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**STANDING COMMITTEE ON DEFENCE
(2020-21)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS

**ARMY, NAVY, AIR FORCE, JOINT STAFF, MILITARY ENGINEER SERVICES,
EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME AND SAINIK SCHOOLS**

(DEMAND NOS. 19 AND 20)

TWENTIETH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2021 / Phalguna , 1942 (Saka)

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(2020-21)

(SEVENTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2021-22)

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EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME AND SAINIK SCHOOLS**

(DEMAND NO. 19 AND 20)

Presented to Lok Sabha on 16.03.2021

Laid in Rajya Sabha on 16.03.2021



LOK SABHA SECRETARIAT

NEW DELHI

March, 2021 / Phalguna , 1942 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2020-21)

SHRI JUAL ORAM

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CHAIRPERSON

Lok Sabha

2. Shri Deepak (Dev) Adhikari
3. Kunwar Danish Ali
4. Shri Ajay Bhatt
5. Shri Devusinh Jesingbhai Chauhan
6. Shri Nitesh Ganga Deb
7. Shri Rahul Gandhi
8. Shri Annasaheb Shankar Jolle
9. Choudhary Mehboob Ali Kaiser
10. Prof. (Dr.) Ram Shankar Katheria
11. Smt. (Dr.) Rajashree Mallick
12. Dr. T.R. Paarivendhar
13. Shri Kapil Moreshwar Patil
14. Shri Anumula Revanth Reddy
15. Shri Jugal Kishore Sharma
16. Dr. Shrikant Eknath Shinde
17. Shri Prathap Simha
18. Shri Brijendra Singh
19. Shri Mahabali Singh
20. Shri Kotagiri Sridhar
21. Shri Durga Das Uikey

Rajya Sabha

22. Dr. Ashok Bajpai
23. Shri Prem Chand Gupta
24. Shri Sharad Pawar
25. Shri V. Lakshmikantha Rao
26. Shri Sanjay Raut
27. Shri Rajeev Satav
28. Dr. Abhishek Manu Singhvi
29. Shri Kamakhya Prasad Tasa
30. Dr. Sudhanshu Trivedi
31. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

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

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2020-21), having been authorised by the Committee, present this Twentieth Report (Seventeenth Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 19 and 20)'.

2. The Demands for Grants of the Ministry of Defence were laid on 13 February, 2021 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 17, 18 and 19 February, 2021. The draft Report was considered by the Committee at their Sittings held on 9 and 15 March, 2021 and was adopted at the Sitting held on 15 March, 2021.

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

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

New Delhi
15 March, 2020
24 Phalguna, 1942(Saka)

JUAL ORAM
Chairperson
Standing Committee on Defence

REPORT
CHAPTER I
ARMY

It is well understood fact that Army is the land component of Armed Forces. Indian Army strengthens the idea of India and lives by the national values. Dedicated to preserve national interests, safeguard sovereignty, territorial integrity and unity of our Nation. The challenges before Army include thwarting proxy wars, defeating internal threats, assist Government and the people of India during all needs and crisis. The budgetary demands for Army are contained in Demand Nos.19 and 20.

1.2 For examination of the Demands for Grants of Army for the year 2021-22, the Committee had sought from the Ministry of Defence a statement indicating the proposed and earmarked outlay at Budget Estimate (BE), Revised Estimate (RE) and actual expenditure for Army during the last five years including 2020-21, separately for Capital and Revenue segments along with projection and allocation in the BE 2021-22. The details submitted to the Committee are as tabulated below:-

REVENUE

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2014-15	1,04,837.88	91,844.02	99,420.15	97,501.40	95,973.22
2015-16	1,09,758.22	1,03,315.91	1,04,408.45	1,00,106.78	1,02,847.18
2016-17#	1,15,561.78	1,12,764.62	1,21,686.11	1,17,925.22	1,16,901.93
2017-18\$	1,52,491.22	1,19,961.51	1,29,287.59	1,21,451.80	1,27,507.48
2018-19\$	1,51,814.73	1,27,059.51	1,41,456.91	1,29,812.34	1,34,241.38
2019-20	1,52,321.32	1,40,398.49	1,52,424.82	1,42,773.83	1,42,529.38
2020-21	1,65,228.28	1,45,785.88	1,53,436.68	1,44,545.67	1,06,690.05*
2021-22	1,70,705.28	1,47,644.13			

*Figure upto December, 2020.

Note: RE 20-21 and BE 21-22 figures are subject to approval of the Parliament.

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

(\$ - Excludes Military Farms and ECHS)

CAPITAL

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2014-15	41,936.15	26,533.60	23,832.67	21,933.54	18,586.73
2015-16	31,938.67	27,342.42	27,845.33	24,230.47	20,703.70
2016-17#	37,960.18	26,935.81	34,489.90	24,017.86	28,462.11
2017-18\$	42,485.93	25,205.71	40,791.43	25,205.71	27,148.26
2018-19\$	44,572.63	26,815.71	41,614.41	26,815.71	27,438.66
2019-20	44,660.57	29,511.25	46,032.00	29,666.90	29,000.88
2020-21	50,373.60	32,462.38	39,019.17	33,283.28	15,354.93*
2021-22	51,492.10	36,531.90			

*Figure upto December, 2020.

Note: RE 20-21 and BE 21-22 figures are subject to approval of the Parliament.

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

(\$ - Excludes Military Farms and ECHS)

Revenue Budget

1.3 The Committee understand that the Revenue budget comprises of two main components, salary and non-salary. Major portion of the budget head primarily goes for salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of Army. In Budget Estimates (BE) for FY 2021-22, against Revenue Head, projection of Army was Rs. 1,70,705.28 crore and allocation to be made is Rs. 1,47,644.13 crore, hence allocation lessened by Rs. 23,061.15 crore. In case of Revised Estimates (RE) for FY 2020-21, under Revenue head, Army's projection was Rs.1,53,436.68 crore and allocation made was Rs. 1,44,545.67 crore. The allocation is short of demand by Rs. 8,891.01 crore, however, the expenditure incurred till December 2020 was Rs. 1,06,690.05 crore.

Capital Budget

1.4. Capital Budget cardinally provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2021-22, Army's projection was Rs. 51,492.10 crore and allocation to be made is Rs. 36,531.90 crore. There is a deduction of Rs. 14,960.20 crore in allocation vis-a-vis demand. In RE 2020-21, the projection of Army was Rs. 39,019.17 crore against which an allocation of Rs. 33,283.28 crore was made, hence, Rs. 5,835.89 crore short of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2020 was only Rs. 15,354.93 crore.

1.5 The Committee desired to be apprised about the reasons for noticeably less expenditure incurred during the FY 2020-21. In this regard, the Chief of Defence Staff (CDS) during evidence submitted:

“अप्रैल, मई और जून में लॉकडाउन के दौरान प्रैक्टिकली फैक्ट्रीवाइज़ प्रोडक्शन बहुत कम था। कैपिटल बजट का पेमेंट या यूटिलाइजेशन भी होता है, जब सामान फौज को डिलिवर होता है। यह स्थिति अब चेंज हो गई है। पिछले 6 महीनों में प्रोडक्शन तेज गति से हो रहा है। हम आज भी डेली बिल्स क्लीयर कर रहे हैं और उम्मीद है कि by the time this year ends, that is, 31st March, 2021, we should be able to finish off our liabilities once the items which we have demanded are supplied to us by the factories and the production agencies.”

1.6 As regards gaps in projection and allocation, during oral evidence, the Committee were briefed by the Chief of Defence Staff as under:

“You will always find that the projections are normally made about 15 per cent to 20 per cent higher. That is a strategic planning process that we adopt. We always demand more funds in the hope that the procurement will happen as per the plan but it does not go as per that planning because of the various procurement cycles and the fact that we have to invite tenders sometimes from abroad and sometimes within the country. Then we go to a negotiation process, and there is a trial process that we have to go through. All this is now being telescoped so that we can shorten this process and make sure that the Budget utilisation happens in a timely manner. For this, इस साल के लिए एक नया डीएपी 2020 बनाया गया है। जिन कारणों से यह प्रक्रिया डीले कर रही थी, उन सबको ध्यान में रखकर डीएपी को रिवाइज़ किया गया है। हमें उम्मीद है कि हम लोगों का जो प्रोक्योरमेंट प्रोसेस है, उसका साइकिल टेलिस्कोप कर के जल्द से जल्द प्रोजेक्ट कर पाएंगे। मेरे हिसाब से अभी हम लोग जो 15 से 20 प्रतिशत तक एक्स्ट्रा प्रोजेक्शन करते हैं, may be the requirement will be only to project five to ten per cent extra क्योंकि प्रोक्योरमेंट साइकिल hasten up किया जा रहा है।”

1.7 In this context, the Chief of Defence Staff further added:

“हम लोग जो कॉस्ट प्रोजेक्शन करते हैं, शुरू में जब हम किसी आइटम को प्रोक्योर करते हैं और उसकी कॉस्ट प्रोजेक्शन करते हैं, तो उसका वर्क आउट बहुत ही ब्रॉड फिगर पर करते हैं। हम इस पर एओएन लेते हैं। इसके बाद जब नेगोसिएशन शुरू होती है, तब हम देखते हैं कि जिस रेट पर उस चीज को प्रोक्योर किया जाता है, इन वैरिएबली उसका दाम कम होता है than what has been anticipated. इस वजह से उसके प्रोजेक्शन और परचेज में फर्क आता है।”

Percentage Share of Army Budget

1.8 The Committee desired to know the percentage share of Army budget, both in Revenue and Capital segments, out of the total Defence Budget during the last five years. The data furnished by the Ministry of Defence is tabulated below:

(Rs. in Crore)

Year	BE (Defence Service Estimates)	Army (Revenue)	%age share	Army (Capital)	%age share	Army (Revenue + Capital)	%age Share
2015-16	2,46,727.00	1,03,315.91	41.87	27,342.42	11.08	1,30,658.33	52.95
2016-17	2,49,099.00#	1,12,764.62\$	45.27	26,935.81\$	10.81	1,12,764.62	56.08
2017-18	2,59,261.90*	1,19,961.51	46.27	25,205.71	9.72	1,45,167.22	55.99
2018-19	2,79,305.32*	1,27,059.51	45.49	26,815.71	9.60	1,53,875.22	55.09
2019-20	3,05,296.07	1,40,398.49	45.99	29,511.25	9.67	1,69,909.74	55.66
2020-21	3,23,053.00	1,45,785.88	45.13	32,462.38	10.05	1,78,248.26	55.18

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

(* Excludes Military Farms & ECHS)

1.9 There is an evident increase in percentage share of revenue budget of Army out of Defence Services Estimates from 41.87 per cent in 2015-16 to 45.13 per cent in 2020-21. At the same time there is decrease in capital budget share from 11.08 percent in 2015-16 to 10.05 per cent in 2020-21. However, in absolute terms, increase is witnessed under both revenue and capital heads during the same time period.

Budget for Modernization

1.10 The Committee were apprised that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the FY 2020-21, an amount of Rs. 26,068.61 crore was allocated to Army at BE stage. Further, earmarking between Committed Liabilities and New Schemes is carried out by Service Head Quarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 13,129.81 crore (upto December, 2020) has been incurred in FY 2020-21. Keeping in view the pace of expenditure additional funds were not allocated to Army in RE 20-21 under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes).

1.11 The Committee were further apprised that under Modernisation (Capital Acquisition) Head, Army had sought additional allocation of Rs. 13,978.42 Crore in first supplementary and Rs. 8,118 Crore in second supplementary stage in FY 2019-20 for meeting expenditure on account of: committed payments to HAL, foreign Committed Liabilities, DPSUs, Brahmos and Private vendors, and procurement of critical vehicles to meet the operational requirements. However, the Ministry did not receive any additional allocations at the Supplementary stages. In FY 2020-21, Army had sought additional allocation of Rs. 7,300 Crore in first supplementary to cater for shortfall towards Committed Liabilities, emergency powers-2020 and requirement for construction of offices in connection with Central Vista Project. No additional funds were sought at second supplementary stage under Modernisation (Capital Acquisition) Head.

1.12 The Committee were furnished details of additional requirements projected by Army under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2019-20 and 2020-21 as tabulated below:-

(Rs. in crore)

Year	BE Allocation	RE Projection	Additional funds projected at RE stage over BE allocations	RE Allocation
2019-20	23,000.63	36,979.05	13,978.42	23,517.31
2020-21	26,068.61	31,961.00	5,892.39	26,068.61*

Note: RE 20-21 figures are subject to approval of the Parliament.

