will also provide functional authority and status for the senior administrative personnel. The new structure will also provide faster career growth to the personnel in this cadre. The proposals in this regard are presently under the consideration of the Govt.

3.10 Isolated posts which did not fall within the common categories defined by Ministry of Defence have been re-categorised into appropriate regular cadres or are proposed to be re-categorised. This would facilitate appropriate career planning for the serving individuals in these posts.

3.11 As regards the posts which have been identified under the common categories by Ministry of Defence, common norms for restructuring these posts are being reviewed by a Committee of the Ministry of Defence.

D. Defence Production Units and Ordnance Factories

3.12 The Defence Production units are presently planning their manpower requirements in relation to the production plans of the units, planned utilisation of capacity and likely decreases of manpower due to retirements etc.

3.13 Manpower policy in Ordnance Factories is based on the capacity parameters projected for the creation of facilities based on which the details of manpower at different levels are determined. The capacity

parameters in turn are based on the projections made by the Armed Forces.

3.14 The Committee wanted to know as to what would happen to the manpower, if capacity parameters in defence change. Defence Secretary replied as under:

"It is a slightly complicated matter. In any sector of Government functioning and very much so involving the Ordnance Factories of which we have 38 at the moment, there have been problems in the sense that some of them are 200 year old factories; some of them are 100 years old and some of them are not even 10 years old. The Indian labour situation is that if we think of transferring an industrial employee from one factory to another even in the same State, it is very easily said, but it is difficult for implementation. We do not enjoy the quantum of workload to justify the existence of the large number of employees that we have in our ordnance factories. This enormous increase in numbers arose largely after the 1962 conflict when there was a rapid deployment and rapid mobilisation, but the requirements of the Services have been undergoing changes for understandable reasons. We do have this problem. But as a result of some of the decisions that we have taken in the past few years, we have not allowed the vacancies to be filled up by virtue of a ban order that we have imposed. We took a decision that each factory will undergo an exercise to arrive at a zero-based budget and will see the tasks and will also see the facilities available, and the average workload that the factory enjoys taking into account assumed workload in the coming years on the basis of past workloads. From about 1,86,000 employees in 38 ordnance factories, the figure has come down to a little over 1,75,000 now."

Problem of excess manpower in Defence Production Units

3.15 The total staff strength, production unit-wise with the break-up of technical/non-technical and supervisory/non-supervisory as per statistics given by the Ministry of Defence is as under:

1	Officers/Executives/ Supervisory staff		Non-Supervisory staff		Total
	Techni- cal	Non- Tech- nical	Techni- cal	Non- Tech- nical	
2	3	4	5	6	
OBB	15,740	4,561	1,04,094	52,020	1,76,415
HAL	5,720	2,364	14,945	18,609	41,638
BEL	3,369	2,514	8,165	5,297	19,345

On factual verification the Ministry of Defence have intimated in August, 1992 that the number of ordnance factories is 39.

1	2	3	4	5	6
BEML	2,048	370	13,492	1,356	17,266
BDL	572	108	1,362	426	2,468
MIDHANI	219	66	901	333	1,519
GSL	342	32	1,072	864	2,310
MDL	1,805	307	6,899	4,035	13,046
GRSE	1,131	308	6,153	2,263	9,855
				TOTAL	2,83,862

3.16 The Ministry stated further:

“The manpower rendered excess in some of the units of the Defence PSUs, on account of closing down of certain lines of production, are being retrained and deployed in the areas where workload is building up. Some of the Ordnance Factories/Defence PSUs have restricted recruitment except for the specialised technical posts. Also, voluntary retirement schemes are under operation in some PSUs to encourage employees, who are close to retirement, to leave early.”

3.17 At some units, vis HAL, MDL etc. recruitment is only made where re-training of the existing manpower is not possible. Recruitments to the new projects is also being done only after diversion of excess manpower from the existing units/projects, wherever this is feasible.

3.18 In regard to adopting a zero base approach in these matters Secretary, Ministry of Defence stated during evidence:

“A few months ago, we completed the entire task of zero-Budget approach. This has created irritation with the All India Federation of Civilian Defence employees. They are unhappy with us because we have not allowed any fresh hand to come in the last few years and naturally effecting the upward advancement of employees, as employees would like to see. But a more radical solution overnight does not appear to harmonise with our overall manpower management policy elsewhere in any other sector. That ought to happen one day, if you retrench people and give them silver hand-shake; let them go home and start their career afresh, and it would be possible to have rationalisation. But I submit with the kind of economic status that our employees enjoy without housing, without medical care, if you transfer a man from one part of the State, say West Bengal to another part of the same State, he would be virtually uprooted.”

3.19 Regarding overtime the Secretary, Ministry of Defence said:

“We have also created Zero-based budget in each factory. We have reduced over-time considerably. It was almost like Rs. 91 crores two years ago. It was brought down to something like Rs. 50 crores last year. This year, hopefully, my colleague in the Defence Production

* On factual verification the Ministry of Defence have intimated in August, 1992 that overtime was brought down to something like Rs. 78 crores.

Department is trying to provide productivity-linked bonus scheme and altogether do away with the over-time. Totally doing away with over-time was not acceptable to the Federation as they were used to over-time for over 15-20 years. We have done a great deal to reduce over-time. This is also not very welcome amongst the workers and the Federation."

Idle Capacity

3.20 Asked to comment on the utilisation of idle capacities in case of Defence Production Units particularly when manpower recruited at a particular stage is not retrenched, the Ministry of Defence stated:

"Attempts are being made to secure alternative orders, to the extent possible, from the non-defence users like MHA, ISRO, Rlys, PSUs, the civil market and also from abroad to optimally utilise available spare capacities. Presently, the available manpower is being fully utilised by virtue of the supportive load already secured from the MHA, PSUs, Railways and the Civil sector."

3.21 Highlighting the difficulties in pursuing a policy of retrenching employees, the Ministry of Defence clarified:

"It is unrealistic to expect the workers to accept retrenchment whenever there is a reduction in load. Any attempt on the part of the management in this direction would lead to serious industrial unrest."

3.22 On the privatisation of Ordnance Factories, the Ministry of Defence stated:

"The question of privatisation has to be seen on a case to case basis."

3.23 Commenting on the extent to which DPSUs depend upon orders from outside i.e. other than AFS and export orders on these units, the Ministry in their post evidence replies stated that the Ordnance Factory Board have been authorised to accept orders from foreign Government for supply of Ordnance Factories' products subject to the guidelines issued by the Ministry of External Affairs on the subject. The value of production other than for the Defence Sector in 1989-90 in respect of Defence PSUs was 41 percent of the total value of Production. The value of exports, including deemed exports, of the Defence PSUs during the year 1989-90 was Rs. 80 crores. During the period from 1.4.90 to 31.1.91 export achieved by DPSUs is of the order of Rs. 55.70 crores and the export orders on hand, as on 31.3.91 was of the orders of Rs. 103 crores.

3.24 Elaborating on the reasons and steps taken to reduce high cost of Defence Production, the Secretary, Ministry of Defence stated during evidence:

"Unit costs go up because of the inflationary impact of the materials used. Aluminium, nickel, brass and some material go into ammunition, explosives. Sometimes they are imported and sometimes they

are indigenously produced. There are two or three factors which stand in the way of production units. One is lack of certainty about their order book as to how much they would require to produce next year, the year after and the third year. If a three year picture is given, out of which atleast two years requirement should be reasonably firm then the production plan could be more efficient. Why it is not certain is because the Services sometimes cannot forecast with total certainty what they will require in the 2nd and third years. This aberration, we have corrected now. The Master General of Ordnance, who is a Senior Principal Staff Officer in the Army Headquarters, has been made a Member of the Ordnance Factory Board. The Director General of Ordnance Services, who is next below him, is also interacting with the Defence Production units and the Ordnance Factory Board. Some of the patent aberrations in last year or two have been set right. The unit cost relates to large overheads of a production unit including excessive labour or very high payments of overtime. These are some of the areas where we have not been able to, in a pure administrative manner, sort out the problem. Last year we have given the blanket authority to the Ordnance Factory Board to secure, from wherever they can get, orders from the non Defence sector in order to optimise the utilisation of their infrastructure. These are some of the factors which go into higher cost of the production units."

3.25 The Ministry stated further that the unit cost of most of the products in defence units is kept under control inspite of steep escalation of price rise. But it is not always possible to keep the unit cost at a desirable level in production units equipped with special purpose machines for highly sophisticated products which are not easily amenable for diversification. To cite a few examples are the capacity for production of infantry combat vehicles, submarines, gun barrels, ammunition items etc.

3.26 During evidence the Committee pointed out disparity in benefits provided to personnel working in Mazagon Dock Yard and Naval Dock Yard in Bombay despite almost the same job being done by these two yards. The Secretary, Ministry of Defence stated:

"This is the national problem of great dimension and it will require systematic work to sort the mess we are in for instance, we do not have a national income and wages policy. We have a Federal system; we have the private sector which have large units giving bonus and other benefits. We have the public sector which has a totally different approach to manpower, to the wages, to the emoluments and welfare schemes. Along side, the public sector units we have base workshops for Naval establishment and the disparities are there. Along side, we also have purely Government

departmental undertakings. Possibly, they are doing the same productive work. But then to co-relate all this in our national policy, very little we can do in Defence as such to try to bring about harmony.

As an example, you gave Mazagon Docks and the Naval Base in Bombay, let me say that one of the Wage Award paid to the Mazagon Dock workers is primarily meant for the textile workers which was arrived at by some labour court or Tribunals. But it also applies to Mazagon Dock workers through the court order. Our chief welder in the Mazagon Dock was getting a total remuneration which was perhaps a few rupees higher than that of its Chairman & Managing Director, The problems are there."

3.27 In their post evidence replies the Ministry, on disparity between different defence production units regarding manpower, jobs done, efficiency etc., explained:

"In so far as manpower, jobs done and efficiency of various defence units are concerned, variations exist from unit to unit because of the multi-product and multi-disciplinary nature of activities. Each discipline, namely ship building, instrumentation, aeronautical engineering, electronics etc., is unique in itself. The efficiency also depends on the state of the plant and machinery and the skills of the work force. The factories which were constructed prior to Independence require large scale modernisation for improving efficiency. This is being tackled in a phased manner."

E. Base Repair Depots/EME Workshops/Dock Yards

3.28 Regarding manning of Base Repair Depots/EME Workshops/Dock Yards etc. the Ministry of Defence in the written replies stated that EME has two distinct types of workshops viz. Army Base Workshops and Field Repair Workshops. In Field Repair Workshops again there are two distinct categories, one located at static stations and the other affiliated to Active Field Formations.

3.29 The Army Base Workshops and the Workshops looking after the Static Formations have got an element of Combatant and Civilian Officers and Men. Normally, the ratio of Combatants to Civilians is 20:80. The field repair workshops affiliated to the field Formations have only Combatant manpower.

3.30 The manpower is authorised to the workshops based on the role and load which is entrusted to these workshops. General notes on norms for calculations of combatant/civilian manpower to these workshops are at Appendix II.

3.31 Both the Naval Dockyards at Bombay and Visakhapatnam and the smaller Naval Ship Repair Yard at Cochin have been set up with certain general facilities to undertake scheduled repairs/overhauls in respect of ships and submarines. Similarly, Aircraft Repair Yards at Goa/Cochin

have been set up to cater to the requirements of Naval aircraft. In addition, the dockyards and repair organisations also have specialised facilities to cater for special systems fitted on board ships, submarines and aircraft. These facilities require a number of repair machineries and testing facilities. A professional assessment is initially made of manpower required to man each of these facilities. In addition, an assessment is also made of the managerial and administrative staff required for the productive and efficient functioning of these facilities. The overall manpower requirements thus worked out are thereafter carefully examined by Naval Standing Establishment Committee (NSEC) of the Ministry of Defence. Whenever additional repair facilities are set up for the repair of newly inducted equipment, a similar exercise is undertaken for the same. Based on the recommendations of the NSEC, Government sanctions are accorded for the creation of the necessary posts.

F. Changes suggested in manpower policy

3.32 With regard to changes sought in the manpower policy the Ministry of Defence stated:

"No changes in the manpower policy like recruitment and placement of officers in the MOD are suggested. Of the entire strength of the Defence HQs. the MOD Sectt. is by far the smallest in size, corresponding its enormous responsibilities.