Planning and Procurement

1.13 The Committee were intimated that Capital Acquisition is planned, based on Schemes included in the Annual Acquisition Plan (AAP). Cases included in the AAP are progressed as per Defence Procurement Procedure (DPP)/ Defence Acquisition Procedure (DAP) till finalisation of contracts. Details of contracts concluded by Army during last year and current year (upto 30.11.20) are given below:-

(Value in Rs. crore)

2019-20		2020-21 (upto 30.11.2020)	
No. of contracts	Value	No. of contracts	Value
14	28,955.55	7	12,915.47

1.14 As informed to the Committee, during the last four financial years 2016-17 to 2019-20 and current year 2020-21 (upto 30.11.20), 70 contracts have been signed for Army for capital procurement of defence equipment such as bullet proof jackets, rifles, rockets launchers, missiles, radars, artillery guns, tanks, helicopter, Multimode Hand Grenade, Secure communication systems, simulators and ammunition.

1.15 The Committee were apprised that capital procurement of defence equipment is undertaken from various domestic as well as foreign vendor in accordance with Defence Procurement Procedure (DPP)/ Defence Acquisition Procedure (DAP) based on operational

requirements of the Armed Forces, the availability or capacity to produce the equipment in India and abroad and to keep the Armed Forces in a state of readiness to meet the entire spectrum of security challenges. Further, the acquisition of Weapon Systems and equipment for the Armed Forces flows from the Long Term Integrated Perspective Plan (LTIPP). The current LTIPP spells out the capability desired to be achieved by the Armed Forces over the 15 years duration from 2012 to 2027. The LTIPP is translated into specific assets to be acquired, in the form of Services Capital Acquisition Plan, covering a five year period. From the Services Capital Acquisition Plan (SCAP), a list of equipment and weapon systems required to be procured immediately is listed in the form of the Annual Acquisition Plan (AAP). The AAP is a 2 year roll on plan. Government is taking measures for modernization of the Armed Forces, through induction of new equipment and upgradation of existing equipment and systems. The modernization projects are progressed as per approved Services Capital Acquisition Plans and Annual Acquisition Plans in terms of the extant/applicable DPP/DAP. Government regularly monitors progress of on-going procurement projects so as to ensure that the Armed Forces are equipped to meet the entire spectrum of security challenges.

1.16 At the time of deliberations, the Chief of Defence Staff, while elaborating on the issue, stated that the Government is endeavoring to bring jointness and check redundancy. Precisely, he said:

‘आपको बताना चाहूंगा कि एक प्रक्रिया चल रही है, जिसमें तीनों सर्विसेज को इंटीग्रेट करके हम जॉइंटनेस की तरफ जा रहे हैं। चूंकि अभी आर्मी, नेवी और एयरफोर्स अलग-अलग सायलोज़ में काम करते हैं, तो हमारे पास काफी रिडनडेंसी है। इसलिए हमारे जितने भी प्रोक्योरमेंट प्रोसेसेज चल रहे हैं, उन को री-प्रायोरिटाइज किए जा रहे हैं क्योंकि हमने यह देखा कि वही चीज आर्मी भी प्रोक्योर कर रही है, वही चीज एयरफोर्स भी प्रोक्योर कर रही है और वही नेवी भी कर रही है। हमारी लॉजिस्टिक्स करने की जो प्रक्रिया है, उसे आर्मी अलग से करती है, नेवी अलग से करती है और एयरफोर्स अलग से करती है। लेकिन जब हम इसे इंटीग्रेटेड सिस्टम में लाएंगे, इसे जॉइंटनेस में लाएंगे, तो आप देखेंगे कि हमारी ताकत बढ़ेगी, लेकिन बजट में सेविंग होगी। यह प्रक्रिया चल रही है। आप देखेंगे कि इस साल हमारी तीनों सर्विसेज में बीच में काफी जॉइंटनेस आएगी।’

Indigenization

1.17 The Committee wanted to know the efforts made by Army towards realization of indigenisation and self-reliance. In this connection, it was informed by Ministry of

Defence that during the year 2019-20 and current year 2020-21 (upto 30.11.2020), out of the total 21 contracts signed, 14 contracts were signed with the Indian vendors for capital procurement of defence equipment such as Tanks, Mine ploughs for Tanks, Pinaka Regts, Secure communication systems, Multimode Hand Grenade (MMHG) for Indian Army. The expenditure under capital acquisitions budget for Army during 2019-20 and 2020-21 (till date), on indigenous contracts was Rs. 20,896.14 crore and Rs. 13,580.55 crore respectively.

Bullet Proof Jackets (BPJs)

1.18 The Committee were also keen to know about the status of procurement of BPJs. They were updated by the Ministry of Defence through written replies that Government is issuing licenses to private companies for manufacture of Bullet Proof Jackets/Body Armour/Body Protector to have indigenous capabilities of said defence stores. In Government sector, OFB in association with Mishra Dhatu Nigam Limited (MIDHANI) has developed Bullet Resistance Jackets branded as 'BHABHA KAVACH'. This has been successfully evaluated to meet the specifications/requirements by the Para Military and Police Forces. This was launched at the International Police Expo 2019 held on 19-20 July, 2019 at New Delhi. Bullet Resistance Jacket developed by OFB is conforming to all technical specifications/requirements of Bullet Proof Jacket of Indian Army.

Manpower

1.19 At the time of presentation by the representatives of Ministry of Defence on Demands for Grants 2021-22 the Committee desired to know the position of Government on the issue of reduction in non-essential manpower.

In this respect, the following submission was made by the Chief of Defence Staff:

‘सर, मैं आपको यह बताना चाहूंगा कि सेना की टुकड़ियाँ होती हैं, उन्हें हम इन्फैंट्री डिविज़न, माउंटेन डिविज़न और आर्मर्ड डिविज़न कहते हैं। ब्रिटिश शासन के समय जितने डिविज़ंश होते थे, उनमें इन्फैंट्री, इंजीनियर्स, सिग्नल, ऑर्डनेंस आदि होते थे। इनको देश के बाहर ऑपरेट करने का टास्क दिया जाता था। ये लोग फर्स्ट वर्ल्डवॉर, सेकेण्ड वर्ल्डवॉर में बर्मा फ्रंट में गए, इजिप्ट, इटली और फ्रांस गए, वहाँ इन लोगों ने युद्ध लड़ा। इसको एक सेल्फ कंटेंट रूप में जाना पड़ता था। अगर कोई डिविज़न बाहर गई है, तो उसको अपना एडमिनिस्ट्रेशन भी खुद देखना पड़ेगा।

लेकिन अभी यह है कि हमने जो भी प्रक्रिया की है, उसमें हमने देखा है कि अभी अंदरूनी इंफ्रास्ट्रक्चर में काफी वृद्धि हुई है। हमारे जो बॉर्डर एरियाज हैं, वहाँ इंफ्रास्ट्रक्चर बढ़ रहे हैं और रिपेयर वर्कशॉप्स खुल रहे हैं। अभी हम फॉरवर्ड एरियाज में ऐसा देख रहे हैं। हमारे पास अपनी प्रक्रिया है। हमने अपनी लॉजिस्टिक्स टेल को कम करके हम आईबीजी कांसेप्ट पर जा रहे हैं, जिसे हम इंटीग्रेटेड बैटल ग्रुप कहते हैं। इंटीग्रेटेड बैटलग्रुप में छोटी-छोटी टुकड़ियाँ होंगी, जिनमें युद्ध करने की क्षमता होगी, लेकिन इनकी लॉजिस्टिक्स टेल छोटी कर दी जाएगी। लॉजिस्टिक्स टेल को छोटा करने के लिए हम उसे आउट सोर्स कर देंगे।

अगर टाटा की गाड़ी है, तो उसे अपने वर्कशॉप में रिपेयर करने के स्थान पर टाटा के वर्कशॉप से रिपेयर करा दिया जाता है और रिपेयर करने की जो अपनी प्रक्रिया है, उसे बंद कर दिया जाएगा। आज सिलचर और गुवाहाटी में भी टाटा के वर्कशॉप्स हैं।

इसी तरह से, बेसवर्कशॉप्स को 'गोको' मॉडल पर करने की भी प्रक्रिया चल रही है। हमारे जो वर्कशॉप्स हैं, ये मॉडर्न तरीके से हमें रिपेयर फैसिलिटी दे सकें, इसलिए ऐसा किया जा रहा है। इससे जो मैन पावर कम होगी, अगर इनकी फ्यूचर में कोई रिक्वायरमेंट होती है, जैसाकि अभी हम स्पेस, आर्टिफिसियल इंटेलिजेंस और दूसरी टेक्नोलॉजीज की बात कर रहे थे, अगर इनके लिए हमें एडिशनल मैन पावर मुहैया करानी पड़े, तो हम इसमें से निकाल कर वहाँ देंगे। Basically, the effort is to go more towards outsourcing. चूंकि अब देश में काफी प्रगति हो गई है। शुरू में जब वर्ष 1962 के बाद आर्मी का एक्स पैशन हुआ था, जब फॉरवर्ड एरियाज में डिप्लॉयमेंट हुई थी, तो हमारे पास वहाँ पर आउटसोर्सिंग के लिए सपोर्ट सिस्टम नहीं था। अभी ये सब बन चुके हैं। So, that is the basic perception.'

1.20 On the issue of new age warfare scenario, when whole concept of war is undergoing transition, the representative of the Ministry of Defence made the following submission:

'We are now trying to get in more technology. You will see that modern technologies are being imbibed which will require cost. But as we imbibe these technologies, we are then going to save on man power because if we can do the same thing with technology, it will save us money. For example, let us say there is a hill feature which we are occupying. Today we occupy that hill feature with 120 men which is a company. But if I can give that same company technology which ensures that he has got a complete transparency within 2,000 metres of what is available there and he has got weapon systems to engage, he can do the same task with about 80 men. That is what we are looking at in future.'

1.21 The Committee, in their 15th Action Taken Report on Sixth Report have taken up the issue of dearth of manpower in Army and recommended to fulfill the vacancies in the rank of Junior Commissioned Officers / Other Ranks (JCOs/ORs). The Ministry in their action taken reply, thereon, have admitted that there is a notable deficiency of approximately 14 per cent for Officers and around 2.8 per cent for Junior Commissioned Officers / Other Ranks. The Committee were also informed that the shortage in Officers cadre is due to reduced intake in the Short Service and in-Service Cadre.

1.22 During the deliberations on the Demands of Grants 2021-22 at the time of oral evidence, the Committee while discussing the issues related with welfare of the pensioners, the Committee came up with the issue of welfare of war widows. The Committee note that there is a commission offered to war widows if they are graduates and if they are below 35 years of age. Under this, war widow have to pass written examination through Service Selection Board. However, it came to the notice of the Committee that even after qualifying it, some of these candidates are not offered commission due to lack of vacancies.

Tooth-to-Tail Ratio

1.23 The tooth-to-tail ratio, in military parlance, is the amount of military personnel it takes to supply and support each combat soldier. While both "tooth" and "tail" soldiers may find themselves in combat or other life-threatening situations, "tooth" soldiers are those whose primary function is to engage in combat.

1.24 On being asked, during oral evidence of the Ministry, about reducing the tooth-to-tail ratio thereby decrease in the size of Army, the Chief of Defence apprised the Committee as under:

" That is the ultimate aim. It will lead to some reduction in the man power....It is an on-going process; if you recollect, when Gen. V.P. Malik was the Chief, he thought of a reduction of 50,000 men. Our aim in the next three to four years is reduction of about 1,00,000 men and this money that we are going to save because of the man power costs, the Government has assured us that this money will be cycled back to us for imbibing technology. "

1.25 He further added:

"Sir, we are looking at imbibing technology. We are now focusing more on infantry soldier, who is going to be actually manning the border. Our highest priority is to give him these things. We want to give him modern rifle; we want to give him modern surveillance system; we want to give him technology that he can imbibe."

CHAPTER II

AIR FORCE

Air Force leverages airpower of the Armed Forces. For effective command and control, the IAF has various commands, under which there are different stations and units located at various places throughout the country. Humanitarian assistance during disaster relief is another vital and momentous role of Indian Air Force. The budgetary demands for Air Force are contained in Demand Nos.19 and 20.

2.2 The Committee had sought from the Ministry of Defence a Statement indicating the proposed and earmarked outlay at Budget Estimates, Revised Estimates and actual expenditure for Air Force during the last five years including 2020-21, separately for Capital and Revenue segments along with projection and allocation in the BE 2021-22. The details submitted to the Committee are as follows:-

REVENUE

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	29,632.28	23,000.09	23,000.09	20,377.09	21,020.95
2016-17	25,728.60	23,655.83	23,817.22	23,817.52	22,856.44
2017-18	29,147.29	24,802.33	29,746.42	27,209.61	27,393.20
2018-19	35,260.79	28,821.27	32,407.37	28,105.43	28,291.25
2019-20	34,849.50	29,601.69	40,382.40	29,951.69	30,124.31
2020-21	43,904.17	29,962.66	44,605.21	31,742.07	22,640.01*
2021-22	44,992.90	30,652.53			

CAPITAL

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	46,191.96	33,686.75	35,780.78	30,442.15	31,198.32
2016-17	41,266.41	29,795.42	36,512.95	28,239.86	30,414.79
2017-18	62,048.85	33,570.17	52,548.50	33,570.17	34,917.59
2018-19	77,694.74	35,770.17	68,579.46	35,770.17	36,451.74
2019-20	74,894.56	39,347.19	81,301.99	44,947.19	45,104.23
2020-21	66,207.29	43,281.91	72,955.18	55,083.91	34,098.00*
2021-22	77,140.56	53,214.77			

*Figures are upto December, 2020

Note: RE 20-21 and BE 21-22 figures are subject to approval of the Parliament.

Revenue Budget

2.3 The Revenue budget comprises of two main components, salary and non-salary. Major portion of the budget head primarily goes for salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of Air Force. In Budget Estimates (BE) for FY 2021-22, against Revenue Head, projection of Air Force has been Rs. 44,992.90 crore and allocation to be made is Rs. 30,652.53 crore. In case of Revised Estimates (RE) for FY 2020-21, under Revenue head, Air Force projection was Rs. 44,605.21 crore and allocation made was Rs. 31,742.07 crore. The allocation is short of demand by Rs. 12,863.14 crore and the expenditure incurred till December 2020 was Rs. 22,640.01 crore.

Capital Budget

2.4. Capital Budget chiefly provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2021-22, Air Force's projection was Rs. 77,140.56 crore and allocation to be made is Rs. 53,214.77 crore. There is a deduction of Rs. 23,925.79 crore in allocation *vis-a-vis* demand. In RE 2020-21, the projection of Air Force was Rs. 72,955.18 crore against which an allocation of Rs. 55,083.91 crore was made, hence, Rs. 17,871.21 crore short

of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2020 was only Rs. 34,098.00 crore.

2.5 During the deliberations on Demands for Grants 2021-22, a representative of Air Force deposed to the Committee as follows:

“आने वाले समय में भारतीय वायु सेना को विमानों की संख्या बढ़ाने में और ग्राउंड बेस सिस्टम्स को बेहतर बनाने की अत्यन्त आवश्यकता है। इसके साथ ही, हमारे सिक्योरिटी इंफ्रास्ट्रक्चर को भी बेहतर बनाना है। इसके लिए अगले कुछ वर्षों में अतिरिक्त बजट की आवश्यकता होगी।”

2.6 As regards lesser expenditure incurred by Air Force during the FY 2020-21, the representative of Ministry of Defence replied as given below:

“नॉर्मली, आखिरी क्वार्टर में 30 प्रतिशत और कभी-कभी उससे ज्यादा भी खर्च होता है। इस साल कोविड के कारण कम व्यय हुआ। आखिरी के क्वार्टर में सरकार ने प्रावधान किया है कि कोई लिमिट नहीं है। आखिरी क्वार्टर में हम जितना चाहे, खर्च कर सकते हैं। अतः उसकी कोई सीमा इस बार नहीं है। नॉर्मली 30 प्रतिशत की सीमा रहती है।”

Percentage Share of Air Force Budget

2.7 The Committee desired to know the percentage share of Air Force budget, both in Revenue and Capital segments, out of the total Defence Budget during the last five years. The data furnished by the Ministry of Defence is tabulated below:

(Rs. in crore)

Year	BE (Defence Services Estimates*)	Air Force (Revenue)	%age share	Air Force (Capital)	%age share	Air Force (Revenue + Capital)	%age share
2014-15	2,29,000.00	20,506.84	8.95	33,710.68	14.72	54,217.52	23.67
2015-16	2,46,727.00	23,000.09	9.32	33,686.75	13.65	56,686.84	22.97
2016-17	2,49,099.00#	23,655.83	9.50	29,795.42	11.96	53,451.25	21.46
2017-18	2,59,261.90\$	24,802.33	9.57	33,570.17	12.95	58,372.50	22.52
2018-19	2,79,305.32\$	28,821.27	10.32	35,770.17	12.81	64,591.44	23.13
2019-20	3,05,296.07	29,601.69	9.70	39,347.19	12.89	68,948.88	22.59
2020-21	3,23,053.00	29,962.66	9.27	43,281.91	13.40	73,244.57	22.67

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

(\$ - Excludes Military Farms and ECHS)

2.8 The Committee can see that there is an evident increase in percentage share of revenue budget of Air Force, out of Defence Services Estimates from 8.95 per cent in 2014-15 to 9.27 per cent in 2020-21. At the same time, there is a decrease in capital budget share from 14.72 percent in 2014-15 to 13.40 percent in 2020-21. However, there is an increase in absolute terms under both revenue and capital heads during the same time period.

Budget for Modernization

2.9 The Committee were apprised that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the FY 2020-21, an amount of Rs. 39,030.91 crore was allocated at BE stage and an additional amount of Rs. 13,188.00 crore was allocated to Air Force in RE 20-21 under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Committed Liabilities and New Schemes is carried out by Service Head Quarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 32,872.12 crore (upto December, 2020) has been incurred in FY 2020-21.

2.10 With regard to the demand for additional funds made by Air Force and actual allocation provided to them at supplementary/RE stage during the years 2019-20 and 2020-21, the Committee were apprised through written replies that in FY 2019-20, Air Force had sought additional allocation of Rs. 40,002.87 crore in first supplementary and Rs. 27,580.63 crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on Committed Liabilities, outstanding dues

against DPSUs/ PSUs, etc. No additional allocation was received in First Supplementary. In Second and Final Supplementary, additional allocation of Rs. 5,390 crore was received in RE 2019-20. In FY 2020-21, Air Force had sought additional allocation of Rs. 40,027.80 crore in first supplementary to cater for shortfall towards Committed Liabilities, etc under Capital Acquisition (Modernisation) Head. No additional allocation is received in First Supplementary. In Second Supplementary, an additional amount of Rs. 11,152.00 crore has been sought to cater for Special Extra Section Flight (SESF) operations, Committed Liabilities, new schemes, and future operational capabilities of IAF, etc. Second and Final supplementary is yet to be approved by the Parliament.

2.11 Details of additional requirements projected by Air Force under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2019-20 and 2020-21 as provided to the Committee are as under:-

(Rs. in crore)

Year	BE Allocation	RE Projection	Additional projection at RE over BE	RE Allocation
2019-20	36,409.89	76,412.76	40,002.87	41,799.89
2020-21	39,030.91	69,421.59	30,390.68	52,218.91

Note: RE 20-21 figures are subject to approval of the Parliament.

2.12 The Committee have been informed that the acquisitions planned for the last two years included SRSAM-Akash, Avro transport aircraft replacement, Modernisation of Airfield Infrastructure (MAFI) Phase II, upgrade of Unmanned Aerial Vehicle (UAV) systems, Project Cheetah, additional Airborne Warning And Control System (AWACS) (IL-76), Avionics upgrade of IL-76, IL-78 and re-engining of IL-78 aircraft, digitisation of Pechora and Light Combat Aircraft MK IA. The funds have been expanded on projects including Short Range Surface-to-Air Missile (SRSAM)-Akash, MAFI-II, digitisation of Pechora and other ongoing schemes.

Indigenization

2.13 The Committee were briefed that Air Force is vigorously pursuing indigenisation and expenditure is being done as per committed liabilities and internal earmarking of budget for domestic capital acquisition. The Committee wished to be apprised about the details of the acquisitions made by Air Force from indigenous sources during the years 2019-20 and 2020-21. In this connection the following details were furnished to the Committee:

(Rs. in crore)

FY	No. of Contracts	Total Contract Value	Expenditure (Advance / other milestone)
2019-20	31	5,846.13	823.87
2020-21	27	2,835.19	★ 427.21

★ Expenditure is upto 31 December, 2020

(b) Further, the procurements of goods and services during the relevant FY from indigenous sources from the allocated budget (Capital Acquisition) is mentioned below:-

(Rs. in crore)

FY	Budget Allocation (BE)	Expenditure on Procurement from Indigenous Sources
2019-20	36,409.89	16,461.54
2020-21	40,116.91	★ 21,751.319

★ Expenditure is upto 31 December, 2020

2.14 During course of evidence on the Demands for Grants, the Committee expressed their concern over dependency on foreign vendors for repair and upkeep. On the matter, the representatives of Air Force replied:

“In terms of self-reliance, progressively we are looking at sustaining ourselves in all maintenance activities. There is certain amount of dependence for us. We are dependent on HAL and BEL for doing all our work. At times, he has got back-end contracts with foreign Original Equipment Manufacturers (OEMs). To the extent, that they are able to indigenise it helps.”

Planning

2.15 The Committee were apprised that currently Long Term Integrated Perspective Plan (LTIPP) 2012-27 is in vogue. LTIPP lays down broad guidelines for the Acquisition Plans over a period of 15 years. It does not include schemes in particular. Further, the plans are converted into schemes in three Five Year Plans (SCAPs) and in AAPs. A total of 75 schemes are expected to fructify during the remaining period of LTIPP 2012-27. Total funds envisaged for such schemes are Rs. 67,658.36 crore.

2.16 Further, it was informed that the present system of LTIPP is being replaced with more scientific integrated Capability Development Plan (ICDP) system. The first iteration of ICDP is under process. It is expected that the new ICDP process would be able to identify the needed capability, capability gaps and the budgetary support needed for the same.

Force Level

2.17 At the time of examination of Demands for Grants, the Committee wished to be apprised about the status of availability of fighter squadrons with Air Force. In this respect, the Ministry of Defence informed through written reply as under:

“(a) The Total Strength of Fighter Squadrons varies depending upon phasing out due to obsolescence and new inductions. The induction of new generation aircraft is underway in a planned manner. The development of advanced unmanned systems with better technology, long range Air Defence Missiles also contribute to Air Power. Hence, requirement of aircraft for Air Force varies with the threat perception and induction of other combat systems that supplement Air Power. As far as the build-up in the strength of fighter squadrons is concerned, two pronged approach has been adopted by midlife upgradation of legacy aircraft to retain their operational relevance and induction of new aircraft. MiG-29, Jaguar and Mirage-2000 aircraft are being upgraded in a phased manner as a part of obsolescence management so that they remain relevant and contemporary.

(b) Induction of 36 x Rafale aircraft has commenced and will significantly enhance our operational capability. Induction of 02 Su-30 MKI aircraft are remaining to be handed over to IAF by HAL. The induction of indigenous LCA is also ongoing, of which some LCA Mk 1 have been delivered. Additionally, contract for procurement of 83 x LCA Mk 1A from HAL has been signed recently. A case for additional fighter aircraft is under process with enhanced indigenous content and technology transfer.

(c) Future inductions will include the LCA variants, which are expected to form a bulk of the Air Force in the years to come, as the IAF proposes them to be the replacement of its Mirage-2000 and Jaguar fleet. The IAF is fully supporting DRDO in the Design & Development of indigenous Advanced Medium Combat Aircraft (AMCA).”

2.18 Further, the Committee wished to be apprised about the time line for the acquisition of the above mentioned Aircraft. In this respect, the Ministry of Defence submitted that the Cabinet Committee on Security on 13 January 2021 has approved procurement of 83 LCA Mk IA from HAL. The contract for the same has also been signed. The first batch of the aircraft are planned to be inducted within 03 years of signing of contract (FY 2023-24) and all deliveries would be completed within 08 years after commencement of deliveries. Induction of these aircraft would augment the present overall fighter squadron strength of IAF by four over a period of next eight years.

2.19 The Committee were concerned and wanted to know how far the procurement of Tejas would suffice the needs of IAF in respect of depleting squadron strength. They were educated that induction of indigenously developed LCA Mk-IA would partially offset the drawdown of number of fighter squadrons to cater for phasing out of MiG-21 and MiG-27 squadrons. Procurement and development of other fighter aircraft is also being progressed. Further on the issue, representatives of Air Force added during evidence:

“तेजस लाइट कम्बेट केटेगरी का है। बैलेंस फोर्स रखने के लिए एलसीए सबसे महत्वपूर्ण और अत्यंत आधुनिक विमान रहेगा। आप जैसा कह रहे हैं कि Su-57 या फिफथजेनरेशन, उसके खिलाफ नहीं होगा। इसे हम क्लोज एयरसपोर्ट और क्लोज डिफेंस के लिए यूज करेंगे। यह सबसे छोटा जहाज है और एयर फोर्स के लिए सबसे जल्दी उड़ सकता है। मैं कह सकता हूं कि एलसीए

में विश्व में यह सबसे आधुनिक और तेज है। दूसरी केटेगरी में डीआरडीओ भी कवर कर रही है और नए जहाज बनाए जा रहे हैं।”

2.20 The Committee’s expression of concern for medium category combat aircraft was reassured by the representative of Ministry of Defence through the following input:

“There is a talk of 114 of those medium aircraft that you are talking about. That is subject to how the Advanced Medium Combat Aircraft (AMCA) rolls out. If the AMCA roll-out happens in time, then this will be reviewed.”