In order to increase effectiveness of scientific and technical manpower in DRDO, there is a need to provide career growth to them as available in other scientific departments like Department of Atomic Energy, Department of Electronics, Department of Space, CSIR etc. A proposal in this respect is under consideration of Government."

Conclusions

3.33 The Committee are informed that manpower requirements of the Ministry of Defence Secretariat which comprises of about 1800 civilian staff at various levels besides a few uniformed personnel is determined on the basis of rational mechanism which includes studies and reviews conducted by the Staff Inspection Unit of the Ministry of Finance and the Internal Work Study Unit of the Ministry of Defence. While the Committee appreciate that stiff yardsticks are applied in determining its staff requirements etc. they, nevertheless, are of the view that there is still scope for pruning down the Ministry which is essentially concerned with the formulation of the policy relating to defence matters, besides coordinating the plans of various constituents of the Defence establishment and monitoring the performance of each constituent. This, they believe, can be achieved by greater delegation of powers as also by streamlining the decision making process. In this context they

feel that the correlation sought to be made between the expenditure on the MOD Secretariat and the total defence budget is somewhat overstretched.

3.34 The Committee consider the present staffing arrangements in the Ministry unsatisfactory, as, sufficient emphasis is not being laid on familiarity with the working of the three Defence Services; nor is specialisation placed at any degree of premium. In this context, they find it surprising that sufficient importance is not being attached to nomination of officers belonging to Civil Services to DSSC. The Committee gain the impression that civilian officers trained in DSSC and, perhaps NDC as well, are not being fully utilized in staffing the MOD Secretariat. This is also confirmed by Ministry's total silence on this issue. Not only that in the written notes submitted by the Ministry as well as in their oral evidence before the Committee the Ministry have failed to focus on this point, but a specific query of the committee in this context has also remained unrepiled.*

3.35 The Committee find that while the number of civilians in the Defence Service Headquarters is to the extent of 80%, the number of uniformed personnel in the Ministry of Defence is relatively insignificant. They are, however, in favour of greater involvement of uniformed personnel at the decision making levels in the Ministry of Defence. They also desire that civilian and uniformed segments should be so integrated in the Secretariat matrix that both specialised knowledge of the uniformed personnel and generalised perspectives of civil servants are well integrated for quick and effective decision making in the Ministry.

3.36 The Committee welcome the efforts made towards debureaucratisation of the Defence Research and Development establishment. In this context they feel that Flexible Complementing Scheme aimed at giving *in-situ* promotion based on merit and performance is laudable. However, the Committee would like to caution against such promotions being routinised, a situation that can ultimately lead to dilution of the very basic objectives of the policy which is to sustain meritorious performance.

3.37 The Committee also welcome the schemes for hiring the research associates as also specialists in specific areas of scientific study. The Committee hope that these two schemes will help DRDO in not only becoming more cost effective, but will brighten the chances of achieving greater success ratio in the research projects of the DRDO.

3.38 The Committee are however concerned to note delay in according final approval to promotion scheme for scientific and technical staff on the basis of a limited Flexible Complementing Scheme. They desire that the Assessment Board which is to determine the merit of each candidate for the purpose of promotion should be so constituted that its objectivity and impartiality can be vouchsafed.

* Please see footnotes to para 3.3

3.39 The Committee also note that the Ministry propose to introduce a phased change in the administrative, stores and finance cadre of DRDO by inducting professionally qualified personnel. This is also expected to improve the teeth-to-tail ratio in the organisation. The Committee expect early action to put these plans on the ground.

3.40 In regard to Defence Production Units the Committee are informed that manpower in these units is based on capacity parameters which in turn are determined by the projections made by the Defence Services in regard to the requirement of weapon systems, equipments and ordnance items. However the requirement of Defence Services vary in times of war and peace. However, since in response to the changes in the inventory of the adversaries as also the changes in the security environment, the qualitative parameters in regard to weapons, equipment and stores required by the Defence Services also undergo changes, obsolescence and under-utilisation of the capacities is inherent in the scheme of things. Although the Ministry have claimed a reduction of the work force in the ordnance factories, some of which are between 200 to 100 years old, from 1.86 lakhs to 1.75 lakhs, the problem has, nonetheless remained undiminished. The situation acquires complexity because under the existing government policies and regulations, retrenchments are not an option which can be seriously considered. Consequently, many of units are saddled with surplus labour force.

3.41 The Committee are further informed that retraining and redeployment of staff has not proved to be very successful because it involves uprooting the workers whose economic condition in any case is not strong enough to withstand the consequential trauma. Moreover, the Administration have also to reckon with resistance from staff/workers' unions to any retrenchment or redeployment of the staff. Although the Ministry have made efforts to diversify into civilian/export markets, the success achieved has not changed the situation appreciably because unit costs in Defence Production sector remain high. The Committee are particularly perturbed by the fact that these production units have also to contend with great deal of uncertainty about the orders from Defence Services as well resulting in infirmity of their production plans. A bizarre feature of this situation is the annual expenditure ranging from Rs. 50 crores to Rs. 90 crores on account of overtime payment to workers. The committee fail to understand how payment of overtime can be justified in a labour surplus situation.

3.42 It is obvious to the Committee that Defence Production Units can no longer be run on the basis of old premises. They feel that a new thinking has to be evolved in the matter and assiduous efforts made to arrive at a situation wherein larger portions of the Defence production sector are integrated with the civilian production sector and captive capacities restricted to fewer items of strategic importance or otherwise critical to the functioning and effectiveness of the armed forces. However, to tide over the

immediate problem of surplus labour force, vigorous efforts need to be made to obtain more orders from the civilian as well as export market.

3.43 The Committee note that even though the nature of work done in the Naval Dockyards and Defence Public Sector Units like Mazagaon Docks Limited is almost similar, the wages and perquisites in the Naval Dockyards compare unfavourably with their counterparts in Mazagaon Docks Limited. Similar disparities may also be existing between the workers of HAL and those of various Base Repair Depots of the Air Force or between the workers in EME Workshops and those in similar units in the Defence Public Sector. The Committee feel that this is not a happy situation and needs to be remedied.

Recommendations

The Committee make the following recommendations:—

3.44 Ministry of Defence Secretariat should be reorganised to make decision making more efficient.

3.45 Officers who have definite familiarisation of the working of Defence Services particularly those who have participated in various courses in DSSC and NDC should be given preference over other officers while deciding the placement of officers in the Ministry of Defence Secretariat.

3.46 More officers from the Defence Services should be inducted in the Ministry of Defence to provide for greater specialisation and expeditious decision making in matters relating to Defence matters. Due attention should be paid to integration of the civilian and military personnel in the Ministry's Secretariat.

3.47 The Flexible Complementing Scheme in Defence Research and Development Establishment should be constantly monitored and its efficacy watched at periodic intervals.

3.48 The Committee would like to be informed about the actual impact created by the two schemes *viz.* hiring of research associates and appointment of specialists in specific area as consultants and emeritus scientists on the Defence Research and Development effort.

3.49 The Scheme for merit based promotion of scientific and technical manpower may be approved and implemented. Clear rules and procedures for constituting Assessment Boards may be approved and Committee informed of the progress within a period of six months.

3.50 The progress made and the impact created by the proposed changes in the administrative, stores and finance cadres of the DRDO may be communicated to the Committee within a period of six months.

3.51 An indepth exercise may be undertaken to identify Defence Production Units which can be modernised and diversified. In this connection, Government should take appropriate steps.

3.52 Wherever feasible the idle assets of different production units such as land, building, etc. may be commercially exploited after an indepth study and without disturbing the Defence and other interests.

3.53 Vigorous efforts should be made to obtain export orders for maintenance and production units in the Defence Sector.

3.54 Earnest efforts may be made to remove disparities in the wages and perquisites between workers performing similar tasks in Defence Public Sector Undertakings and other production units under the Ministry of Defence.

CHAPTER IV

SYSTEM OF REDRESSAL OF GRIEVANCES: DISCIPLINE AND WELFARE

A. Grievances against promotion, recruitment, advancement policies

4.1. The Committee desired to know whether there were any instances of grievances about existing promotion, recruitment, advancement policies of Ministry of Defence. In this connection, the Ministry of Defence stated:

“A good number of personnel in all the Services taken together represent their grievances on issues such as punishments, promotions, postings, retirement, etc. In all such cases, there is a well laid down procedure for the aggrieved personnel to make non-statutory or statutory representations to their Service Chief/Government for redressal of their grievance. Whenever such representations are made to the Government, these are looked into in detail by senior functionaries in the Ministry and necessary orders are passed by the appropriate authority. If injustice is established, adequate redressal is given to the aggrieved personnel”.

4.2. Explaining the procedure for dealing with statutory/non-statutory complaints in the Army the Ministry further stated:

“The non-statutory/statutory complaints are forwarded to the Army HQs. with the recommendations of the Army Commanders and intermediate authorities. These are examined by the Military Secretary’s Branch and forwarded to the Complaints Advisory Board. The Complaints Advisory Board is a Cell attached with the Secretariat of the Chief of the Army Staff for independent and impartial scrutiny of the Statutory Complaints.

After thorough and careful examination by the CAB, the complaints are submitted to the COAS for his directions/recommendations. The statutory complaints are thereafter sent to the Government wherein these are examined afresh.”

4.3. Commenting further on the reasons for grievances in recruitment, Ministry of Defence stated:

“Grievances in the area of recruitment mainly stem from the fact that while the vacancies available are not unlimited the number of applicants is very large. Since the entry is based on comparative merit, many candidates are rejected at the various recruiting centres. Complaints of general and specific nature are also received. These include cases of fraudulent recruitment on the basis of fake certificates, malpractices in medical examinations etc. These are

duly investigated by the agencies concerned and wherever necessary action is taken against the delinquent officers and staff of BROs/ ZROs etc."

4.4. Asked to indicate whether the present policy provided adequate opportunity for all ranks to expect just and fair treatment as regards promotion and other benefits the Ministry of Defence in their written reply stated that the present policy was by and large, satisfactory, considering the socio-economic conditions in the country. The policy was also fair and equitable and provided adequate opportunity for career advancement at all levels.

Number of court cases filed against Services/Government

4.5. The number of court cases filed as on 30.6.90 against the services/ Government with regard to promotions, retirement etc. as furnished by the Ministry is as under:—

	Army	Navy	Air Force	Total
(a) Promotion	53	2	67	122
(b) Retirement	12	Nil	Nil	12
(c) Termination & Discharge	12	25	87	124
(d) Pay & Pensionary matters	38	21	10	69
	115	48	164	327

The rank-wise pendency for court cases in regard to Army is as under:

Lt. Gen	—	1
Maj Gen.	—	1
Brigs.	—	10
Other officers	—	120

In regard to other ranks in the Army, the total number of court cases pending as on 30.6.90 was 184 and all except two of these relate to GS & MGO branches.

Statutory Complaints

4.6. The statutory complaints received during the last three years are as under:

	Army	Navy	IAF
1987	611	—	—
1988	555	4	—
1989	611	3	32
1990	611	3	—

In Air Force, twenty three statutory complaints in regard to promotion/appointment have been rejected and one accepted; all the three cases in regard to pay and allowances have been rejected.

Three grievances applications from airmen on account of promotions were received, of these one was accepted and two rejected. Similarly in regard to postings two cases were received and both were rejected.

The Statutory Complaints by other ranks in the Army during the three years from 1988 to 1990 was 245. These are more or less evenly spread in the four branches viz. GS, MGO, EME and AOC.

4.7 In regard to abnormally high number of references to civil courts for redressal of grievances, the Ministry of Defence in their OE written replies stated as under:

"The increase in statutory complaints and references to civil courts can primarily be attributed to the overall increase in the number of Defence personnel, their improved educational standards and rising expectations. The prevailing climate of liberalisation, greater awareness of the rights and legal remedies available have had their impact on the Armed Forces also. The intense competition, at every level, for promotion and the limited promotion avenues have also resulted in an increase in the number of such complaints. These are inherent in the pyramid structure of the Armed Forces."

4.8 Explaining the position in regard to the Army, the Ministry in a written note stated:

"In the Army, the number of appointments available in the select ranks go on decreasing rapidly in the higher levels. Whereas almost 6500 appointments are available at the level of Lt. Col and Colonel, the appointments available in the rank of Brigadier is 800, Maj Gen. is 193 and Lt. Gen. is 62. This would show that the upward mobility is quite tough and only the outstanding of the lot have a chance to reach the higher select ranks. Since the supersessions are inevitable because of limited appointments and tough competition, a number of officers resort to representations against non-promotion/supersession. Considering that the number of Court cases is less than 0.3% of the

overall cadre strength, it can be assumed that the grievance redressal system within the Army is working well."

4.9 The Committee enquired during evidence whether there was something inherently wrong in the system of grievance redressal in the Army. The Secretary, Ministry of Defence in his reply said:

"If you see the total number of statutory complaints in each service and the total number of court cases as a percentage of the cadre strength of officers class, it is not a terribly alarming picture. In fact, these accounts only for an insignificant percentage."

4.10 In a separate written note submitted to the Committee, the Ministry in this context stated:

"Notwithstanding the established procedure certain individuals are bound to seek remedies through the Courts of Law. A similar position obtains in respect of civil services also where the recourse to CAT and higher Courts is on the increase, but because the matter gets highly publicised sometimes at the cost of the reputation of the very image of our Armed Forces and because it reflects on our Ministry as well as the services. It does so more damage than if we have to pay the amount by way of promotion and so on. In fact, that does not bother us so much. But the attached publicity is sometimes more injurious. The Committee on Defence Expenditure has also made some marginal recommendations on this issue. We are in the process of examining them.

Some time back we had toyed with idea of setting up a Statutory Board to do away with the present system to have a group of people among whom will be a senior judicial personality sitting or retired judge of the High Court and representatives from the services preferably retired persons and equivalent one other civilian sitting as a body and provide the final answer after proper scrutiny and after that the aggrieved officer would be debarred from going to the Court of Law. We are again examining this entire matter not so much because of the number of cases involved."

4.11 On alternative method of meeting the requirements of grievance redressal other than recourse to Courts of Law, the Defence Secretary during evidence said:

"We are entirely for review alongwith service headquarters of what alternative structure could be there which provides the satisfaction to the aggrieved officers and also ensures that unnecessarily they do not go to Court of Law."

4.12 In regard to Navy and Air Force the Ministry stated as follows:

“The present method of grievance redressal in Navy, which has evolved over the years, has worked well and is considered adequate. It is also pertinent to mention that there are only one court case in the Navy regarding promotion/supersession etc.

In Air Force, the existing built-in system is fairly effective and has been working satisfactorily. Keeping in view the strength of IAF and the awareness of their rights by individuals, the number of the cases is only 67. Hence an alternative system is not considered necessary.”

B. Discipline

Different set of laws for Defence personnel and civilian employees of Defence

4.13 Given the fact that the Ministry of Defence has different sets of laws and rules simultaneously in operation regarding management of manpower, particularly in respect of discipline etc. The Ministry of Defence reflecting on the difficulties being faced in respect of the civilian employees of Defence stated as under:

“The civilian employees of the MOD Sectt. are subject to the same Acts and Rules which are applicable to such employees in other Ministries/Dapartments.

There is a sizeable component of defence civilians in the subordinate Formations of the Army, Navy and Air Force. The Military Engineering Service, Army Ordnance Depots and Corps of EME are some of the important organisations which also employ, Defence civilians. Here again, the Joint Consultative Machinery (JCM), which is available to other civilians, has been made applicable to them. These Defence civilians are also subject to the Central Civil Services (Classification Control & Appeal) Rules, 1965. The Supreme Court has now held that the Defence civilians do not enjoy the protection of Article 311(2) of the Constitution and therefore, CGS (CC&A) Rules, 1965 which have been framed under this Article of the Constitution will also not apply to them. After consulting DOPT and Law Ministry it has been decided that civilian employees of Defence cannot be denied principle of natural justice and the same may be made available to them through executive instructions. Draft executive instructions have been finalised and will be issued shortly.

A certain percentage of Defence civilians have to work in units/ organisations which are generally commanded by the Defence Services personnel. At times, there are some problems of discipline, but these are duly taken care of. This system has been working for decades and with minor incidents here and there, the overall situation is satisfactory.

Certain Defence establishments like the Military Engineering Services and BRO are manned jointly by Defence Services personnel as well as Defence Civilians. However, the rules governing their disciplinary cases are not common. For example, under the CCS(CC&A) Rules 1965, there is no prescribed time limit for initiating disciplinary action against a civilian Government servant. Defence civilians can be proceeded against even after their retirement under the Pension Rules for their acts of omission and commission committed during the preceding four years. On the other hands, Court Martial proceedings against Defence Services personnel cannot be initiated for such an act if it is more than three years old. Two different sets of rules result, at times, in anomalous situations in which Defence civilians can be punished while the Defence Services personnel involved in the same incident/default cannot be brought to book.

The Defence Service personnel are not fully acquainted with the Rules and Regulations governing the disciplinary proceedings against the Defence civilians. These Defence Services personnel, have to conduct inquiries or pass orders in disciplinary matters against Defence civilians. This has resulted in some cases in which the aggrieved civilians have gone to courts and challenged the procedural deficiencies committed in the conduct of Departmental proceedings. For the purpose, action is being examined for Defence Services Officers to be acquainted with rules, regulations and procedures relating to Defence civilian, during their training programmes.

The Defence Production units are governed by the Industrial Disputes Act and any disputes arising between the management and the workers are resolved through the conciliation machinery. There is no requirement for any change in procedure especially in regard to the employees of the Defence PSUs unless this is intended to cover the employees in all the Public Sector Undertakings are proposed to be covered uniformly.”

4.14 During evidence, the Committee asked about the difficulties faced due to Services Hqrs. and JSOs being a mix of combatants and non-combatants, the Secretary, Ministry of Defence replied:

“At the Headquarters the requirement of the staff is common and therefore any delinquency or any aberration of performance, at what time a person comes to office and at what time he goes out office etc., these are the kinds of things. These are very well handled despite the fact that unit officers are dealt with separately and non-unit officers are dealt with separately. I do not think that we can arrive at a stage in course of time merely intending to have single law because the uniform man is always covered by the Army, Navy and Air Force Act and we are governed by the Punishment and Appeal Rules.”

4.15 Enquiring as to how and to what extent the Ministry of Defence and the Armed Forces can be kept out of hot winds of agitation blowing outside in the country, the Defence Secretary stated:

"The hot winds ultimately will overtake everybody whether uniformed or non-uniformed. But I do concede the point. We see people around South Block gather outside during lunch time and shout slogans. For the last few years I have been seeing this activity. I would say that this is altogether a harmless kind of thing. They get out and say a few things. But discipline is another matter of course. That is a larger issue. In the Defence headquarter, there may be cases of personal aberrations like misbehaviour. It is true even for uniformed people. We would take action against those people."

C. Welfare

E. Facilities for Servicemen

4.16 It has been Government's endeavour to ensure a match between the manpower and the required obligatory facilities such as provision of accommodations, schooling, recreation and medical facilities.

i. Housing

4.17 The Ministry of Defence gave the following details about the availability of housing to personnel in the three services:

"The Service Officers of the rank of Major and above are entitled 100%, Captains 80% and Lts. 33.5% married accommodation. If the Service Officers are not provided married accommodation, they are provided single accommodation at their duty stations. The overall percentage of availability of married accommodation for Officers in the Army is 60%. The deficiency is met by hiring of private accommodation.

The JCOs/ ORs in peace stations are entitled 14%- 15% married accommodation. The availability is 58% to 60% of the entitlement.

All possible efforts are being made to construct full accommodation for Service personnel, according to their entitlement. Major constraints have been lack of adequate funds, long delays in land acquisition, progressively increasing cost of land required for housing projects, increasing cost of materials and labour, enormous difficulty in resolving issues raised by Environment Action Groups/Ministry of Environment etc.

Navy

The authorised scale of married accommodation for personnel is as below:—

Officers

(i) Lt. Commanders & above	100%
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(ii) Lt. (Including SD list)	83%
(iii) S. Lt. (including SD list)	63%
Sailors	
(i) MCPOs and CPOs	100%
(ii) POs	50
(iii) Ldgs & below	14%

In April, 1987 the Government accepted the revised deficiencies of married accommodation on the basis of the Basing Plan 1985-90 and Ashore Complement as in December, 1986. Owing to the long lead time in the construction of houses, environmental objections raised in Bombay and the scales of rent reimbursement not being commensurate with the rents prevailing in urban areas, the housing situation is unsatisfactory in Bombay.

Air Force

The satisfaction level is expected to reach 71% on completion of all on-going projects. The gap between availability of accommodation and actual requirement is met by resorting to hiring of accommodation/reimbursement/CILQ scale."

4.18 The Ministry in a written note submitted to the Committee summed up the position as follows:

"The present position with regard to housing can, on the whole, be said to be fairly satisfactory considering that the availability of housing is around 55-60% of the entitlement. The shortage of accommodation is not so severe as would adversely affect the morale of the troops or their combat-effectiveness. The Armed Forces personnel and their civilian counterparts are all from the same social segments. Armed Forces personnel are well aware that percentage of satisfaction for their civilian counterparts is only a fraction of that available in the Armed Forces who are, as it is, extremely well looked after."

4.19 Further, during evidence, reacting to the Committee's observation that married service personnel get a chance to live with their families possibly only once or twice in their entire service tenure of 17 years which could vitally affect their 'morale', the Defence Secretary stated:

"If you see the situation on the ground and if you happen to talk to the personnel of the level of other Ranks, even at the ranks above, it is not a demoralising situation. The pinch is very much there but I think fortunately personnel at all levels in the Services are now quite aware of what the Services are doing for them. In the last few years, the amount of investment which has gone for expanding housing, after the Fourth Pay Commission's Report, by increasing the rental of

hired accommodation, has witnessed enormous increases. The total number of dwelling units which are deficient for all ranks of the three services would be about 88,000. The percentage of satisfaction at level of other ranks in terms of the numbers who are authorised and the numbers who are actually accommodated, is 62%, and at the level of JCOs it is 82%. Without trying to argue that we should not have 100% or near 100% accommodation, I would say that unless other things go through, like reduced colour service, where we do not have to provide married accommodation and other things, it will take time. In the short run, the answer is to exploit our available assets, to convert some of them into providing the kind of urgent necessities wherever they exist. The budgets of the three Defence Forces cannot meet these kinds of requirements at nay time in the years to come. The fact still remains that there is a shortage. But things are not that bad as compared to what they were in around 1984. In the last two years there has been however, a decline. Because of the shortage of resources, we have not been able to start any new housing project worth the name. The answer, however, lies in the long run. We will have to be very very sensitive to the kind of accommodation we create and the scales of accommodation and the specifications, because all that will matter very much."

4.20 The Defence Secretary further added:

"We have done a little exercise on our side alongwith the Finance and the Director General of Works in the Army that if we reduce the scale of accommodation by as little as 4-5 sq. ft. for a given rank, we will create a dozen more units because of the money saved. So we have to take a balanced view and see what the country can afford and what the Services can absorb within the amount of the budget that they are likely to get in the years to come."

Rental Ceilings

4.21 In a note on rental ceiling on account of non-availability of entitled accommodation for Service Officers, the Ministry of Defence stated:

"Firstly, the rental ceilings for Bombay and Calcutta were revised in 1976, and for all other places in 1979. Subsequently, there was an upward revision for Delhi/New Delhi in 1981. The IVth Pay Commission recommended that the rental ceilings for Bombay and Calcutta may be increased by 50% and for other stations including Delhi and New Delhi by 40%. In cases where officers are posted to field areas and their families are not occupying Government owned/hired accommodation, the 4th Pay Commission had recommended,

the raising of rental ceiling in respect of married accommodation for Service Officers as under:—

Name of Station	Captain & Below (Equivalent in Navy and Air Force) Rs. p.m.	Major to (Equivalent and Air force) Rs. p.m.	Brigadier in Navy
Delhi/ New Delhi	900	1200	
Bombay & Calcutta	1200	1200	
Other Stations	800	1000	

The matter of raising rental ceilings for hiring of accommodation for Service Officers of the three Services was examined and Government orders were issued on 15th April, 1988 for revising the rental ceiling as under:—

Sl. No.	Rank of the Services personnel in the Army and their equivalents in the other two services.	Rental ceilings for different classes of cities				
		Delhi	Other Bombay Class A	C-I, B-I Cities	C-I, B-II Cities	C-I, C Calcutta Cities
		Rs.p.m.	Rs.p.m.	Rs.p.m.	Rs.p.m.	Rs.p.m.
1.	Brig. and above	2100	1900	1700	1600	1500
2.	Major to Colonel	1900	1700	1500	1400	1400
3.	Captain & below	1800	1350	1250	1120	1120."