Trainer Aircraft

2.21 With regard to trainer aircraft, the Committee were apprised through written reply as given hereunder:

(a) The existing strength of trainer aircraft is 260 as against the sanctioned strength of 388. Trainer aircraft held by IAF in its inventory include 75 PC-7 Mk-II Basic Trainer Aircraft (BTA), 86 Kiran Mk-I/IA Intermediate Jet Trainer (IJT), 99 Hawk Mk-132 Advanced Jet Trainer (AJT) and 42 Kiran Mk-II (which are presently not being utilized for training).

(b) Simulators have been acquired for the PC-7 Basic Trainer Aircraft and Hawk-132 Advance Jet Trainer aircraft.

(c) For PC-7 two Fixed Base Full Mission Simulators (FBFMS), three Cockpit Procedure Trainers (CPT) and one Avionics Part Task Trainer (APTT) along with associated equipment and infrastructure are available.

(d) For Hawk aircraft three CPTs, three APTTs and two FTDs (Flight Training Display) are installed for providing simulator based training.

(e) A case for procurement of two Twin Dome Simulator for Hawk Mk-132 aircraft has been processed. Presently Technical Evaluation is under progress.

To cater for the shortage of trainer aircraft, IAF is in the process of acquiring 106 indigenous HTT-40 Basic Trainer aircraft from Hindustan Aeronautical Limited (HAL). Also, a case for procurement of additional 29 Hawk aircraft (AJT) has been initiated. Presently, the case is with CNC.Kiran (Intermediate Jet Tiner) aircraft have started phasing out on reaching the life span since 2016. However, a scheme for Total Technical Life extension from present 8,000 hr to 8,500 hr by

HAL has been accepted. With this, the Kiran MK-I/IA fleet is likely to be exploited till 2025-26.”

2.22 On the status of availability and demand of trainer aircraft, the representative of Air Force, at the time of presentation, candidly admitted to the Committee by stating:

“अधिक हो सकते हैं, हम चाहते हैं कि अधिक हों, उसके लिए हम एचएएल के उत्पाद HTT-40 का वेट कर रहे हैं। वह प्रोसेस ऑन है। हम तकरीबन 106 विमान एचएएल से अपनी ट्रेनिंग क्षमता बढ़ाने के लिए खरीदना चाहते हैं। हमने उन्हें ऐसा संकेत दिया है। जब वह जहाज सर्टिफाई हो जाएगा और प्रोडक्शन शुरू हो जाएगा तो हम उसे इंडक्ट करेंगे।”

Transport Planes and Helicopters

2.23 The Committee desired to know about the availability of transport planes and helicopters with Air Force. In respect thereto, they were assured that adequate transport aircraft and helicopters are available to meet operational and administrative requirements. Phase out of Transport Aircraft and Helicopters is based on Calendar Life/ Flying Hours as designated by the Original Equipment Manufacturers (OEM). IAF undertakes Life Extension of these aircraft from time to time depending upon the actual condition of these platforms.

Modernisation of Air Field Infrastructure (MAFI) Project Phase-II (MAFI-II)

2.24 The Committee wished to be apprised about the status of night landing facilities at Air Force bases. In this regard, the Ministry of Defence submitted that night landing facilities are provisioned as per the operational commitments of a base. Installation of night landing facilities is planned when requirement for night operations is envisaged. Installation of night landing facilities is planned at 18 IAF airfields as part of Modernisation of Air Field Infrastructure (MAFI) Project Phase-II.

The details of budgetary allocation for modernizing airfields during the 11th Plan and 12th Plan are as follows:

	<u>Contracted Amount (in Cr)</u>	<u>Amount Paid (in Cr)</u>
MAFI Phase-I	1215.35	1201.56
MAFI Phase-II	1189.44	126.57
Total	2404.79	1328.13

Accidents

2.25 The Committee were concerned to know about the accidents of aircraft. In this regard, the Ministry of Defence replied that the aircraft's accidents have reduced by over 60% between the 11th plan period to 13th plan. In the current financial year, only two accidents have occurred. The accident rate is the lowest in last 50 years.

Manpower

2.26 The Committee desired to be apprised about the gap between the required and the existing manpower (officers and Personnel below Officer Rank (PBOR)) in Air Force as well as the results of initiatives taken during 11th and 12th Plans to bridge this gap. A detailed note was submitted to the Committee as under:

“The details of Establishment and strength of Officers and airmen are as follows:-

Officers

(a) The shortage in officer's strength is approximately 4% and is a variable figure which keeps fluctuating depending on commissioning cycle, premature separation of officers etc and is considered negligible for such calculations. The inductions are planned so as to gradually bring the strength at par with the sanctioned establishment.

Airmen

(b) The shortage in airmen strength is approximately 5% and is a variable figure. Presently 12,330 trainees are undergoing training at various training institutes. Review of requirement of manpower is undertaken on annual basis. To reduce the deficiency, improvements in training infrastructure have been carried out to accommodate increased number of trainees and available resources (infrastructure and manpower) are being utilised efficiently to support enhanced induction. Induction in airmen cadre was 5000 per annum till 2015. This has been gradually increased to 6800 from Jan 2018 and 7200 from Jan 2019. The induction has been further increased to 8400 airmen each year from Jan 2020 onwards. In view of this, it is expected that IAF will be able to bring up the strength at par with the authorised establishment in about 3-4 years. Shortages are being addressed in a staggered manner to ensure a favourable HR environment in the long run and to streamline wastages on account of discharge / superannuation.

(c) The following steps have been taken to overcome the shortage of personnel in the IAF:-

(i) A Tri-Service concept paper and Roadmap for reducing shortage of Officers in the Armed Forces was submitted by HQ IDS (after approval by the COSC) to the MoD in Aug 15.

(ii) The above concept paper had suggested measures common to all three services as well as service-specific measures to reduce the shortage of officers.

(iii) Since then, sustained and concerted efforts have been made by the IAF in the recent past to overcome / reduce the shortage of personnel. The measures adopted by the IAF are as follows:

(aa) Induction planning is being carried out in the IAF with a view to keep shortages minimal.

(ab) Additional requirement of manpower in the IAF is governed by the type of equipment inducted and any operational requirements that may arise. Accretion cases for such additional posts is taken up with the Govt on a case-to-case basis.

(ac) Setting up of an Air Force Selection Board (AFSB) at Gandhinagar in 2013. This was in addition to the existing AFSBs at Dehradun, Varanasi and Mysuru. Sanction has already been

granted for an additional AFSB at Guwahati to cater for the candidates from the North East region.

(ad) The selection process into the IAF has been simplified with the introduction of the Air Force Common Admission Test (AFCAT) for non-UPSC entries. Under this format, a candidate may apply for selection in any branch for which they meet the QRs, through a single application in a selection cycle.

(ae) Proactive steps have been taken by the IAF to reduce the shortage of personnel which include participation in career fairs/ exhibitions, advertisements in print and electronic media, motivational lectures in schools, colleges, visuals/ signage at strategic locations etc.”

CHAPTER III

NAVY

The Committee are not oblivious of the fact that Navy is prime manifestation of India's maritime power which shapes maritime domain and safeguards national maritime interests. To safeguard our national maritime interests, continuous Mission Based Deployments are being undertaken by the Indian Navy. Indian Ocean Region (IOR) has multiple security challenges as it contains major shippings lines and nearly 1,20,000 ships transit through various choke points. Almost 13000 ships are in IOR at any point of time. The region is centre of gravity of piracy and trans-national crimes and also locus of 70 percent of world's natural disasters. Providing humanitarian assistance during disaster is another vital role played by Navy. Large scale evacuations were carried by Indian Navy during COVID-19 crisis.

3.2 For examination of the Demands for Grants of Navy for the year 2021-22, the Committee had sought from the Ministry of Defence a Statement indicating the proposed and earmarked outlay at Budget Estimates (BE), Revised Estimates (RE) and actual expenditure for Navy during the last five years including 2020-21, separately for Capital and Revenue segments alongwith projection and allocation in the BE 2021-22. The details submitted to the Committee are as follows:-

REVENUE

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	18546.58	15525.64	15838.30	14635.18	14992.04
2016-17	18502.56	17424.79	19348.23	17813.99	17136.77
2017-18	22473.64	18493.82	20545.47	18878.93	18715.05
2018-19	23747.75	19571.37	24420.58	20795.04	20856.23
2019-20	27,086.29	22,211.71	28,737.09	22,786.71	22,387.31
2020-21	32,237.96	22,934.75	28,379.84	23,347.69	15,135.30*
2021-22	34,256.83	23,360.68			

CAPITAL

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	26268.13	25003.24	25152.20	19740.06	19874.69
2016-17	30223.31	22000.09	22530.04	19596.28	19996.88
2017-18	28591.56	19348.16	27717.41	19348.16	20118.58
2018-19	35695.41	20848.16	30735.65	20890.87	21509.60
2019-20	37,220.98	23,156.43	40,123.18	26,156.43	27446.68
2020-21	45,268.31	26,688.28	51,769.28	37,542.88	25,384.81*
2021-22	70,920.78	33,253.55			

*Figures are upto December, 2020.

Note: RE 20-21 and BE 21-22 figures are subject to approval of the Parliament.

Revenue Budget

3.3 The Committee understand that the Revenue Budget comprises of two main components, salary and non-salary. Major portion of the budget head primarily goes for salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of Navy. In Budget Estimates (BE) for FY 2021-22, against Revenue Head, projection of Navy was Rs. 34,256.83 crore and allocation to be made is Rs. 23,360.68 crore, so a reduction of Rs. 10,896.25 crore. In case of Revised Estimates (RE) for FY 2020-21, under Revenue head, Navy's projection was Rs. 28,379.84 crore and allocation made was Rs. 23,347.69 crore. The allocation is short of demand by Rs. 5,032.15 crore, However, the expenditure incurred till December 2020 was merely Rs. 15,135.30 crore.

3.4 In course of examination of Demands for Grants, the Committee came to know that the average increase in revenue budget allocation over the last five years is 8.05%. However, the requirements projected continue to be significantly higher than the allocations.

Capital budget

3.5 The Committee are also aware that Capital budget cardinally provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2021-22, Navy's projection was Rs. 70,920.78 crore and allocation to be made is Rs. 33,253.55 crore. There is a deduction of Rs. 36,677.23 crore in allocation vis-a-vis demand. In RE 2020-21, the projection of Navy was Rs. 51,769.28 crore against which an allocation of Rs. 37,542.88 crore was made, hence, Rs. 14,226.40 crore short of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2020 was only Rs. 25,384.81 crore.

3.6 On queries being raised, with regard to the Capital budget, the representatives of Ministry of Defence made following submission:

'...as was brought out, in the capital budget at the RE stage we got an additional amount of Rs.11,000 crore which catered for our budget shortfall in the capital allocation as well as the emergency procurement, which was described by the Chief of Defence Staff. Our majority of expenditure goes for ship construction. The ship construction timelines are a little unpredictable and we cater for the best scenario. If some of the payments were to slip to next year, for example due to reasons like COVID-19, we just need to cater for it in the next year. So, there was nothing really which was sacrificed.'

Percentage Share of Navy Budget

3.7 The Committee desired to know the percentage share of Navy budget, both in Revenue and Capital segments, out of the total Defence Budget during the last five years. The data furnished by the Ministry of Defence is tabulated below:

(Rs. in crore)

Year	BE (Defence Service Estimates*)	Navy (Revenue)	%age share	Navy (Capital)	%age share	Navy (Revenue + Capital)	%age share
2014-15	2,29,000.00	13975.79	6.10	23832.67	10.41	37808.46	16.51
2015-16	2,46,727.00	15525.64	6.29	25003.24	10.13	40528.88	16.42
2016-17#	2,49,099.00	17424.79	7.00	22000.09	8.83	39424.88	15.83
2017-18\$	2,59,261.90	18493.82	7.13	19348.16	7.46	37841.98	14.59
2018-19\$	2,79,305.32	19571.37	7.01	20848.16	7.46	40,419.53	14.47
2019-20	3,05,296.07	22211.71	7.28	23156.43	7.58	45368.14	14.86
2020-21	3,23,053.00	22,934.75	7.10	26,688.28	8.26	49,623.03	15.36

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

(\$ Excludes MF & ECHS)

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

3.8 There is an evident increase in percentage share of revenue budget of Navy out of Defence Services Estimates from 6.10 percent in 2014-15 to 7.10 percent in 2020-21. At the same time there is decrease in capital budget share from 10.41 percent in 2014-15 to 8.26 per cent in 2020-21. However, in absolute terms, increase is visible under both revenue and capital heads during the same time period.

Budget for Modernization

3.9 The Committee were apprised that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the FY 2020-21, an amount of Rs. 24,948.28 crore was allocated at BE stage and an additional amount of Rs. 11,084.50 Crore is allocated to Navy in RE 20-21 over BE 20-21 under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Committed

Liabilities and New Schemes is carried out by Service Head Quarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 24,568.88 crore (upto December, 2020) has been incurred in FY 2020-21.

3.10 The Committee were further apprised that under Modernisation (Capital Acquisition) Head, Navy had sought additional allocation of Rs. 16,494.67 crore in first supplementary and Rs. 12,926.53 crore in second supplementary stage in FY 2019-20 for meeting expenditure on account of P8I, Multi Role Helicopter and other Aviation schemes; Weapon equipment/ systems, missiles, torpedoes; Emergency procurements, custom duty payments; shipping projects, submarine cases; Varsha, Seabird, marine projects including Strategic Infrastructure Projects, etc. No additional allocation was received in First Supplementary. In Second and Final Supplementary, additional allocation was received to cover increase of Rs. 3,049 crore received in RE 19-20.

3.11 In FY 2020-21, Navy had sought additional allocation of Rs. 29,672.68 crore in first supplementary to cater for anticipated Carry Forward Liabilities of DPSUs/ Foreign/ Private Vendor and Shipbuilding Projects, P8I, Multi Role Helicopter, progress of other aviation schemes, Annual Major Works Programme (AMWP), Married Accommodation Project (MAP), Varsha, Seabird, marine projects including Strategic Infrastructure Projects, etc. No additional allocation is received in First Supplementary. In 2nd Supplementary, an additional amount of Rs. 11,645.59 crore had been sought to cater for anticipated Carry Forward Liabilities of DPSUs/ Foreign/ Private Vendor and Shipbuilding Projects, P8I, Multi Role Helicopters (MRH), progress of other aviation schemes, Annual Major Works Programme, MAP, Varsha, Seabird, marine projects including Strategic Infrastructure Projects, procurement of weapon equipments/ systems, missiles and torpedoes; emergency procurements and custom duty payments, etc. Second and Final supplementary is yet to be approved by the Parliament.

3.12 Details of additional requirements projected by Navy under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2019-20 and 2020-21 as furnished to the Committee are as under:-

(Rs. in crore)

Year	BE Allocation	RE Projection	Additional projection made in RE over BE	RE Allocation
2019-20	21,117.00	37,671.67	16,554.67	24,226.00
2020-21	24,948.28	49,863.33	24,915.05	36,032.78

Note: RE 20-21 figures are subject to approval of the Parliament.

3.13 The Committee learnt that the modernisation of Indian Navy (IN) is an ongoing process and is progressed in accordance with LTIPP approved by Defence Acquisition Council on 02 April, 2012. All Capital Acquisitions of IN are progressed through DPP-16/ DAP- 2020. Defence Acquisition Procedure (DAP)-20 was promulgated wef October, 2020. The highest degree of probity, public accountability and transparency is ensured whilst undertaking procurements in the Indian Navy. Further, Navy is constantly reviewing, rationalising and prioritising their requirements so as to remain a combat ready force and achieve optimum utilization of the available resources. Modernisation and technology upgradation is a continuous process for which adequate budgetary allocation is made. Shipbuilding projects are time-intensive and spread over years and the entire process from design to commissioning entails various stakeholders, with lengthy deliberations. The major reasons for delay are infrastructural constraints of the Shipyards, delay in receipt of material/ equipment, design finalization/ change of equipment (vendor specific), financial constraints and design expertise limitations of the Shipyards etc.

Planning and Procurement

3.14 A written note was furnished to the Committee stating that the Long Term Integrated Perspective Plan 2012-27 (LTIPP 12-27) for the three Services including Navy was formulated by Head Quarter Integrated Defence Staff (HQIDS), and approved by the Defence Acquisition Council in April, 2012. The purpose of this plan is to bridge the voids and build force levels to achieve the desired combat potential vis-à-vis our adversaries, and consolidated our defence potential. During the last two plan periods,

various shortfalls and voids of the Indian Navy have been progressively mitigated/ addressed. The Committee were furnished a list of major Acquisitions planned for 2021-23 as enumerated below:

<u>Sl. No</u>	<u>Scheme</u>
(a)	Software Defined Radio (SDR) TAC
(b)	Next Generation Missile Vessels (NGMVs)
(c)	Kamov Helicopters
(d)	ASRs with MSSR for Naval Air Fields
(e)	Next Generation Maritime Mobile Coastal Battery with Missiles
(f)	Integrated ASW Defence Suits
(g)	Land Attack Cruise Missiles
(h)	Multi-Purpose Vessel
(i)	Heavy Weight Torpedoes
(j)	Cadet Training Ships
(k)	Next Generation Offshore Patrol Vessels
(l)	P8I Aircraft
(m)	Upgraded SRGM

Details of Major Ships under-construction at various Indian Shipyards are as follows:-

<u>Ser</u>	<u>Name of Project</u>	<u>Name of the Shipyard</u>	<u>Contractual Delivery Date</u>	<u>Revised Delivery Date</u>	<u>Cost incurred till date (Rs in crore)</u>
(a)	P-71(IAC)	CSL	Feb 21	Sep 21	14707
(b)	SV (Large) (04 ships)	GRSE	Oct 21- Apr 23	Oct 22-Jan 24	540

(Replies part-iii, page no. 52, point no. 25)

Indigenisation

3.15 Outlay on Indigenous acquisition for FY 2019-20 and FY 2020-21 as provided to the Committee is tabulated below:-

(Rs in Crs)

<u>Financial Year</u>	<u>Indigenous Outlay</u>
FY 2019-20	17401.48
FY 2020-21*	14574.44

* As on 21 January 21.

3.16 As regards indigenization, the Committee were apprised during deliberations that that IN has been at the forefront of indigenisation and has aligned itself fully with the Make in India initiative of the government. The Navy has nurtured indigenous shipbuilding programme since 1960, and over 130 indigenously built ships have been commissioned, till date. The Committee were informed that 48 ships and submarines are being constructed indigenously in Indian shipyards. In addition, Navy has contracted for 12 Dornier aircraft, 16 Advanced Light Helicopters and eight Chetak helicopters with Hindustan Aeronautics Limited last year. IN would maintain domestic and foreign outlay 70:30 in next 5-7 years. By ploughing back into Indian Shipbuilding Industry which is manpower intensive, IN is contributing towards jobs generation and skilling of workforce.

Force Level

3.17 The Committee were apprised that the second aircraft carrier is undergoing sea trials. A detailed discussion was held regarding aircraft carrier and the Committee were given the following input by the representative of Navy:

‘insofar as aircraft carriers are concerned, as you are aware, the Indian Navy has got Vikramaditya which is an operational aircraft carrier. The second aircraft which is under construction in Cochin was expected to be delivered in March, 2021 but it was not delivered because of COVID and some of the OEMs even within country could not travel. As you know it is a totally indigenous aircraft carrier. So, most of the OEMs were actually within India. Even then, they could not travel because of lockdown and Kerala as you are aware was severely affected, especially Ernakulam district. So, that has now got delayed. The various trials like basin trials and everything are already completed. So, we are expecting that by October or November of this year, the ship should get delivered. It is the current situation. As regards the question you have asked about the aircraft carrier, very clearly it has come out that out of three aircraft carriers we need two to be operational and one to be under maintenance.’

3.18 The representative of Ministry of Defence further added as follows:

‘I think we have to also look at the development of our island territories. We are a country which is blessed with island territories. Island territories also have got operational runways from which aircraft can operate. In fact, the Andaman and Nicobar Islands are ideally suited for blocking the three ingress routes through which the Chinese ships and the aircraft will be coming in, which was brought out by the Navy earlier. There are three Straits – Sunda, Lombok and the Malacca – from which the ingress will come and they can be well dominated from the Andaman & Nicobar Islands provided you get those runways operational. Whether a third aircraft carrier is required, that study is going on. We are trying the balance to see whether we can make sure that any one time two aircraft carriers remain on road, which is the requirement. Depending on what we need to do with developing our island territories on the West and the East coasts, a call will be taken as to at what stage should we go for the third aircraft carrier.’

Quadrilateral Security Dialogue (QUAD)

3.19 The Committee wished to be apprised on role and purpose of QUAD which is a Naval exercise of Indian Navy with Navies of other nations. A detailed reply was submitted by the representative of Ministry of Defence as given below:

‘As of now we have developed this Quad to ensure that there is freedom of navigation in the Indo-Pacific where the four Navies combined ensure that there is freedom of navigation against any adversary ship which is operating. How it is going to develop in the future is something which we are still looking at. Whether it will move from exercises to further, that is something which needs some deliberation...’

Safety Measures

3.20 The Committee were concerned about the implementation of safety measures in Navy so as to curb accident rate. On this issue, the Ministry of Defence brought to the notice of the Committee various measures taken to enhance safety awareness and mitigate accidents. It was submitted through a written reply that aspects have always been accorded utmost importance by the Indian Navy. Adherence to safe working practices is a pre-requisite for operational effectiveness for the Indian Navy, wherein personnel operate in an

equipment intensive and potentially hazardous environment. To ensure safe conduct of all operations within their respective domains, Class Authorities, namely Flag Officer Sea Training (for surface), Flag Officer Naval Aviation (for aviation) and Flag Officer Submarines (for sub-surface) have been existing for a long time. The implementation of Safety Consciousness is a process in continuation. The measures facilitate improvement in the working environment from the safety point of view, without curbing the traditional naval ethos of initiative and boldness. The Indian Navy continues to keep 'safety' at work and in operations in prime focus and constantly endeavors to minimize accidents/ incidents through the established process of sensitization of personnel, adherence to safety check lists/ procedures and proper briefings/ debriefings.

MANPOWER

3.21 The Committee desired to be apprised about the gap between the required and the existing manpower (officers and PBOR) in Navy as well as the results of initiatives taken during 11th and 12th Plans to bridge this gap. The details shared with the Committee are as under:

"1. Officers. The status of Officers manpower as on 31 Dec 20(excluding medical and dental officers) is as follows: -

<u>Year</u>	<u>Sanctioned Strength</u>	<u>Borne Strength</u>	<u>Shortages</u>	<u>% Short</u>
2011 (31 Dec)	10405	8172	2233	21.5
2020 (31 Dec)	11525	10210	1315	11.4

Note: - The shortage of officers (excluding medical and dental) as on 31Dec 2020 has been reduced to 11.4% from 21.5% in 2011.

2. Sailors. The status of Sailors' manpower as on 01 Jan 20 is as follows:-

<u>Year</u>	<u>Sanctioned Strength (SS)</u>	<u>Borne Strength (BS)</u>	<u>Shortages</u>	<u>% Short</u>
2011 (31 Dec)	63130	48833	14297	22.65
2020 (30 Nov)	74479	60705	13774	18.49

Note: - The shortage of sailors as on 01 Dec 2020 has been reduced from 22.65% in 2011to 18.49 in 2020."

CHAPTER IV

JOINT STAFF

The Committee understand that the Committee understand that Joint Staff act as single point organization for jointmanship in Ministry of Defence which integrates policy, doctrine, war-fighting and procurement. The role and responsibilities of the organization has seen expansion ever since its formation.

4.2 For examination of the Demands for Grants of Joint Staff for the year 2021-22, the Committee had sought from the Ministry of Defence a statement indicating the proposed and earmarked outlay at Budget Estimate(BE), Revised Estimate(RE) and actual expenditure for Joint Staff during the last five years including 2020-21, along with projection and allocation in the BE 2021-22. The details submitted to the Committee are as follows:-

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2015-16	3,415.39	2,722.30	3,036.82	2,507.77	2,532.72
2016-17	3,927.66	3,185.97	4,012.66	3,142.19	2,921.21
2017-18	4,185.53	3,139.07	4,127.46	3,469.24	3,026.98
2018-19	5,796.53	3,796.94	4,776.21	3,890.66	3,661.61
2019-20	5,422.83	4,109.41	4,813.30	4,199.13	3,770.48
2020-21	5,893.10	4,461.44	4,894.61	4,012.58	2,266.70*
2021-22	6,251.11	4,543.04			

*Figures are upto December, 2020

Note: RE 20-21 and BE 21-22 figures are subject to approval of the Parliament.