4.22 On being pointed out during evidence that within the prescribed rental ceiling for hired accommodation, it was difficult to find accommodation in different cities, the Secretary, Ministry of Defence stated:

“We give the classification of towns and cities on the basis of the census. The Finance Ministry has decided that they are going to have a formula for a mid-term review within a 10-year census period. If that happens, then our B and C class cities, will be very much benefitted by this mid-term appraisal. On the question of civilian and non-civilian side, the country can afford it surely; the decisions can be positive, the decisions cannot remain pending for years.”

(ii) Medical Facilities

4.23 The Ministry of Defence have informed the Committee that in the Army, the present authorisation of hospital beds is at the scale of 3.5% of the Field Force and 2.1% for the entire Army. Presently, Sanctioned beds are 32215 (including 3000 Emergency Expansion beds) for officers, JCOs and ORs and 6804 beds for families. Due to constraint of financial and manpower resources, lack of accommodation and supportive services, 22898 beds for Officers, JCOs and ORs are available.

The availability of beds in Naval hospitals is as follows:—

Officers & Sailors	1190
Families of Officers	61
Families of Sailors	412
	1663

Medical cover to the entitled personnel and their families is provided by medical establishments/hospitals situated at various Air Force Stations spread all over the country. The hospital beds are authorised by the office of the DGAFMS based on the total strength of the Air Force. At present, there are 3014 beds authorised and available to various AF Hospitals and medical establishments in addition to 596 Battle casualty/Crisis expansion beds (346+250) authorised to AF Hospitals.

(iii) Schooling

4.24 The Ministry of Defence in their preliminary material on schooling stated that, “the children of Service personnel get high priority for admissions to Kendriya Vidyalayas. In addition, in a number of stations there are schools specially established for Service personnel. The overall satisfaction level in schooling facilities is generally high.”

(iv) Recreational Facilities

4.25 As regards recreation, the Ministry of Defence informed the Committee that a “variety of recreational facilities are authorised. These include Holiday Homes at hill stations; gyms; Unit run cinemas; Institutes for officers; football and hockey grounds; basketball, volleyball and squash courts; tennis courts; badminton courts; sports stadia, swimming pools etc. These facilities are also augmented and supported by the Regimental (Non-Public) Funds of the Service.”

(f) Imbalance in Payment of Allowances

4.26 “Remote Area Allowance, Hill Area Allowance and other difficult area allowances are paid to Defence Personnel-Officers and other ranks at different rates, keeping in view the extent of hardships and also depending on the classification of the area. The rates of various allowances and

conditions of admissibility/facilities are usually according to the guidelines laid down by the Ministry of Finance in such areas. The applicability of these allowances to Service Personnel posted in Peace Areas or Modified Field Areas is basically an extension of orders issued by Finance Ministry in respect of civilians. However, Defence Personnel posted in forward areas and other difficult areas like Siachen Glacier are entitled to a separate set of concessions called Field Service Concessions. At present, the facilities under these are:—

Field Service Concession for Officers

- (1) Free single accommodation and other allied facilities in the field areas.
- (2) Retention of married accommodation at the previous Station or free conveyance of family and baggage to selected place of residence.
- (3) Separation Allowance of Rs. 140/- p.m. for officers.
- (4) Free remittance of family allotments to families where banking facilities do not exist.

FOR JCOs/ORs/NCs (E)

- (1) Special Compensatory Allowance (Field) ranging from Rs. 23/- to Rs. 53/- per month.
- (2) Retention of family accommodation or free conveyance of family to selected place of residence.
- (3) Free remittance of two family allotments.

Over and above this, all the ranks are eligible for gratuity under special provisions to widows/families and special family allowance to families of those reported missing or killed.

When Defence Personnel are deployed in an area of High Altitude, a separate allowance called High Altitude Allowance is admissible at the rates ranging from Rs. 50 to Rs. 200/-

Further, at Siachen Glacier, they are eligible for all the concessions specified for field area, High Altitude and over and above, special allowance called Avalanche Allowance at the rates ranging from Rs. 100/- to Rs. 225/-."

* On factual verification the Ministry of Defence have intimated in August, 1992 that, in place of Special allowance called 'Avalanche allowance', Siachen allowance has been introduced with effect from 1.5.91. The range is from Rs. 600/- to Rs. 900/-.

4.27 During their study tours the attention of the Committee was drawn towards imbalance in the admissibility of remote area allowance, Hill area allowance and other difficult conditions posting area allowance at places like Siachen Glacier and other forward areas. In this regard the Ministry of Defence in a written note to the Committee stated:

"For the purpose of Defence Services the existing classification of areas are peace area, modified field area, improved modified area and field area. The existing disparities in various allowances admissible to them in different areas are due to the fact that the personnel posted in forward/field areas are still getting allowances at the old rates. In the peace area and modified field areas, the Remote Area Allowance applicable is based on the recommendations of the 4th Central Pay Commission as accepted by Govt., which ranges from Rs. 20/- to Rs. 100/- per month at the minimum to Rs. 100/- to Rs. 650/- at the maximum, in accordance with the classification of such areas. These new rates have come into force with effect from 1.10.86 only, whereas non-monetary benefits related to forward areas are fixed in the year 1964, High Altitude Allowance was last revised in 1976, Separation Allowance was revised in January, 1983 and Avalanche Allowance was fixed based on the orders of Snow & Avalanche Study-Estt. in 1984. The existing imbalances was basically because of new rates in case of peace areas and old rates at forward areas, which will be rectified on completion of review of Field Service Concessions."

Revised Field Service Concessions

4.28 Asked what steps were being taken in this context the Ministry stated:

"According to our proposal, the revised Field Service Concessions involve the following benefits:—

- (i) The existing non-monetary benefits shown above to continue.
- (ii) Field Area Allowance ranging from Rs. 275/- to Nk/Sepoy to Rs. 600/- to Lt. Col and above.
- (iii) **High Altitude Allowance ranging from Rs. 100/- to Rs. 200/- to Nk and below to Rs. 400/- to Rs. 800/- to Lt. Col. and above according to the category of high altitudes.
- (iv) Existing Separation Allowance to Officers to continue without change in rate.

This proposal, at present, is under consideration of Integrated Finance.

* On factual verification the Ministry of Defence have intimated during August, 1992 that in Field area Allowance, the proposed range is from Rs. 250/- to NK; Sepoy to Rs. 650/- to Lt. Col. above. This proposal is still under consideration.

** In case of High Altitude Allowance, the Ministry of Defence have informed that the proposed range is Rs. 150 to Rs. 600 upto 15000 ft. and Rs. 200 to Rs. 800 above 15000 ft. This proposal is still under consideration.

***Siachen Allowance**

For those who are deployed at Siachen Glacier it is proposed to give Special Allowance called Siachen Allowance at the Rate of Rs. 900/- p.m. for Officers and Rs. 600/- p.m. for JCOs and ORs, which will replace the existing Avalanche Allowance and High Altitude Allowances.

This proposals at present, under consideration of Ministry of Finance, Deptt. of Expenditure."

g. Contributory Pension Scheme

4.29 During evidence the Committee suggested the Ministry of Defence to consider a contributory pension scheme for its personnel of the three Services as the initial load on the exchequer was not going to be very high but the subsequent benefit to the pensioners themselves was going to be very considerable. The Financial Advisor (DS) of the Ministry of Defence reacted to this suggestion as under:

"Actually when we are talking of improving the terms and conditions of service, to introduce a contributory scheme-when they are getting pension free of charge would be tantamount to deterioration in the terms of service."

4.30 The representative further added:

"A contribution fund is a practical concept for a small body of persons who would like to accumulate in the form of fund and then draw from it. Moreover, the Government itself is so large a body, it can manage."

Later, in a Post-evidence note on this issue the Ministry of Defence stated:

"Department of P&PW had constituted a Committee in 1986 to develop a model of Contributory pension fund. The Committee gave its report in December, 1986. The recommendations of the Committee are enclosed at Appendix III Department of P&PW have taken up the matter of constitution of the Pension Fund with the Ministry of Finance who did not agree to the proposal as immediately there would have been further cash outgo on revenue account. In a meeting held in the Department of P&PW in October, 1989, LIC had indicated that it would be possible for them to accept the responsibility for managing the pension fund and to offer additional pension, to the extent of 30% of the pay last drawn provided at least 75% of the government employees agree to join the fund. The Department of P&PW would be viewing this matter for the best possible decision."

* The Ministry of Defence have intimated that in respect of Siachen Allowance, the necessary orders have been issued on 1.5.91.

(d) Welfare Measures for Defence Civilians

4.31 Asked to furnish a written note on welfare measures in force for Defence Civilians, the Ministry stated:

"Defence Civilians Welfare (T.B., Cancer and Leprosy) Fund, a registered Society, provides assistance to the members and their families afflicted with T.B., Cancer and Leprosy. Membership of the Fund is voluntary and is open to all Defence civilian employees in Ordnance Factories, Army, Navy and Air-Force units and establishments.

The Ministry of Defence and Armed Forces HQs Welfare and Amenities Fund provides immediate *ex-gratia* financial assistance of Rs. 1500/- to the family to deceased employees who die in harness to enable the family to meet urgent requirements. Out of the Fund, financial assistance is also given on demand, to the employees who are forced to remain on leave without pay and allowances due to illness.

There is a 'Single Window System' for payment of terminal benefits to superannuating employees of the Ministry of Defence Secretariat, before the 10th of month succeeding the month in which the employee superannuates.

There are some facilities for the recreation of the Defence civilians in Ministry of Defence Secretariat and in the subordinate formations. There is a provision of grant of Rs. 10/- per member per year to such Recreation Clubs against Rs. 2/- p.m. contributed by the Defence Civilians. Annual sports are organised in the Ministry of Defence Secretariat every year. Excursion Tours and Group Visits, subsidised by the Ministry, have been organised in the recent past Medical facilities to Ministry of Defence Secretariat staff are available under the Central Government Health Schemes. There are civilian doctors with Navy and the Ordnance Factory Board to take care of health problems of their civilian workers."

(e) Disparity in retention of accommodation and in leave position after retirement between defence and civilian employees.

4.32 As regards disparity about retention of accommodation after retirement the Committee have found that the servicemen are entitled to retain the accommodation after retirement for a period of 60 days whereas their counterparts in the Civil Service are entitled to retain it for 120 days. Quite often the families or servicemen reside away from their place of work.

* On factual verification, the Ministry of Defence in August, 1992 have intimated that the Servicemen are now entitled to retain the accommodation after retirement for a period of 90 days. This provision is applicable to officers who had superannuated on or after 31.3.91.

4.33 The Committee therefore asked during oral evidence why the Government wanted to penalise the service staff for re-establishment somebody from civil service. The Financial Advisor of the Ministry of Defence replied that:

“There is a force in that contention. Something would be decided in the very near future in this regard.”

4.34 Enquired whether there was a disparity in the leave position during retirement, the Defence Secretary replied as under:

“There is a disparity. After the Fourth Pay Commission report, there has been a demand from the Servicemen for point-to-point parity. In some cases, there is no reason why it should not be done. I have discussed it with my officers. But the point I am trying to submit is that in all cases, the parity is not well argued. We give leave for 60 days to service personnel for going home and to recuperate. There again we have compromised.”

Admissibility of Transfer Grant after retirement

4.35 On the question of bringing military personnel on par with civilian personnel regarding transfer grants the Financial Adviser of the Ministry of Defence stated during evidence:

“The basic premise on which the whole proposal has been made is that there should be parity with civilians in the matter of transfer grant also. It was the view of the Ministry of Finance that this parity cannot be the basis of giving identical transfer grants and other grants as for civilians because unlike civilians who are expected to make all arrangements on their own in the process of transfer. For other ranks, certain support is given by the service structures. To that extent, some adjustment, in their view, was called for. The matter has reached an advance stage of consideration with the Ministry of Finance.”