4.3 At the time of examination of Demands for Grants 2021-22, the Committee raised the matter of non-increment in budget of Joint Staff from BE 2020-21 to this year. On this point, the representative of Ministry of Defence replied as under:

‘कैपिटल में हमें इन्क्रीज मिला है, हम थोड़ा रैवेन्यू एक्सपेंडिचर कैपिटल के जरिए भी करते हैं। हमने लो बजट रखा है, पहली बात यह है की हमने मेन सर्विसेज को प्रियारिटी दी है। इससे पैसा इसलिए रहेगा ताकि ऑपरेशन डेफिशिएंसी में शार्टफाल न आए। बाकी ट्रेनिंग एस्टाबलिशमेंट्स हैं। कोविड के कारण पिछले साल खर्च कम किया क्योंकि ज्यादातर ट्रेनिंग ऑनलाइन हो गई थी। हमें नहीं पता कि कब तक ऑनलाइन ट्रेनिंग चलेगी और हम कब तक वीडियो कांफ्रेंसिंग के जरिए ट्रेनिंग करेंगे। हम अपनी प्रक्रिया करते रहेंगे, जैसे-जैसे एक्सपेंडिचर होगा, सितम्बर-अक्टूबर तक असली प्रक्रिया पता चल जाएगी कि कितना खर्च होने वाला है। 700 करोड़ रुपये सर्विसेज आपस में एजस्टमेंट करके या बीई आरई के समय पर एडीशनल एलोकेशन से इसे पूरा करने की कोशिश कर सकते हैं।’

4.4 Details of additional requirements projected under Revenue and Capital Heads in respect of Joint Staff at RE 20-21 stage was furnished to the Committee as tabulated below:-

(Rs. in crore)

	Revenue	Capital	Total
BE Allocation	3,439.65	1,021.79	4,461.44
RE Projection	3,842.30	1,052.31	4,894.61
Additional amount sought in RE	402.65	30.52	433.17
RE Allocation	3,250.37	762.21	4,012.58

Note: RE 20-21 figures are subject to approval of the Parliament.

4.5 The Committee have found that in first supplementary, Jt. Staff had sought: Rs.192.62 crore under Revenue and Rs. 13.91 crore under Capital Head in the FY 2020-21. In second supplementary, Jt. Staff had sought Rs. 146.09 crore under Revenue Head in the FY 2020-21. No additional funds had been sought in 2nd Supplementary under Capital Head. However, the Ministry did not receive any additional allocations in the first supplementary. The Second Supplementary is yet to be approved by the Parliament.

Air Defence Command and Maritime Theatre Command

4.6 In course of examination of DFG 2021-22, the Committee also found that an Air Defence Command (ADC) and a Maritime Theatre Commander (MTC) are in advanced stages of being finalized. It was further apprised by the Ministry of Defence that ADC will be responsible for the air space of the entire nation both during peace and war while MTC would look after the Maritime domain. These would provide the operational flexibility, resource optimization, unity of command and unity of effort. This Integration has the potential to unlock critical core strength within the three services to bridge limitations and complement each other competencies in battle to optimise combat power.

4.7 At the time of deliberations, the Committee were informed by the representative of Ministry of Defence that the Government is endeavoring to bring jointness and check redundancy. The representative stated:

‘The restructuring that we are doing will actually lead to savings because what is happening is, when we are looking and operating in separate silos as the Army, Navy and Air Force as I mentioned and when we start integrating these things, we should be actually saving money, not just saving money because of the resources that are going to get centralised, but even the man power. I will just give a very small example. We are sitting in Delhi. The Naval people are sitting here, the people from the Air Force are there and the people from the Army are there; all of us have got our own maintenance facility existing here. But we are now looking towards integration, we will have one logistic facility which will be a combined logistic facility providing logistic support to the Army, Navy and Air Force.’

CHAPTER V

MILITARY ENGINEER SERVICES

The Committee learnt that Military Engineer Services (MES) is one of the largest construction and maintenance agencies in India. It is responsible for creating the strategic and the operational infrastructure other than major roads, as also the administrative habitat for all three Services and the associated organizations of the Ministry of Defence. It provides engineering support to various formations for Army, Air Force, Navy, Coast Guard, Ordnance Factories and Defence Research and Development Organisation (DRDO).

5.2 The MES functions under the overall control of the Engineer-in-Chief (E-in-C) at the Army Headquarters, who is the adviser to the Ministry of Defence and the three Services Chiefs on all facets of works related issues. MES has also been supporting military diplomatic initiatives by creating infrastructure abroad for friendly foreign Governments/ countries. The MES organization, comprising of proficient personnel who are deployed across the length and breadth of the country at remote locations in all types of terrain and inhospitable climatic conditions, has been playing an important role in empowering the combat effectiveness of the Armed Forces.

Projections and Allocations to MES

5.3 The Committee noted that E-in-C's Branch is responsible for monitoring of budget allotted for carry over Capital and certain Heads of Revenue and Maintenance Services for Army only. The allocations for the balance Code Heads of Army and all Code Heads of other Services is carried out to lower MES formations by Service Headquarters through staff channel.

5.4 The factors considered before projecting the funds are as under: –

- (a) Number of ongoing works and their financial, physical progress and residual value.
- (b) The time required to complete the project.
- (c) Works for which administrative approval has been issued and are likely to be tendered as well as their forecasted progress within the Financial Year.
- (d) Environmental constraints due to local climatic conditions and availability of local materials which may affect progress of work.
- (e) Works likely to be approved within the Financial Year based on Annual Major Works Programme (AMWP) listing and ceiling.'

5.5 Following information was forwarded to the Committee regarding projections, allocation and expenditure incurred in the last five years including Financial Year 2020-21:

'E-in-C's Branch is responsible for monitoring of budget allotted for Carry Over Capital and certain Heads of Revenue and Maintenance Services for Army only. The allocations for the balance Code Heads of Army and all Code Heads of other Services is carried out to lower MES formations by Service Headquarters through staff channel. The allotments and expenditure incurred in the last five years including Financial Year 2020-21 is given below :-

(a) **Combined Capital and Revenue Heads.**

(Rs in crore)

<u>Financial</u> <u>Year</u>	<u>Combined State</u>		
	<u>Projection</u>	<u>Allocated</u>	<u>Utilised</u>
2016-17	19013.45	16249.25	15813.41
2017-18	20830.10	16214.60	15642.44
2018-19	23577.31	16527.21	16482.03
2019-20	23200.78	19315.38	19018.67
2020-21**	23938.91	18056.21	9779.70

(b) **Separate Capital and Revenue Heads.**

(Rs in crore)

<u>Financial</u> <u>Year</u>	<u>Capital</u>			<u>Revenue</u>		
	<u>Projection</u>	<u>Allocated</u>	<u>Utilised</u>	<u>Projection</u>	<u>Allocated</u>	<u>Utilised</u>
2016-17	7860.71	5734.88	5686.99	11152.73	10514.37	10126.42
2017-18	9729.37	6756.79	6552.79*	11100.73	9457.81	9089.65*
2018-19	11811.27	7142.63	7129.75*	11766.04	9384.58	9352.28*
2019-20	12078.73	8425.74	8414.11	11122.05	10889.64	10604.56
2020-21**	10462.71	7343.17	3450.00 [§]	13476.20	10713.04	6329.70

*Low utilization with respect to Navy works only.

** As on 31Dec 2020.

§ Low expenditure on account of COVID-19 related delays.

5.6 In this connection, a representative of the Ministry deposed before the Committee as under:

“सर, इससे ज्यादा हमें दोनों में एलॉट हुआ था। परंतु जितना हम 31 मार्च तक कर सकते हैं, उतना हमने आरई में अभी प्रोजेक्ट किया है। बीई में इसकी एलॉटमेंट ज्यादा थी। आरई में जितना हम 31 मार्च तक कर सकते हैं, उतना ही लिया है, बाकी हमने सरेंडर कर दिया था।”

5.7 When asked about the details of additional allocation sought by the MES and actually provided during the last five years:

“Consolidated additional allotment sought over BE allotment from respective Service Headquarters and provided during last five years in respect of Carry Over Capital Head is given below :-

(Rs in crore)

<u>Ser No</u>	<u>Financial Year</u>	<u>Additional Allotment Sought</u>	<u>Additional Allotment Provided</u>
(a)	2016-17	2852.78	1478.63
(b)	2017-18	3616.59	643.71
(c)	2018-19	6173.12	1504.29
(d)	2019-20	5172.37	1411.06
(e)	2020-21	Nil*	NA

* No additional allotment sought as allotted budget could not be spent as planned due to COVID-19 related delays.”

Compromises made or likely to be made due to reduced budgetary allocations

5.8 When asked to state the areas where compromises have been made or likely to be made due to reduced budgetary allocations, if any, against the projections made by the MES, the Ministry through a written note replied as under:

“In order to overcome the challenges encountered due to the reduced budget allocations, the following actions were initiated:-

- (a) AMWP ceilings were regulated with prudence.
- (b) Re-prioritization of certain sanctioned works was done in Financial Years 2018-19 and 2019-20, where some sanctioned works were not tendered, details are as follows :-
- (i) **Army**. Six works worth Rs 484.42 Cr were reprioritised. In addition, 25 Cabinet Committee on Security (CCS) works of 11th plan (Development of Infrastructure in Eastern Command) amounting to approximately Rs 2397.14 Cr were reprioritised for sanction.
 - (ii) **Air Force**. 57 works worth Rs 2263.71 Cr were re-prioritised.
 - (iii) **Navy**. Nil.

5.9 On being asked about budget provided to MES distributed among the Services and other organizations, the Ministry of Defence apprised the Committee as under:

'1. Funds are allotted by respective Service HQ at the commencement of Financial Year to lower MES formations through Staff Channel, except for Carry Over Capital and certain Heads of Revenue and Maintenance Services of Army, which is carried out by E-in-C's Branch.

2. The factors considered before projecting the funds are as under:-

- (a) Number of ongoing works and their financial, physical progress and residual value.
- (b) The time required to complete the project.
- (c) Works for which administrative approval has been issued and are likely to be tendered as well as their forecasted progress within the Financial Year.
- (d) Environmental constraints due to local climatic conditions and availability of local materials which may affect progress of work.
- (e) Works likely to be approved within the Financial Year based on AMWP listing and ceiling.'

5.10 To a pointed question on the ability of MES to achieve its construction targets as per the established standard and schedule during the last five years, the Ministry of Defence intimated the Committee as under:

“By and large the MES has been able to achieve its construction targets for Capital Works, other than those where change in site or scope of work due to operational or administrative reasons takes place or on account of hindrances.

The comparison of targets versus achievement within the allocated funds can be seen from the figures of actual **Final Allocation Versus Final Expenditure** under Capital Head which ranges from 99% to 100%.”

5.11 In their Power Point Presentation before the Committee during examination of Demands for Grants 2021-22, the Ministry of Defence submitted the following initiatives being taken regarding MES:

➤ **Cases recently approved by MoD**

- Defence Works Procedure 2020 (GSL issued on 25 Nov 2020)
- Policy on Arbitration Panel
- Revision of Powers for Procurement through GeM
- Implementation of EPC Methodology in MES
- Performance Security in MES Contracts
- Public Procurement (Preference to Make in India)

➤ **Cases under process with MoD**

- Revision of Scales of Accommodation for Defence Services 2009
- Bulk MES Establishment Sanction
- Revision of Plinth Area Conversion Factor
- Special Electric Slab for Armed Forces

➤ **Revision of Important Documents/ Provisions**

- Manual on Contracts 2020
- Standard Schedule of Rates 2020
- General Conditions of Contracts (IAFW 2249) - Under Progress'

Revised

5.12 The Committee learn that up to 31st December, 2020. MES has been able to utilize Rs. 9,779.70 crore out of Rs. 18,056.21 crore in 2020-21 under combined Capital and Revenue Heads. Which is around 54 per cent of the total allocation. The utilization under Capital Head in 2020-21 is only Rs. 3,450.00 crore out of Rs.7,343.17 crore. The Committee learn that the Ministry has attributed this less utilization of funds to the Covid-19 pandemic situation in the Country. The Committee also find that, out of Rs. 10,713.04 crore allocated under Revenue Head in 2020-21, MES could utilize only Rs. 6329.70 crore.

CHAPTER VI

EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)

The Committee learn that the ECHS was launched with effect from 01 April, 2003. The aim of ECHS is to provide quality healthcare to Ex-Servicemen (ESM) Pensioners and their dependants.

Organisation of ECHS

6.2 The ECHS Central Organisation is located at Delhi and functions under the Chief of Staff Committee (COSC) and is headed by Managing Director, ECHS, a serving Major General. There are 28 Regional Centres, 427 ECHS Polyclinics and 3049 hospitals empanelled for providing treatment. ECHS has membership of approximately 55 lakhs including veterans and their dependants. 353 out of 721 districts of the country are covered under ECHS. ECHS is also an attached office of Department of Ex-Servicemen Welfare (DoESW), Ministry of Defence.

6.3 The existing Command and Control Structure of the Army, Navy and Air Force have been given the Administrative and Financial Powers to run this Scheme. Station Commanders exercise direct Control over the ECHS polyclinics. Regional Centres ECHS are under Command HQ/ Area HQ. Central organization ECHS functions as a part of Adjutant General's Branch, Army HQ.

Budget 2021-22

6.4 The details of projections, allocation and expenditure by ECHS as the Committee find for the last five years are as follows:

FY	Projection (Rs in Crs)	Allocation (Rs in Crs)	Expenditure (Rs in Crs)
2016-17	3600.00	2896.51	2875.43
2017-18	4260.00	3928.70	3892.41
2018-19	4686.00	3198.02	3258.00
2019-20	5752.00	5199.21	5193.60
2020-21	6892.00	3451.98	2913.34
2021-22	5643.62	-	-

6.5 The Ministry furnished the following information to the Committee about the additional financial sources Q-9 (ix) extended to ECHS by the Ministry of Defence for current pandemic management:

“Addl interim relief of Rs 150 Crs (Rs 50 Crs under Code Head 363/01 and Rs 100 Crs under Code Head 365/00) for payment over and above of BE allocation of Rs 3301.98 Crs was allotted vide MoD (Fin) ID No 1(6)/Bud-I/2019 dated 17 Dec 2020. Addl funds of Rs 1000 Crs have been requested to ensure continuation of quality health care services to the beneficiaries.”

Authorised and actual manpower for ECHS Polyclinics

6.6 The details of authorized and actual Manpower at ECHS Polyclinic are as under:

Ser No	Appointment	Auth Manpower	Actual Manpower
(i)	Medical Officer	955	959
(ii)	Medical Specialist	200	144
(iii)	Radiologist	61	03
(iv)	Gynaecologist	61	64
(v)	Dental Officer	471	301
(vi)	Officer in Command Polyclinic	410	410
(vii)	Para Medical	2528	2500
(viii)	Driver	488	479
(ix)	Non Medical Staff	1640	1635
	Total	6814	6495

6.7 When asked to specify the measures taken by the Ministry of Defence to address the shortfall, if any, the MoD submitted as under:–

“There has been no shortfall in the existing authorised manpower. The unutilised vacancies are due to non availability of Specialists in small town and remote areas and low Daily Average Sick Report (DASR) in Polyclinic. This is a dynamic figure and rationalization within existing authorisation is undertaken accordingly. However, the ever increasing beneficiary base has mandated initiation of a proposal to enhance the contractual manpower.”

6.8 When enquired about the steps taken to address the issue of shortage of medicines, if any, in ECHS Polyclinics, the Ministry replied as under:

“The shortage of medicines has been due to insufficient fund allocation at BE Stage. The additional funds are demanded to improve availability of medicines to the ECHS beneficiaries. Other steps taken to address these issue of shortage of medicines in ECHS polyclinics are elucidated below :-

- (a) Authorised Local Chemist (ALC) for purchasing of NA medicines at Polyclinic level has been introduced vide Gol (MoD) letter No 22D(01)/2016/WE/D(Res-I) dt 22 Aug 2017. Chemist fulfilling the requirement/willing to get empanelled are empanelled as per the policy. This step has also complimented the medicine availability to ECHS beneficiaries.
- (b) Reimbursement of NA medicines & consumables to ECHS beneficiaries has been sanctioned by Gol (MoD) vide their letter No 22D (01)/2016/WE/D(Res-I) dated 30 Jan 2019. The endeavour has been to try and improve the existing system to address the issue of shortage of medicines in ECHS Polyclinic with each step to avoid inconvenience to ECHS beneficiaries.
- (c) A onetime special sanction for purchase of medicine and claim reimbursement was issued to CO ECHS beneficiaries having life style Chronic ailments / disease on long treatment to promote social distancing and avoiding unnecessary exposure to ECHS beneficiaries to COVID-19. The same is applicable till 28 Feb 2021.

6.9 On being asked about the steps taken to redress the problem of unsettled ECHS medical bills of private recognized hospitals pending for payments, the Committee were apprised by the Ministry as under:

“The ECHS has been allotted with Rs 3451.98 crores at Budget Estimates (BE) stage against the projection of Rs 6892.00 crores in the current financial year 2020-21. However, the allotted Budget Estimates (BE) is insufficient because ECHS entered in current financial year with the carried forward liability of Rs 1554.63 crores in MTRE (Medical Treatment Related Expenditure). More allotment is expected at RE stage to clear the unsettled medical bills.”

6.10 During the course of evidence, the Committee raised issue of pendency of Bills of ECHS which are to the tune of Rs. 5,000 crore. A representative of the Ministry gave following clarification stating that:

“सर, पेंडिंग बिल्स के बारे में यह निवेदन करना चाहता हूँ कि हमें जो 4500 करोड़ रुपए दिए गए हैं, उससे पिछले वाले बिल्स क्लियर किए गए हैं।”

6.11 An issue was raised by the Committee during deliberations of DFG 2021-22 regarding the Bills not getting cleared in the empanelled hospitals; wherein emergency treatment of the Ex-Servicemen was permitted during Covid-19 pandemic situation. There are procedural delays in clearing the bills which leads to harassment of the ex-servicemen, who got treatment in Civil hospital, during this pandemic situation. The Ministry assured the Committee to look into the matter.

6.12 When asked receipt of any complaint by the Ministry in the past five years regarding refusal of empanelled hospital refusing treatment of ECHS members, the Ministry submitted as under:

Any denial of service by Hospitals empanelled with ECHS is considered as violation of Memorandum of Agreement (MoA). On occurrence of such cases, Regional Centre, ECHS at respective locations, issue ‘SHOW CAUSE’ Notice to Hospitals asking for their explanation for refusal of service. It is prudent to inform that nearly 100% of such refusals by hospitals are on account of payment pendency, i.e. not receiving their outstanding dues for the claims raised by the Hospital. Refusal is purely restricted to stopping cashless service, otherwise, ECHS beneficiaries are allowed to undergo treatment but only on payment basis. The moment some payment is made to the Hospitals for their pending bills, hospitals resume cashless services. Therefore on issue of ‘SHOW CAUSE’

Notice to hospitals and the remittance to hospitals, the period being very small, such cases are resolved at Regional Centres without they being referred to MoD (DoESW). In the last five years, there is only hospital ES, Villupuram (Tamilnadu) which was referred to MoD (DoESW) in October 2018 and the dis-empanelment order was issued in February 2019.

Major achievements of ECHS

6.13 The representatives of the MoD, during their Power Point presentation before the Committee, specified the major achievements of ECHS during last one year as under:

- Rules regarding employment of contractual employees in ECHS polyclinics revised to allow recruitment of doctors and para medical staff on part time basis in order to overcome shortage in these grades.
- Local Formation Commanders authorised to empanel Private Hospitals designated by State Governments for COVID treatment with ECHS at places where ECHS empanelled COVID hospitals not available.
- In view of the Covid-19 pandemic, special sanction granted for purchase & reimbursement of medicines without referral of Polyclinic up to 28.2.2021.

Expansion of ECHS

6.14 As regards the steps being taken to increase the reach of ECHS in far flung areas, the Ministry in their reply submitted as under:

“The requirement of new Polyclinics as also dependency of ESM on Polyclinics is reviewed from time to time with an objective to open new Polyclinics as also for upgrading/downgrading the existing ones. Under the scheme, there is a provision for Mobile Polyclinics for catering to requirements of far flung areas. 17 Mobile Polyclinics have been sanctioned in the State of Uttarakhand, Karnataka, Himachal Pradesh, Assam, Arunachal Pradesh, Punjab, Madhya Pradesh, Jammu & Kashmir and West Bengal.

Fixed Medical Allowance (FMA) has been granted to all ECHS beneficiaries who are residing in far flung areas where Polyclinics are not available.”

CHAPTER VII

SAINIK SCHOOLS

The Committee note that during 1960s, the scheme of Sainik Schools was conceived as a collaborative effort between the Central Govt and State Government so that the parts of the country, which did not have this kind of facility, should have Sainik Schools to remove regional imbalance in training for joining Defence Forces. It is for this purpose that the scheme envisages 67% reservation for students domiciled in the State where the Sainik School is located. There are 33 Sainik Schools in 23 States and 01 in UT with about 16000 cadets. 3 schools are in U.P, 2 schools each in 7 States and 1 school each in 15 States and 1 UT. 8 new proposals from States under existing scheme are under process wherein 3 Memorandum of Agreement have been signed and 05 in-principle approval have been given. 5 states namely Sikkim, Tripura, Telangana, Goa & Meghalaya have no Sainik Schools. In the budget speech of 2021-22, a proposal for setting up 100 more Sainik Schools across the nation has been pronounced.

(Sainik Schools PPT, Pg 1)

7.2 Details of budget allocation for Sainik Schools during last five years, as submitted to the Committee are given as under:

Financial year	Budget Projected	Budget Allocated/Utilised
2016-17	95.00	81.38
2017-18	80.00	80.00
2018-19	124.00	84.22
2019-20	115.00	40.40
2020-21	Budget Projected under BE: 116.00 Revised Budget Projected under RE: 217.44	79.36 (Till date) 329
2021-22	137.68	To be allocated by DGFP

7.3 In 2020-21, there is an increase in RE projection to Rs. 217.44 crore, while Rs. 116.00 crore was sought in BE. The Committee desired to know how the lesser allocation in 2020-21 has impacted the functioning of Sainik Schools. They received the following submission during presentation:

“सर, फाइनेंशियल कंस्ट्रेंट्स के कारण वर्ष 2020-21 में थोड़ा डिप आया था, लेकिन राज्य सरकार से मिले हुए पैसों के कारण कुछ खास असर नहीं पड़ पाया और वर्ष 2020-21 के लिए 329 करोड़ रुपए का आवंटन हो गया है। इसलिए ऐसा कोई दूरगामी एडवर्स इम्पैक्ट नहीं है।”

7.4 The Committee desired to be updated about the role of State and Central Governments in the functioning of Sainik Schools. In this regard, the following information was furnished to the Committee:

“The joint ownership and stake in opening and running of a Sainik School is vital for smooth functioning of the Sainik Schools. The scheme therefore ensures jointness in responsibility and pooling of resources by the Central and the State Government. The purpose of asking for the proposal from the concerned states for setting up of Sainik School is an attempt to assess the keenness and commitment of the State for sharing joint responsibility for setting up of a Sainik School and allocating necessary financial resources in this regard. It also stands to reason that for practical purposes running a school on daily basis requires active and positive support of the local administration/State Government.”

Details of the role and responsibilities of the State Govt./Union Territory

7.5 The Committee learnt that Sainik Schools are opened in a State only on receipt of a specific request from the State Govt. The responsibility of the State Govt./Union Territory for opening a Sainik School under Rule 1.23 of Sainik Schools Society (Rules & Regulations) 1997, is as under:-

“Provision of a minimum of 38 acres land for a Sainik Schools with the strength of 300 students and 49 acres land for a Sainik School with a strength of 600.

Construction of permanent buildings including:-

- (i) Administrative Block
- (ii) Educational Block
- (iii) Dormitories and Mess Hall
- (iv) Indoor Games Hall
- (v) Residential accommodation for all members of the academic/ administrative staff as well as general employees
- (vi) Swimming Pool, Auditorium, Gymnasium and others sports amenities. However, for setting up new Sainik Schools, after 1996 the requirement of a swimming pool and a covered auditorium has been relaxed.

Provision of all the equipment including a School Bus, a Matador or a jeep with trailer on as required basis Maintenance of the School campus and building Grant of scholarships to all the boys belonging to the economically weaker sections of society on the rates decided by the Board of Governors. Provide employer contribution towards New Pension Scheme (NPS)/Pension Liability and all other terminal benefit to all retiring employees.”

7.6 As far as role of the Union Government is concerned, it includes posting of suitable Service Officers for the posts of Principal, Vice Principal and Administrative Officer in the Sainik Schools. The Ministry of Defence also provides training grants to the schools regularly to upgrade their training infrastructure and skills. An annual inspection of schools is carried out to monitor the functioning of the schools. Training programmes for teaching faculty, other staff and workshops for officers are conducted regularly to enhance their professional competence.

Details of Role/Responsibilities of Central Government(MoD):-

7.7 The following information was submitted about the role/responsibilities of Central Government in a written reply:

- “(a) Positioning of three officers, one each of the rank of Col/equivalent. Lt. Col/ equivalent and Major/equivalent to each school. Their salaries and other allowances are paid from Defence Service Estimates.
- (b) NCC Staff and Army Physical Training Corps instructors also provided by the Ministry of Defence.