(f) Welfare of Ex-Servicemen

4.36 As regards welfare of ex-servicemen, the Ministry of Defence in their preliminary material furnished to the Committee stated that to maintain a youthful profile of the Armed Forces, about 50,000 Service personnel are retired or released every year at a comparatively young age. Because of the early retirement they need a second career so that they can continue to earn livelihood upto the age of 58, as their counterparts in civil services do. The Dte. General of Resettlement (DGR) under Ministry of Defence has the overall responsibility for the resettlement and welfare of ex-servicemen including officers, disabled, their widows and dependants. There are four zonal Resettlement Directorates, Co-located with Eastern, Central, Western and Southern Army Commands. Each State has a Rajya Sainik Board and a number of Zila Sainik Boards for resettlement and welfare of ex-servicemen. No other country in the world has such an

elaborate organisation for resettlement of ex-servicemen. The main resettlement and welfare activities are training, employment, self-employment and welfare schemes.

(i) Training

4.37 Resettlement training courses are organised for the retiring/retired defence service personnel in various disciplines in Government and private institutions to assist them to find gainful employment or self-employment in their post-retired life. Approximately, 50 training courses for officers and 350 for personnel below officers rank are conducted every year. Officers bear 40% of the cost of training while for JCOs and ORs the training is free. Training period upto 90 days is treated as on duty. Duration of training courses varies from 10 days to 3 years. The training courses are organised based on the demands and encompass a vast variety of subjects including technical, non-technical and agrobased vocations. Long term correspondence courses like MBA are also included in the programme. On-the-job training is imparted by various public sector undertakings in ten vocational trades for nine months to 1000 personnel every year. Training is also imparted by ITI to 1000 retiring personnel every year under the 'pre-cum-post release training scheme'. Under the scheme PEXSEM (Preparing Ex-Servicemen for Self-Employment) training, guidance and financial assistance is given to ex-servicemen in their respective districts to set up self-employment ventures. The scheme is presently operative in 37 districts and 2,000 personnel are trained per year. Six Rajya Sainik Boards organise training for 400 ex-servicemen every year on behalf of DGR, in various vocations and disciplines. Disabled ex-servicemen/servicemen are imparted technical and non-technical training at Queen Mary's Technical School, Pune, to prepare them for suitable employment self-employment. Over 6,000 disabled defence personnel have so far received training in this school.

(ii) Employment

4.38 Employment constitutes the principal method of resettlement of ex-servicemen. For this purpose, the Central Government has reserved 10% of Group 'C' and 20% of Group 'D' posts for ex-servicemen in all its Ministries and Departments. The corresponding percentages in Central Public Undertakings and Nationalised Banks in these categories are 14 $\frac{1}{2}$ % and 24 $\frac{1}{2}$ % respectively. In addition, 10% posts of Assistant Commandants in central para-military forces have been reserved for ex-servicemen. Ex-servicemen are also re-employed in Defence Security Corps and Ecological Territorial Army Task Forces. Most of the States have also provided reservation of posts for ex-servicemen, which varies from 2 to 20%. The ex-servicemen are also allowed relaxation in upper age limit and educational qualification for employment against reserved vacancies. Zila Sainik Boards and Employment Exchanges sponsor the names of ex-servicemen for employment in Private Sector also. Service personnel,

disabled during war or peace and where the disability is attributable to service, are accorded Priority I for employment. In case the disabled person is unable to take up employment himself, upto two members of his family are accorded priority II-A for employment. For widows or two dependants of soldiers killed in war or peace where the death is attributable to military service, priority II-A is accorded for employment assistance. Widows/dependants of soldiers who die in harness are eligible for benefits of compassionate appointment.

Full military pension is exempted, while fixing the pay of ex-servicemen on re-employment in case of personnel below officer level; and in the case of officer Rs. 500/- per month is exempted. The limit for pension plus pension equivalent of gratuity and refixed pay has been raised from Rs. 3,500/- to Rs. 8,000/-.

(iii) Self-employment

4.39 Since it is not possible to give jobs to all retiring defence personnel, a number of schemes have been implemented by States and the Centre for encouraging ex-servicemen to get resettled in various self-employment ventures. Brief particulars of various schemes are given as under:

Reservation of Industrial Plots and Sheds:

To help ex-servicemen to set up industries, special quota is reserved for allotment of industrial plots and sheds by 12 States/UTs. Three States give priority to ex-servicemen for such allotments.

Interest Subsidy on Bank Loans:

Ex-servicemen are given subsidy on the rate of interest on bank loans by Rajya Sainik Boards out of their welfare funds.

Price Subsidy

To encourage ex-servicemen to set up small scale industry, 10% subsidy with a maximum monetary limit of Rs. 50,000/- in year for a period of five years is given on the value of items provided by them to Ministry of Defence on rate contract basis.

Scheme for Self-Employment for Ex-Servicemen (SEMTEX-I):

SEMTEX-I Scheme was launched on 1st April, 1987 in collaboration with the Industrial Development Bank of India (IDBI). Under this scheme, projects upto Rs. 12 lakhs are financed, in which 10% margin money is paid by the promoter, 15% soft seed capital assistance at 1% interest is given by IDBI (now SIDBI) and the remainder 75% is given by State Financial Corporation (SFC) at 12.5% to 13.5% interest.

SEMTEX-II Scheme:

This scheme was launched on 15th January, 1988 in collaboration with National Bank for Agriculture and Rural Development (NABARD). Under this scheme, loans upto Rs. 5 lakhs for non-farm sector and without any upper ceiling for farm sector projects are sanctioned.

Coal Transportation:

The scheme to raise ex-servicemen coal transport companies for transportation of coal in Coal Subsidiary Organisations has been formulated since 1979. Provision has been made for single driver owner vehicles to join the companies.

Other Measures:

Ex-Servicemen are sponsored for carriage of bulk LPG by tankers, and also for allotment of gas agencies, petrol pumps and kerosene oil agencies, Mother Dairy and Delhi Milk Scheme Milk Booths, vegetable and fruit booths, UTI agencies, fertilizer agencies and shops. In addition, each State has certain schemes for allotment of Jai Jawan stalls and agencies.

(iv) Medical Facilities

4.40 As regards availability and adequacy of medical facilities for retired services personnel the Ministry of Defence in their preliminary Material stated that prior to 1966, ex-Servicemen were entitled to following medical facilities:—

- (a) Free medical treatment for specific disabilities in respect of ex-Servicemen in receipt of disability pension.
- (b) Other Armed Forces pensioners could be admitted to Service Hospitals only if accommodation was available and admission was sanctioned by OC station/Administrative Authority. Specified hospital stoppages were to be paid for. No out-patient treatment was available to such pensioners.
- (c) Families of ex-Servicemen were not entitled to any treatment (outdoor or indoor) from Service Hospitals.

After 1966, ex-Service pensioners and their families drawing pension of some kind are entitled to free out-patient treatment including the supply of medicines from the nearest Military Hospital/MI Room/Sick Bay/Station sick Quarters. Such persons are also provided in-patient treatment in Service Hospitals subject to the following conditions:—

- (a) That the disease is not incurable.
- (b) That the hospital accommodation is made available within the authorised number of beds and without detriment to the needs of the serving personnel
- (c) That treatment will be limited to the facilities available locally.

(d) No conveyance will be provided for journeys from the residence to the hospital and back.

(e) No special nursing would be admissible.

Due to increased awareness and phenomenal and continued increase in the number of ex-Servicemen, more and more ex-servicemen are now coming to the Service Hospitals or treatment. To meet the requirement of providing adequate treatment to the ex-Serviceman and their families, the following additional facilities are under consideration:—

(i) Creation of 1155 beds in selected Military Hospitals for the benefit of ex-Servicemen and their dependents.

(ii) Extension of medical facilities to ex-Servicemen for treatment of Malignant Diseases (Cancer), Pulmonary Tuberculosis, Leprosy etc. The proposal involves creation of 950 beds in selected specialised centres. The total Financial effect has been estimated at approx. Rs. 11 crores.

(v) *Welfare*

4.41 General. Canteen facilities can be availed from nearest CSD Canteens. 225 Sainik Rest Houses are established all over the country to enable ex-servicemen to stay at these places for short durations.

Concessions to War Bereaved:

Children of defence personnel killed or disabled in action are entitled to free educational facilities including fees, hostel charges, cost of uniforms. 75% concession in rail fare for travel in second class is given to all war widows. The recipients of gallantry awards are given 50% concession for travel by air and by Rail in second class. 26 War Memorial Hostels have been constructed in various Regimental Centres for providing accommodation to wards of war widows, war disabled and attributable peace time casualties. A stipend of Rs. 200/- p.m. is paid to each eligible ward. Financial assistance for construction of houses, marriage of daughters, is given to war widows, war-disabled and attributable peace time casualties by State Governments and Kendriya Sainik Board.

Financial Assistance:

Ex-servicemen and their widows, who are in penury are given financial assistance by kendriya Sainik Board, Defence Ministers Appellate Commission and by Rajya Sainik Boards through their welfare funds. Grants are also given for special medical treatment. Kendriya Sainik Board also gives grants to Paraplegic Homes, Cheshire Homes and other charitable institutions to cater for expenditure incurred on ex-servicemen inmates.

4.42 On the question of overburdening of the existing resources and facilities of Armed Forces, the Defence Secretary stated during evidence:

"The Committee on Defence Expenditure addressed themselves to this question and they made some observations which would require to be further examined. Whatever innovations that we can succeed in bringing about in the Services Hqrs., as it is today, even field manpower strength in the three Services, by and large remained static as the Services preferences are there. Naturally the requirements of education, medical facilities and other amenities that we provide to Armed Forces would naturally take away a good deal of the resources including the cost of the ever increasing pension bill. So, the various Committees in the past and we have thought about this and ultimately it will revolve round one thing. If we take them away, they will have to be provided with the assured guarantee of facilities in another walk of life when they go out. How much there is still need when we proceed in that direction and what difficulties will be there have to be examined in consultation with the concerned Ministries. We will examine whatever recommendations you may make. They will not be out of place. They will receive priority considerations."

Conclusions

4.43 The Committee are apprised that there is a well laid down procedure under which the aggrieved Defence personnel can make non-statutory or statutory representations to Service Chief/Government for redressal of their grievances in regard to punishments, promotions, postings and retirement etc. They, however, observe that the number of statutory complaints as well as references to court cases have gone up considerably during the recent years. This has been attributed to increase in the number of Defence personnel, their improved educational standards and rising expectations. The Committee are also informed that the statutory complaints in each Service and the total number of court cases as a percentage of the cadre strength of officers class is not very significant. The Committee are, however, constrained to observe that it would have been more appropriate to indicate percentage of aggrieved officers ultimately approaching civil courts for redressal of their grievances and the number of cases in which their pleas have been upheld by the courts. The committee believe that percentage of such officers will not be insignificant. They, therefore, wish to caution the Ministry of Defence against undue optimism on this account.

4.44 However, the Committee are of the view that the low percentage of such cases notwithstanding often such matters get highly publicised and reflect disproportionately on the reputation of the Armed Forces which is more injurious to the morale of the forces and their faith in the leadership as well as public perception about our armed forces. The Committee cannot but express their concern over such a trend which may accentuate further

as society changes and individual citizens become more assertive about their right. The Committee are convinced that there is something inherently wrong in the system of grievance redressal in the Services which needs to be fine tuned.

4.45 In this context the Committee note that the Ministry are willing to review, in consultation with the Service Headquarters, an alternative structure for providing satisfaction to aggrieved officers so that they do not resort to the Courts of Law for redressal of their grievances. They are further apprised that for this purpose the Ministry of Defence are in fact contemplating revival of an earlier idea of setting a statutory board consisting of a sitting or retired judge of High Court, besides representatives from the Services, preferably retired, and a civilian of equivalent status.

4.46 The Committee note that while Ministry of Defence is predominantly a civilian set up the three Service Headquarters as well as subordinate formation under them also employ a sizeable number of civilians who are either commanded exclusively by Service Officers or jointly by Service and the Civilian Officers. They are further informed that in respect of discipline etc. the Ministry of Defence have different sets of laws and rules simultaneously in operation for Defence personnel and Defence Civilians.

In this context the Committee are surprised to note that while the Defence civilians can be proceeded even after retirement for their acts of omission and commission committed during their service, Court Martial proceedings for the same act against Defence Service personnel cannot be initiated if the act is more than three years old. Consequently for the same default/incident while Defence Civilians involved can be punished the Service Personnel involved cannot be brought to book.

4.47 The Committee are also constrained to note that sometimes the Defence Service personnel who are to conduct enquiries or pass orders in disciplinary matters against, Defence Civilians, are not themselves fully acquainted with the Rules and Regulations governing the disciplinary proceedings against defence civilians. The orders passed in such circumstances have obviously been challenged in the courts of law on the ground of procedural faults during the enquiry. Moreover, in such cases denial of natural justice to the officer enquired against, also cannot be ruled out.

4.48 The Committee are apprised that on the basis of present scales of entitlement for residential accommodation the three Defence Services are deficient by 88,000 dwelling units. Even though substantial investment has been made, no new projects have started in the last couple of years owing to lack of resources. The Committee are informed that the situation is unlikely to change in the near future. The lack of adequate housing facilities is significantly accentuated by inadequate funding of projects, delays in acquisition of land, progressively increasing land and building costs and finally the enormous difficulty faced in resolving issues raised by

environment action groups/Ministry of Environment. The Committee were however, informed that the overall availability of housing in the Defence Services is around 55 to 60% which is far better than the percentage of satisfaction in respect of housing to the civilian employees of the Government, a fact which is very well realised by the servicemen. It has, therefore, been argued by the Ministry that shortage of residential accommodation is not so severe as would affect the morale of the servicemen.

4.49 The deficiency in accommodation is to some extent made up by the services by hiring private accommodation. The Committee are, however, constrained to note that the ceilings on rents that can be paid for hiring different scales of accommodation have not kept pace with rising rents particularly in the metropolitan cities.

4.50 The Committee are informed that Ministry of Finance proposed to carry out mid-term review of the classification of towns and cities for the purpose of granting house rent allowance during every 10 year census period which can to some extent ease the situation.

4.51 The Committee are acutely aware that housing is a basic necessity which contributes to a large extent in maintaining the morale of the personnel. They are also conscious of the fact that full satisfaction on this account is not possible and cannot be planned for under the present circumstances unless the number of beneficiaries is kept reasonable and constant. For a large organisation like Ministry of Defence it would be impossible to provide 100% satisfaction without committing disproportionately large resources which might be direly needed in other areas. The Committee are satisfied to note that the Ministry of Defence are seized of this problem. They are of the view that deep thought needs to be given to evolve long term and short term strategies to optimise satisfaction on account of housing in the defence services. In this context the Committee take note of the proposals to review the scale of accommodation and to optimise the utilisation of the existing assets.

4.52 While the Committee are satisfied with the medical facilities provided to service personnel and their families, they are nevertheless concerned about the existing gap between the sanctioned and actual availability of beds in Army Hospitals which has been attributed to lack of accommodation and supporting services, the Committee hope that the Government will soon take steps to set-right the imbalance.

4.53 The Committee during evidence pointed out to the Ministry apparent disparities in various service matters between the service personnel and the civilian employees of the Government. These relate to admissibility of transfer grant after retirement, leave preparatory to retirement and retention of accommodation after retirement. The Committee were assured by the Defence Secretary during evidence that action to rationalise different types of disparities had already been initiated. The Committee are of the view that such disparities should either not be allowed to crop up or if

owing to the difference in the service conditions, these are unavoidable for the present the position should be kept under review and efforts made to have the same gradually eliminated.

4.54 The Committee are surprised to find that the personnel posted in forward/field areas are still paid allowances such as Remote Area Allowance and Hill Area Allowance at the old rates whereas the persons posted in peace areas are paid their allowances on revised rates. They are however informed that such imbalance will be rectified on completion of review of Field Service concessions. They are further informed that a proposal to give Special Allowance called Siachen Allowance @ Rs. 900 per month for officers and Rs. 600 per month for JCOs and ORs, to those deployed at Siachen and which will replace the existing Avalanche allowance and High Altitude allowance is under consideration of the Ministry of Finance, Department of Expenditure.*

4.55 The Committee looked into the question of introducing a contributory pension scheme free of charge for the retiring Service personnel. They find that LIC have indicated that it would be possible for them to accept the responsibility for managing the pension fund and to offer additional pension to the extent of 30% of the pay last drawn provided at least 75% of the Government employees agree to join the fund. They are informed that such a step would lead to deterioration in the terms of service in the Armed Forces. The Committee is of the view that by introducing contributory pension scheme for personnel of three Services the initial load on the exchequer will not be very high. On the contrary subsequent benefit to the pensioners would be considerable.

4.56 The Committee are informed that for the purpose of providing financial assistance to the Defence Civilians in the event of sickness and to their family in the event of death, two funds viz. Defence Civilians Welfare Fund, the Ministry of Defence and Armed Forces Headquarters Welfare and Amenities Fund have been constituted. For payment of terminal benefits to superannuating employees 'Single Window System' is in operation.

The Committee, however, feel that the attention given to the welfare of Defence civilians is neither commensurate with their number nor with the important role they are expected to play in the effective functioning of the Defence Services.

4.57 The Committee are informed that 50,000 to 55,000 Service personnel are retired or released every year. Most of these officers and men being comparatively young in age need a second career to enable them to earn their livelihood. The Directorate General of Resettlement (DGR) under MOD has the overall responsibility for resettlement and welfare of ex-servicemen. The activities undertaken for the resettlement of retiring

* Please see footnotes to paras 4.26, 4.28 and 4.32.

Servicemen include, training, re-employment, self employment and other welfare schemes. The Committee are fully aware of the fact that to have a young and well motivated Defence forces, greater efforts are required to enforce their smooth resettlement after retirement. In fact there is need to identify areas and tasks within the Government as also outside which can be reserved for ex-servicemen, who constitute experienced, disciplined and well motivated human resource.

4.58 Keeping in view the continued increase in the number of ex-servicemen coming for the treatment at military hospitals, the creation of additional facilities are under consideration of the Government. These include creation of 1155 beds in selected military hospitals and extension of medical facilities for treatment of malignant diseases, pulmonary, tuberculosis and leprosy etc. involving creation of 950 beds in selected specialised centres. The total financial effect for this has been estimated at approximately Rs. 11 crores. The Committee welcome these measures and hope Govt. will do whatever is necessary to provide adequate medical facilities to ex-servicemen.

Recommendations

The Committee make the following recommendations:—

4.59 The existing system of grievance redressal in the three Services should be reviewed to identify the existing and potential causes of dissatisfaction with it.

4.60 All necessary steps should be taken to impart utmost objectivity to the existing institutions for redressal of grievances internally. For this purpose Committee desire that no further time should be lost in setting up statutory boards or tribunals exclusively for the Service personnel on such bodies should be represented retired Service officers, eminent civilian persons from the fields of judiciary and higher civil services. As a corollary to this Service personnel may be barred from approaching to the civil courts except for the purpose of review by Supreme Court of the decision given by the proposed statutory board.

4.61 Suitable amendments in the disciplinary laws/ regulations in respect of Service personnel and the Defence civilians may be made to ensure that, for grave acts of omission and commission, the two categories are held equally accountable and awarded due punishment under the same laws.

4.62 The existing scales of residential accommodation may be reviewed with a view to (i) optimising satisfaction from the existing housing facilities; and (ii) ensure greater availability of hired accommodation within the authorized scales of rent. To begin with such exercise may be undertaken urgently in respect of metropolitan cities and other areas where residential accommodation is scarce. The progress made in this regard may be intimated within six months.

4.63 An in-depth study of the manpower structure and age profiles in the three Services may be carried out in order to meet burgeoning requirement for housing and other facilities.

4.64 The Committee may be informed within six months about the steps taken to augment the number of doctors and supporting staff in the Army hospitals as also about the augmentation of beds in these hospitals.

4.65 Necessary steps may be taken to minimise disparities between Defence Services personnel and the Defence civilian in regard to various Service entitlements including transfer grant, leave preparatory to retirement retention of accommodation after retirement, etc. Wherever necessary rationale for such disparities should be fully explained to the Service personnel or Defence civilians as the case may be through available channels of communication. Under no circumstances groundless misgivings should be allowed to take root.

4.66 The Committee may be informed within six months about the progress made in rationalising the admissibility of special allowance particularly Remote Area Allowance and Hill Area Allowance in Forward/Field Areas and the peace areas. Similar disparities, if any, in respect of allowances admissible to service personnel posted in Island territories may also be rationalized.

4.67 The proposed Siachen allowance and similar allowances admissible in similar other areas may be reviewed after every five years to maintain the value of such allowances in compensating hardship faced by the officers and jawans while operating in the highly inhospitable conditions.

4.68 Greater attention may be paid to the welfare of Defence civilians in terms of housing, educational and medical facilities. The welfare of civilian employees should be considered an important part of the performance of the Officer-in-charge of a unit/establishment. An appropriate mechanism should be set up to provide an opportunity to the defence civilians to ventilate their grievances.

4.69 The feasibility of introducing a contributory pension scheme, free of charge for the retiring Service personnel may be examined and the results reported to the Committee within a period of six months.

4.70 Intensive training programmes in various technical fields may be suitably organised for ex-servicemen or servicemen on the verge of retirement so as to improve their chances of getting employment in various fields after retirement from the Services.

NEW DELHI;
August 19, 1992

Sravana 28, 1914(s)

MANORANJAN BHAKTA,
Chairman,

Estimates Committee.

APPENDIX I

(Vide para 1.3)

Note indicating the basis on which force levels in the three Defence Services and the manpower size in various allied organisations like Ministry of Defence, DRDO, Department of Defence Production and Ordnance Factories is determined.

Army

Historically, the period between 1947—62 was a period during which low priority was accorded to the Army and its structure/capability did not feature substantially in our national calculus. The 1962 war with China exposed our inadequacy in terms of defence preparedness. It was during 1963—71 when, for the first time the Government entered into calculations based on threat scenarios, adversary capability and related factors. The looming Chinese capability, increasing Pak force levels and reasonable level of foreign assistance in the early sixties helped the country to achieve a military capability which enabled her to respond effectively during the 1971 operations. From 1972 to date, the approach to force structuring has been based on medium/long term perspective plans. This perspective encompasses the scientific, technological and the environmental assessment that is likely to prevail over a 15 year period. This assessment takes into account the geo-political situation, likely stresses that may develop and the capability which is being acquired by the country's likely adversaries or those with whom India's national policy is likely to come into conflict. The assessment also takes into account the technological changes which are likely to take place within the country as well as in the level of defence and the impact of such technology on the effectiveness of weapons. Based on these perspective plans and taking into account the availability of resources, Five Year Plans are drawn up and these form the basis for maintaining the required force level of the Army.

Navy

The British rulers, for obvious reasons, did not encourage a large Navy for India. As a result, in 1947, India inherited a minuscule fleet of 5 frigates, 6 mine-sweepers and a few small craft. During the period 1947—62 the modernisation/expansion programme of the Navy was undertaken mainly through acquisition of British origin ships. The total number of ships in the Indian Navy grew to 43 and the man:ship ratio at this stage was 410:1 approximately, excluding civilians. The period 1962—71 witnessed further growth, but this was not as spectacular as in the Army and the Air Force. During this period the Indian Navy acquired ships from the Soviet Union. The Submarine arm of the Indian Navy was

also established in the late sixties to counter the threat posed by the acquisition of submarines by the Pakistan Navy. The total number of ships and submarines in the Indian Navy grew to 72. However, the man:ship ratio continued to be 410:1. During 1971—1980, the growth of the Indian Navy slowed down mainly on account of difficulties in acquiring ships/submarines from western sources. During this period, construction of the Leander class of frigates was undertaken in India and a good number of ships and submarines were procured from the USSR. The Indian Navy force level further increased and the man:ship ratio declined to 405:1. During 1980—90, there was significant growth of the Navy. This was necessitated by: (i) the urgent need for replacement of the existing vessels; (ii) acquiring more sophisticated vessels in order to keep pace with the integrated threat posed by other Navies in the region. Besides, India's maritime interests had meanwhile also grown considerably in view of the discovery of oil in Bombay High and other off-shore regions, sharp increase in the volume of maritime threat and the addition of over 2 million Sq.kms. of EEZ to India's territory. The current force level of the Indian Navy is more or less commensurate with India's present maritime interests. The process of consolidation and modernisation, however, continues. The man:ship ratio has now further declined to 363:1.

The Naval concept of warfare is quite different from that of land war. A Naval war must take place in three dimensions in areas which are not under constant surveillance. There is also the element of mobility over large distances. Consequently, the Navy must basically place for:

- (i) coastal defence
- (ii) sea denial to the adversary
- (iii) sea control

In achieving the above, apart from possessing appropriate craft, the Navy also requires to be adept at the following operations:-

- (i) antisubmarine warfare
- (ii) maritime reconnaissance
- (iii) amphibious warfare
- (iv) mine warfare

An assessment of the strength required to achieve the above objectives forms the foundation for determining the force levels in the Navy.

Besides the above considerations, the factors which determine the force levels in the Navy encompass both the short and the long term perspectives. Strategic, environmental, technical and financial aspects are also taken into account while determining the force levels in the Navy. This assessment takes into account the current geo-political scenario, the

likely threats that may develop in the region and the capabilities being acquired by the immediate, potential adversaries or those other countries with which India's national interests are likely to come into conflict. The assessment also takes into account the technological changes that are taking place both within and outside the country in the field of defence equipment. The prevailing socio-economic situation in the country and the Government's financial resources are also kept in mind while planning the force levels for the Navy. Care is also taken to ensure the correct mix of capabilities in all the three dimensions of the Service (viz. surface, sub-surface and air) with which to meet the perceived threats in the most cost effective manner.

In the aforesated background, the Navy 15. Year Perspective Plan has been prepared. Based on this Plan, Five Year Plans are drawn up which are co-terminus with the National Five Year Plans.

Air Force

The Indian Air Force consisted of six Combat Squadrons and one Transport Squadron in 1947. The force level grew to 22 Combat Squadrons, one Transport Squadron, one helicopter unit and a complement of 11 radars by 1960. The period 1960-1971 saw the growth and emergence of a versatile Air Force fully capable of defending the country's airspace, which proved its mettle in the 1971 hostilities. Initially, the aircraft in the IAF Squadrons were primarily of Western origin but, with the phasing out of the Toofanis and Mysteres of French origin, these Squadrons were re-equipped with Soviet aircraft and the phasing out some Hunter and Canberra Squadrons saw the induction of Jaguars of Western origin. The IAF now has the latest combat aircraft of both Western and Soviet origin as well as modern transport aircraft, helicopters, missiles, radars and communication equipment. There is an ongoing process of modernisation to ensure that the Air Force remains a versatile fighting force, capable of meeting the country's air defence requirements. The Indian Air Force is also backed by extensive indigenous manufacture and repair facilities through the 7 Divisions of HAL and BEL.

The force level in the IAF is determined on the basis of the perceived air threat, the force deployment objectives, designs and strategy. In practical terms, the force level is spelt out in terms of aircraft required for attack, air defence, interdiction and transportation of equipment and personnel for rapid deployment; helicopters required for attack and air maintenance roles, radars required to detect enemy aircraft invading our airspace at high, medium and low levels and the number of missile units required to point and area defence of Vital Areas (VAs) and Vital Points (VPs). After determining the force level, the manpower requirement is fixed with reference to the operation, maintenance, administrative and logistic support for the equipment.

MOD

There exists a rational mechanism for determination of manpower requirements of the Ministry of Defence Sectt. Inspections, studies and reviews are conducted by the Staff Inspection Unit (SIU) of the Ministry of Finance, an independent organisation, to measure the workload and to recommend the requirement of personnel in various Sections, Divisions and Offices of the MOD Sectt. The last such study by the SIU was made in 1985 for the Deptt. of Defence. Similar studies have been made for the Deptt. of Defence Production and Supplies.

In addition, there is an Internal Work Study Unit (IWSU), which is entrusted with the responsibility of studying procedures/performance of various Sections and conducting work measurement studies. Based on its recommendations suitable modifications, redeployment and re-arrangements are introduced in the system of working of the MOD Sectt.

Sanction of additional posts is preceded by detailed and searching examination both by the Ministry of Defence and Ministry of Finance. The MOD being a non-plan Ministry, stiff yardsticks have been prescribed and adhered to while sanctioning posts. Very few posts have been sanctioned in the last three years in the MOD Sectt. even though the Defence Budget has gone up by about 25% during the same period (87-88 to 89-90).

The MOD Sectt. has only about 1800 civilian staff in the Groups A, B, C & D posts. Annual expenditure on their salary and allowances is of the order of Rs. 8 Cr. only against the total Defence Budget of Rs. 15,750 crore (90-91).

Most of the Group 'A' posts in the MOD Sectt. are manned under the Central Staffing Scheme operated by the Deptt. of Personnel and Training. Most of the Group 'B' & 'C' posts are encadred in the Central Sectt. Service, Central Sectt. Stenographer Service and Central Sectt. Clerical Service. No separate rules of recruitment are, therefore, necessary for the posts filled under the Central Staffing scheme or by the officials belonging to Central Secretariat Services. A few Posts, which are outside the purview of the Central Staffing Scheme, have their own rules of recruitment specific to the job requirements. Some of the posts under this category are: Chief Director of Purchases and Deputy Chief Director of Purchase in the Army Purchase Organisation, Planning Officers, etc.

R&D

DRDO has an articulated manpower policy based on which manning of Labs/Estts. takes place.

AFHQ and Inter-Services Organisations

The civilian cadre of the AFHQ and Inter-Services organisations located in Delhi are governed by the manpower policy of the organisation they serve. Since the Services HQs and ISOs are a mix of combatants and non-combatants, arrangements exist to oversee and ensure that the prescribed ratio between the civilians and the combatants is maintained in different organisations and is not changed to the detriment of these civilians except with due approval of the Government. The ratio between the combatants/non-combatants of the lower formations and the civilians of the AFHQ prescribed in different organisations is as under:

	Civilians of AFHQ	Combatants / Non- Combatants of lower formations
(a) Army HQs	80	20
(b) Naval HQs	95	5
(c) Air HQs	80	20
(d) IS	80	20
Organisations		

Ordnance Factories

Manpower policy is based on the capacity parameters projected for the creation of facilities based on which the details of manpower at different levels are determined. The capacity parameters in turn are based on the projections made by the Armed Force.

Defence Production

The Defence Production units are presently planning their manpower requirements in relation to the production plans of the units, planned utilisation of capacity and likely decreases of manpower due to retirements etc. However, some of the units have manpower available with them which is in excess of the obtaining work loads in the establishments in which they work. As such, recruitment has been frozen in HAL, MDL and some units of BEL. At these units, recruitment is only made where re-training of the existing manpower is not possible. Recruitments to the new projects is also being done only after diversion of excess man power from the existing units/projects, wherever this is feasible.

APPENDIX II

(*Vide* para 3.30)

GENERAL NOTES ON NORMS FOR CALCULATION OF CIVILIAN/COMBATANT TO ARMY BASE WORKSHOPS/FIELD WORKSHOPS

FIELD REPAIR WORKSHOPS

Manpower to the Field Repair Workshops is authorised based on the workload to be tackled by these workshops and by using the yardsticks to workout the requirement for basic tradesmen. Each equipment has been assigned a work value based on the repair content; for example a work value of one lorry unit has been assigned to Car 4x2 as the repair content for one vehicle Mechanic. For every 20 lorry units of work content one vehicle mechanic is authorised. The requirement of total number of vehicle mechanics required by the workshops is worked out from the total workload to be handled by it. The requirements of other tradesmen are worked out based on a proportion as under:—

- (a) 1 Tech B Veh (Supervisor) for every 7-13 vehicle Mechanics.
- (b) 1 Electrician for every 8 vehicle Mechanics.
- (c) 1 Welder for every 25 vehicle Mechanics.

Tradesmen for Administrative purpose like Clerk (GD) Barber and so on are authorised basing as strength ratio for each Categories as per details given below:—

- (a) Clerk (GD) — 1 per 55 all ranks
- (b) Storekeeper — 1 per 40-80 tradesmen
- (c) Sweeper — 1 per 75 men
- (d) Barber — 1 per 100 men
- (e) Tailor — 1 per 500 men
 - Officers 1 — 20-50 men
 - CHM 1 — 120-150 men

ARMY BASE WORKSHOPS

Army Base Workshops have been organised and staffed based on their design capacity expressed in terms of manhours. These manhours are converted into manpower required by using the under-mentioned approved Government norms:—

- (a) Manhour available from civilian per year = 1747 Manhours
- (b) Manhour available from a Combatant per year = 1258 Manhours

Besides production manpower, for every 100 men required for repair and overhaul effort in an Army Base Workshop additional 102.25 men are authorised for administrative, supervisions, clerical, inspection and other allied production functions. Both civilian and combatant (Industrial and Non-industrial) are authorised to the Army Base Workshops. Normally the ratio of civilian and combatants is 80:20.

APPENDIX III
(Vide para 4.30)

**RECOMMENDATIONS OF THE COMMITTEE CONSTITUTED BY
DEPARTMENT OF P & PW TO DEVELOP A MODEL OF
CONTRIBUTORY PENSION FUND**

1. Contributory Pension Fund may be constituted for the future entrants to the Government Service.
2. The Government may consider giving option to the future entrants to Government Service to give their option for either Plan-A or Plan-B.
3. The Fund may be managed by a Pension Trust to set up under a special enactment called the Central Pensions Trust Act.
4. The contribution made to the Pension Fund by the employees and the return on the investments from the Pension Fund may be exempted from tax under the Income-tax Act.
5. The cost of existing Pension Scheme on 'Pay as you go' basis actuarially works out to be 11.1% of salary. The Governments' pension liability may be frozen at 11.1% of salary in future. The additional amount required for giving higher pension to the employees should come by way of contributions from the employees.
6. (a) Plan-A of the Pension Fund Scheme entitles an employee to a pension equivalent to the last drawn pay and family pension at the rate of 50% of the last drawn pay. The Governments' contribution to the Pension Fund under this plan would be 11.1% and that of the employee 3.1% of the salary.
(b) An alternative to Plan-A would be Plan-B which involves funding of the Governments' liability at 11.1% of the salary for providing pension at the rate of 72% of last drawn pay, and Family Pension at the rate of 50% of the last drawn pay.
- Both Plan-A and Plan-B have been worked out at 12% rate of interest and would cover only fresh entrants to the Government Service.
7. The Pension Fund may be valued actuarially once every five years. Valuation may be done more often as required keeping in view the inflationary tendencies and climate of investment.
8. No separate dearness allowance/relief would require to be sanctioned in future once the Pension Fund Scheme is instituted as the Fund provides for an inbuilt inflation of 5% p.a. at which rate the pension would also be increased from year to year.

9. Commutation in the present form may be dispensed with. This can be achieved:

- (a) by discontinuing the option available for commuting 1/3 of the pension in case of civilian, 45% in the case of other Ranks and 43% in the case of Officers of the Armed Forces personnel.
- (b) Alternatively the commutation may be permitted for a specific number of years, say for 15 years.

10. Death-cum-Retirement Gratuity may be increased suitably in the wake of revision of the pay scales as per the recommendations of the Fourth Central Pay Commission.

APPENDIX IV
COMPOSITION OF THE ESTIMATES COMMITTEE
(1990-91)

CHAIRMAN

Shri Jaswant Singh

MEMBERS

2. Shri J.P. Agarwal
3. Shri Anbarasu Era
4. Shri Kamal Chaudhry
5. Shri Anantrao Deshmukh
6. Prof. Prem Kumar Dhumal
7. Shri Balvant Manvar
8. Shri Hannan Mollah
9. Shri Arvind Netam
10. Dr. Debi Prosad Pal
11. Shri Rupchand Pal
12. Shri Harin Pathak
13. Shri Bhausaheb Pundlik Phundkar
14. Bh. Vijaya Kumara Raju
15. Shri Mullappally Ramachandran
16. Shri Y. Ramakrishna
17. Shri Rameshwar Prasad
18. Shri J. Chokka Rao
19. Shri Chiranji Lal Sharma
20. Shri Yamuna Prasad Shastri
21. Shri Dhanraj Singh
22. Shri Subedar Prasad Singh
23. Shri Sukhendra Singh
24. Shri Tej Narain Singh
25. Shri Taslimuddin
26. Dr. Thambi Durai
27. Shri Nandu Thapa
28. Shri P.K. Thungon
29. Shri Mangaraj Mallik
30. Shri Kailash Nath Singh Yadav

SECRETARIAT

1. Shri G.L. Batra — *Joint Secretary*
2. Shri B.B. Pandit — *Director*
3. Smt. Revathi Bedi — *Under Secretary*

APPENDIX V
STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

S. No.	Para No.	Recommendations/Observations
1	2	3
1.	1.80	The Government would be well advised to articulate a clear and comprehensive defence policy. This can only be based on a viable national security doctrine.
2.	1.81	For a more effective higher direction of national security, the dormant National Security Council should be revived.
3.	1.82	The Official Secrets Act may be reviewed and rationalised to facilitate a more meaningful debate on national security affairs.
4.	1.83	With a view to stabilising defence plan expenditure, the feasibility of making the defence sector allocations for the entire plan period as unalterable may be examined.
5.	1.84	The Defence Policy must take a greater note of emerging threat to the country from air and sea and must be reshaped to safeguard growing economic and maritime interests of the country. For this purpose greater attention needs to be paid in future defence plans towards modernisation of Air Force and Navy.
6.	1.85	The process of Defence Planning and allocation of resources should be so correlated that tasks given to the Defence Services are backed by sufficient assurance about the availability of resources.
7.	1.86	The decision making process in the Ministry of Defence needs to be reformed to avoid time and cost over-runs. For this purpose far greater powers should be delegated to the three Chiefs of Staff.

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8.	1.87	Financial Advisers may be appointed in respective Service Headquarters, and at various Command/Formation levels to ensure proper decentralisation coupled with rapid decision making and corresponding accountability.
9.	1.88	Immediate attention may be paid to imparting greater specialisation to the civilian officers of the Ministry of Defence Secretariat.
10.	1.89	The question of maintaining the combat effectiveness of the Armed Forces should be examined afresh in the light of the current budgetary constraints. Fleet modernisation, Force Multipliers for the Air Force and specialised troops for the Army are to be seen in this light.
11.	1.90	Action on the recommendations of the Expert Committee set up in 1989 as well as those of the Committee on Defence Expenditure should be expedited and progress reported to the Committee within a period of six months.
12.	1.91	Serious efforts should be made to plan infrastructure for maintenance and support service for weapon systems and equipments to minimise gap being experienced presently between the identification of the need and actual induction into service of weapons system/ equipments etc.
13.	1.92	Government should take both long term and short term measures in order to minimise the involvement of Armed Forces, particularly, the Army, in the maintenance of internal security. These measures should include modernisation and strengthening of Para-military forces as well as State Police Organisations, particularly in the border States.
14	1.93	The desirability of raising Rashtriya Rifles may be reviewed.

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15.	2.109	A long term and cogent manpower management policy statement needs to be prepared by the Ministry of Defence for proper direction of the manpower related affairs in the Defence Services.
16.	2.110	The Ministry of Defence should undertake a comprehensive review of the overall number of personnel in uniform as well as the civilian staff to judge the extent to which it could be pruned.
17.	2.111	The manpower ceilings fixed in the Services should be determined on a futuristic basis and enforced meaningfully to ensure that these are not exceeded under any circumstances.
18.	2.112	The data relevant for determining the ceiling on manpower at different levels should be maintained in a systematic manner and updated at appropriate fixed intervals.
19.	2.113	For ascertaining that manpower is being optimally and productively utilised, a set of reliable indices should be developed, applied and monitored at the higher echelons of the three Services.
20.	2.114	In order to overcome shortage of Commissioned Officers in the three Services, particularly the Army, the existing package being offered to officers recruited under the Short Service Commission Scheme should be improved upon to bring it at par with what was being offered to Officers recruited under Emergency Commission Scheme in 1962.
21.	2.115	More Sainik Schools should be opened in the rural areas to target recruitment efforts at a wider social base and to catch appropriate human resource at a young and impressionable age.

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22.	2.116	Serious efforts may be made to bring down the age profile of the unit commanders. For this purpose attractive voluntary retirement scheme for the officers at the appropriate level should be introduced.
23.	2.117	Steps may be taken to reduce the top heaviness of the Services in order to streamline the command structure in the Services.
24.	2.118	In the normal course a cadre review should be used merely for fine tuning promotional policies and the rank structure and should not result in upgradation of most ranks over a wide canvas. Appropriate manpower policy models should therefore be developed to meet enhanced requirement of officers and men.
25.	2.119	The terms of engagement in the three Services may be reviewed and desirability of a reduced colour Service considered after examining the recommendation of the Committee on Defence Expenditure.
26.	2.120	Appropriate schemes for lateral absorption of retiring Defence personnel in civilian departments should be drawn by offering appropriate relaxations of recruitment rules and procedures. The Government should urgently prepare an appropriate scheme for gainful re-employment of ex-servicemen.
27.	2.121	The question of induction of women in the operational arms of the Defence Services may be examined.
28.	2.122	Greater attention may be paid to appropriately training civilian manpower in the Defence Services.
29.	2.123	Promotion prospects of the civilian manpower in the Defence Services may be reviewed and improved upon.
30.	2.124	The question of voluntary national service may be subject to a comprehensive national debate and all necessary steps taken for the purpose.

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31.	2.125	The report of the Committee on Defence Expenditure be placed before the Parliament for a comprehensive debate on the subject.
32.	3.44	Ministry of Defence Secretariat should be reorganised to make decision making more efficient.
33.	3.45	Officers who have definite familiarisation of the working of Defence Services particularly those who have participated in various courses in DSSC and NDC should be given preference over other officers while deciding the placement of officers in the Ministry of Defence Secretariat.
34.	3.46	More officers from the Defence Services should be inducted in the Ministry of Defence to provide for greater specialisation and expeditious decision making in matters relating to Defence matters. Due attention should be paid to integration of the civilian and military personnel in the Ministry's Secretariat.
35.	3.47	The Flexible Complementing Scheme in Defence Research and Development Establishment should be constantly monitored and its efficacy watched at periodic intervals.
36.	3.48	The Committee would like to be informed about the actual impact created by the two schemes viz. hiring of research associates and appointment of specialists in specific area as consultants and emeritus scientists on the Defence Research and Development effort.
37.	3.49	The Scheme for merit based promotion of scientific and technical manpower may be approved and implemented. Clear rules and procedures for constituting Assessment Boards may be approved and Committee informed of the progress within a period of six months.

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38.	3.50	The progress made and the impact created by the proposed changes in the administrative, stores and finance cadres of the DRDO may be communicated to the Committee within a period of six months.
39.	3.51	An indepth exercise may be undertaken to identify Defence Production Units which can be modernised and diversified. In this connection, Government should take appropriate steps.
40.	3.52	Wherever feasible the idle assets of different production units such as land, building, etc. may be commercially exploited after an indepth study and without disturbing the Defence and other interests.
41.	3.53	Vigorous efforts should be made to obtain export orders for maintenance and production units in the Defence Sector.
42.	3.54	Earnest efforts may be made to remove disparities in the wages and perquisites between workers performing similar tasks in Defence Public Sector Undertakings and other production units under the Ministry of Defence.
43.	4.59	The existing system of grievance redressal in the three Services should be reviewed to identify the existing and potential causes of dissatisfaction with it.
44.	4.60	All necessary steps should be taken to impart utmost objectivity to the existing institutions for redressal of grievances internally. For this purpose Committee desire that no further time should be lost in setting up statutory boards or tribunals exclusively for the Service personnel on such bodies should be represented retired Service officers, eminent civilian persons from the fields of judiciary and higher civil services. As a corollary to this Service personnel may be barred from approaching to the civil courts except for the purpose of review by Supreme Court of the decision given by the proposed statutory board.

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45.	4.61	Suitable amendments in the disciplinary laws/regulations in respect of Service personnel and the Defence civilians may be made to ensure that, for grave acts of omission and commission, the two categories are held equally accountable and awarded due punishment under the same laws.
46.	4.62	The existing scales of residential accommodation may be reviewed with a view to (i) optimising satisfaction from the existing housing facilities; and (ii) ensure greater availability of hired accommodation within the authorised scales of rent. To begin with such exercise may be undertaken urgently in respect of metropolitan cities and other areas where residential accommodation is scarce. The progress made in this regard may be intimated within six months.
47.	4.63	An in-depth study of the manpower structure and age profiles in the three Services may be carried out in order to meet burgeoning requirement for housing and other facilities.
48.	4.64	The Committee may be informed within six months about the steps taken to augment the number of doctors and supporting staff in the Army hospitals as also about the augmentation of beds in these hospitals.
49.	4.65	Necessary steps may be taken to minimise disparities between Defence Services personnel and the Defence civilian in regard to various Service entitlements including transfer grant, leave preparatory to retirement, retention of accommodation after retirement; etc. Wherever necessary rationale for such disparities should be fully explained to the Service personnel or Defence civilians as the case may be through available channels of communication. Under no circumstances groundless misgivings should be allowed to take root.

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50.	4.66	The Committee may be informed within six months about the progress made in rationalising the admissibility of special allowance particularly Remote Area Allowance and Hill Area Allowance in Forward/Field Areas and the peace areas. Similar disparities, if any in respect of allowances admissible to service personnel posted in Island territories may also be rationalised.
51.	4.67	The proposed Siachen allowance and similar allowances admissible in similar other areas may be reviewed after every five years to maintain the value of such allowances in compensating hardship faced by the officers and jawans while operating in the highly inhospitable conditions.
52.	4.68	Greater attention may be paid to the welfare of Defence civilians in terms of housing, educational and medical facilities. The welfare of civilian employees should be considered an important part of the performance of the Officer-in-charge of a unit/establishment. An appropriate mechanism should be set up to provide an opportunity to the defence civilians to ventilate their grievances.
53.	4.69	The feasibility of introducing a contributory pension scheme, free of charge for the retiring Service personnel may be examined and the results reported to the Committee within a period of six months.
54.	4.70	Intensive training programmes in various technical fields may be suitably organised for ex-servicemen or servicemen on the verge of retirement so as to improve their chances of getting employment in various fields after retirement from the Services.

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATION**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH			
1.	M/s. Vijay Book Agency, 11-1-477, Mvlargadda, Secunderabad-500 306.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
BIHAR			
2.	M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
GUJARAT			
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T.No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T.No. 351663 & 350806).
MADHYA PRADESH			
4.	Modern Book House, Shiv Vilas Place, Indore City. (T.No. 35289)	15.	M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T.No. 2915064 & 230936).
MAHARASHTRA			
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110 001. (T.No. 3315308 & 45896).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T.No. 7112309).
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	18.	M/s. Rajendra Book Agency, IV-DRS9, Lajpat Nagar, Old Doble Storey, New Delhi-110 024. (T.No. 6412362 & 6412131).
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
9.	M & J Services, Publishers, Representative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele road Nalgaum, Dadar, Bombay-400 014.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
10.	Subscribers Subscription Service India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T.No. 344448, 322705, 344478 & 344508).
TAMIL NADU			
11.	M/s. M.M. Subscription Agencies, 14th Murali Street, (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T.No. 476558)	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
UTTAR PRADESH			
12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.	23.	M/s. Books India Corporation Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T.No. 269631 & 714465).
WEST BENGAL			
13.	M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.	24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110 002.

CORRIGENDA TO 19 TH REPORT OF ESTIMATES
 COMMITTEE ON THE MINISTRY OF DEFENCE -
 DEFENCE FORCE LEVELS, MANPOWER, MANAGEMENT
 AND POLICY (TENTH LOK SABHA).

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<u>Sl. No.</u>	<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1.	1.	1. 3	1	funished	furnished
2.	30	1. 73	3	plan	plans
3.	31	1. 76	8	beer	been
4.	35	2. 2	13 from below	aricraft	aircraft
5.	35	2. 2	4 from below	aricraft	aircraft
6.	60		6	Add 2.87 at the beginning	
7.	66	2. 110	3	could to be pruned	could be pruned
8.	68		4	Add ',' after 'DEFENCE'	
9.	109	4. 65	4	after 'retirement' Add ',' <u>first word</u>	
				Delete ',', before 'etc'	
10.	122	2. 110	4	could to be	could be
11.	126	4. 65	6	Delete ',', after 'retirement'	