- (c) Scholarship to the wards of Defence Personnel including Ex-serviceman.
- (d) Provision of part of Scholarship as Central Assistance to those students who are awarded State Government Scholarships.
- (e) Incentive to those cadets who are selected for National Defence Academy/Naval Academy.
- (f) 100% additionality towards Pay & Allowances arising due to implementation of 6th CPC and 7th CPC.
- (g) Training Grant to the tune of Rs. 10 lakh to each school every year.
- (h) Grant-in-aid for Infrastructural development to the tune of Rs. 1 crore to each school every year based on their proposals.”

7.8 The details regarding share of budget provided to Sainik Schools by the State and Central Governments in the last three years was provided by Ministry of Defence given as hereunder:

(Rs. in Lakhs)

	2017-18	2018-19	2019-20
Central Govt. Share	8000.00 (36.84%)	8421.99 (40.02%)	4039.93 (25.35%)
State Govt. Share	13714.01 (63.16%)	12620.83 (59.98%)	11899.53 (74.65%)
Total	21714.01	21042.82	15939.46

7.9 The Committee desired to be apprised about the challenges and constraints being faced by Sainik Schools along with the steps being taken by the Ministry to obviate these challenges. A detailed note was furnished to the Committee as mentioned hereunder:

“Sainik Schools have played a unique role as a recruiting and training ground of future leaders of the armed forces. The Sainik Schools, true to its aim, have contributed more than one fourth of NDA intake during the last decade despite various constraints. The following are few major problems faced by these schools and the measures taken by the Ministry to resolve the problems:-

- (a) **Shortage of Funds:** Sainik Schools were self-sustaining till the implementation of VIth CPC and VIIth CPC pay scales came to being. Sainik Schools are faced with certain fund constraints especially related to payment of additionality. However, with the suitable allocation within the existing budget lines these limitations have been overcome to a substantial extent.

(b) **Inadequate Infrastructure.** Not all Sainik Schools are well endowed in the matter of land, buildings and infrastructure. Many years after their commencement, Schools such as Sainik School Rewari, Sainik School Gopalganj, Sainik School East Siang and Sainik School SujapurTira continue to have inadequate infrastructure. The maintenance of the infrastructure is largely the subject of the State Government, but the allocation of grants for this purpose also does not meet the actual demand in some of the cases. Consistent follow up is being done with states in this regard.

(c) **Deficiency of Quality Staff.** The quality of staff is affected by the location of the school. For instance, far flung schools find it difficult to attract and retain the best talent. The problem is further aggravated after withdrawal of Residential Allowance to school teachers and Tough Area Allowance.

(d) **Difficulty in Posting of Principal, Vice Principal, Admin Officer, PI Staff etc.** The number of Sainik Schools have steadily grown because of their ever increasing demand. However, concomitant increase in Officers from Education Core AEC who tenate the post of Principal, Vice Principal and Admin Officer has not happened. As a result, on some occasions, the three services face difficulty in sparing officers with the requisite QRs for filling up the post of Principal, Vice Principal and Administrative Officer. Efforts are being made to get posted officers from other core Armed Forces having requisite flair and academic bent to meet the shortages.”

Intake of Girl candidates

7.10 The Committee sought details regarding existing and required infrastructure for girl students in the Sainik Schools in the country as well as the steps being taken to expedite admission of girl students in Sainik Schools in terms of necessary infrastructure and teaching staff. The Ministry of Defence furnished the information as given below:

“Consequent to the success of the pilot project for admission for girl children in Sainik School Chhingchhip (Mizoram), based on Government approval, five more Sainik Schools viz., Bijapur& Kodagu (Karnataka), Chandrapur (Maharashtra), Ghorakhal (Uttarakhand) and Kalikiri (Andhra Pradesh) commenced admission of girls from the academic session 2020-21. With effect from the academic session 2021-22, girls will be eligible for admission to Class VI in all 33 Sainik Schools. The process for induction of girl cadets in all Sainik Schools is underway.

2. The following steps are being taken by the Sainik Schools for smooth induction of the girl cadets in to Class VI w.e.f. 2021-22:-

- (a) A separate hostel with barbed wire fencing to be provided for the girl cadets to ensure their safety.
- (b) To ensure the security and well-being of girl cadets in hostel, the following personnel are being appointed, exclusively to look after the girl cadets:-
 - (i) One (Physical Education Master/Physical Training Instructor) Cum Matron (Female) who accompanies the girl cadets throughout the day in all the training activities.
 - (ii) One Nursing Sister for the medical requirements for the cadets.
 - (iii) Two female General Employee for housekeeping and maintenance of Girls Hostel.
- (c) Separate washrooms to be provided to the girl cadets in the Hostel, sports fields, auditorium, mess and academic block for their convenience and ease.
- (d) CCTV cameras to be installed at various places for the safety of girl cadets.

3. The girl cadets are to be trained along with the boy cadets in the same training pattern which involves Academics, PT, Games, Drill and other Co-curricular activities for their overall growth. They are to be given equal opportunities in the School to develop as cadets and join the Defence Forces in future.”

7.11 Another concern of the Committee was to be apprised about the efforts that have been made by the Sainik Schools to facilitate online/distance learning for the students in wake of current pandemic. In this regard, they were informed that a letter dated 11.05.2020 was issued to all Sainik Schools to conduct mandatory online classes through video conferencing apps like Microsoft Teams, Google Suite etc. The video conference app is also used by Sainik Schools to carry out other activities like PT (including Yoga), NCC as well as co-curricular activities like group discussion, class talk, programmes related to Ek Bharat Shreshtha Bharat etc.

Curriculum

7.12 The Committee desired to know whether Sainik Schools are planning to expand curriculum beyond CBSE pattern. To this, the representative of Ministry of Defence stated as hereunder:

“अभी तक किसी अन्य बोर्ड के बारे में यह सुझाव हमारे पास नहीं आया है, लेकिन एक स्टैंडर्डाइजेशन के तौर पर अभी सीबीएसई स्लेब्स चल रहा है और हमारी आवश्यकताओं को अच्छी तरह से पूरा कर रहा है। इसलिए अभी हम सीबीएसई स्लेब्स के साथ चल रहे हैं और सीबीएसई के ऊपर दूसरी एक्टिविटीज हमारी स्पेसिफाइड एक्टिविटीज हैं, उनको हम करते रहे हैं। किसी अन्य बोर्ड का सुझाव आएगा तो उसे कंसीडर किया जा सकता है।”

7.13 The Committee, during deliberations on Demands for Grants, raised the issue of high fee structure and support being provided by the Government to students belonging to weaker sections. In this connection, the representative of Ministry during evidence made the following submission:

“सर, हम डिफेंस पर्सनेल के वाईस को सपोर्ट करते हैं और जो बच्चे एनडीए में क्वालीफाई हो जाते हैं, उनको सपोर्ट करते हैं। उससे आगे मिनिस्ट्री ऑफ डिफेंस की तरफ से उनको सपोर्ट करने का संविधान नहीं है। जैसे, आपने बताया भी है कि सभी वीकर सैक्शन के बच्चों के लिए सभी स्टेट गवर्नमेंट्स ने कुछ न कुछ स्कीम बना रखी हैं।”

7.14 In view of the announcement made by the FM for opening up of 100 new Sainik Schools during her budget speech, the Committee wished to be apprised about the budget for the same and how the stake holders like State Governments etc will be collaborated to open the schools in terms of budgetary share. Also, whether private universities of repute having requisite infrastructure may be considered as a stake holder for opening up a new Sainik School. Further, the Committee were concerned to know whether the parameters of existing Sainik Schools will be mandatorily maintained by new stakeholders. The representative of Sainik Schools replied to the concerns of the Committee by the following statement:

“सर, जहां तक एनजीओज़ और प्राइवेट प्लेयर्स के आने का प्रश्न है, जिसे हम नई व्यवस्था में प्रस्तावित कर रहे हैं, यह बेसिकली एक पारदर्शी प्रक्रिया होगी, जिसमें कुछ आवश्यक और कुछ वांछनीय एट्रीब्यूट्स होंगे। इस स्कीम की सोच इसी बात से बनी कि सैनिक स्कूलों में जो वर्तमान व्यवस्था है, इसने जिस प्रकार का रिजल्ट इस देश को दिया है, इसकी स्पिरिट को बिना डाइलूट किए, अधिकाधिक लोगों में इसका प्रचार-प्रसार किया जा सके, हमारा उस दिशा में एक प्रयास है। जो सैनिक स्कूल का करिकुलम है, किसी भी सैनिक स्कूल की वर्तमान व्यवस्था में जो छात्र पढ़ रहा है, वह लगभग 10-11

घण्टे की सीबीएसई की हार्ड कोर पढ़ाई से इतर, जितनी ट्रेनिंग लेता है, जैसे परेड, ड्रिल, डिबेट्स, डिक्लेमेशन, स्पोर्ट्स, इन सब एक्टिविटीज को यहां भी समाहित किया जाएगा। हमारा जो सेलेक्शन प्रोसेस या शॉर्टलिस्टिंग प्रोसेस होगा, उसमें यह एंशयोर होगा कि जो इन से इतफ़ाक रखते हैं, जो इनको मानने के लिए एग्नी होंगे, उसी प्रकार के इंस्टीट्यूशंस इस स्कीम में आएंगे, जिससे कि इस पूरी व्यवस्था में डाइलूशन न आए। हमारा इसी ओर प्रयास रहेगा।”

7.15 The Committee categorically wished to be informed about the status of implementation of reservation for EWS in Sainik Schools. The representative of Sainik School candidly made the following submission:

“सर, अभी हमने ईडब्ल्यूएस के बारे में नहीं किया है, वह अभी भी विचाराधीन है। ईडब्ल्यूएस इस में लागू होता है या नहीं, अभी वह विचार में चल रहा है।”

7.16 At the time of deliberations on DFG, the Committee also raised the current issue of pension payments of teachers. The representative of Sainik Schools replied as follows:

“सर, अभी तक जो व्यवस्था चली आ रही है, वह पेंशन पेमेंट स्टेट गवर्नमेंट की लायबिलिटी है। छठवें पे कमीशन और सातवें पे कमीशन की वजह से जो एडिशनलिटी आई है, उसका वहन केन्द्र करेगा। इस सिलसिले में हम भरसक प्रयास कर रहे हैं कि जो पेंडेंसीज हैं, उन्हें इस साल के खत्म होने तक पूरा करने का प्रयास करेंगे। Pension payment per se is the responsibility of the State Government.”

7.17 The Committee during deliberations desired to be informed about the percentage of Sainik School candidates in total selections in Service Selection Boards. The representatives of Sainik School assured that they will provide the requisite data.

7.18 The specific enquiry regarding progress of the Sainik School at Matanhail in Jhajjar district was made before the representatives of Sainik Schools. It was assured by the Ministry of Defence that the specific report shall be made available.

PART II

OBSERVATIONS/RECOMMENDATIONS

ARMY

1. At the outset, the Committee would unanimously like to place on record that the valour and courage shown by our soldiers in the incidence of Galwan Valley in June, 2020 is beyond words of appreciation. The Committee overwhelmingly express their gratitude towards each and every soldier and officer, martyred or injured, and also to their families. In addition, the Committee are also appreciative of the efforts made by Army at the time of 'COVID Crisis' during past one year. Indian Army is undoubtedly dedicated to preserve national interests, safeguard sovereignty, territorial integrity and unity of the Nation. In present testing times on both sides of the border, Army has shown great valour in facing and thwarting the challenges. Other than this, the ongoing task at the hands of Army include fighting proxy wars, defeating internal threats, assisting Government and the people of India during natural calamities; albeit a few to mention. The Committee opine that a sustained and adequate budgetary support is quintessential for meeting requirements of Army. The Demands for Grants of Army for the year 2021-22 are contained in Demand Nos.19 and 20. A detailed scrutiny of the demands, allocation and earlier expenditure of Army is discussed in the succeeding paragraphs of the Report.

Budget Outlay 2021-22

2. For examination of the Demands for Grants of Army for the year 2021-22, the Committee had sought from the Ministry of Defence relevant budgetary data on proposed and earmarked outlay during current and previous years. In Budget Estimates of 2021-22, total proposed outlay of Army including both Revenue and Capital Heads was Rs. 2,22,197.38 crore, whereas the allocation to be made was found to be Rs. 1,84,176.03 crore which is nearly 83 per cent of the demand. The allocation viz-a-viz demand gap stands to the tune of Rs. 38,021.35 crore which is approximately 17 per cent of the demand. As regards huge gaps in projection and allocation, the Committee were apprised that the projections are normally made about 15 per cent to 20 per cent higher as a strategic planning process. More funds are sought by anticipating that the procurement will happen as per the plan but it does not go as per that planning because of the various procurement cycles. The Committee here, thus, recommend that adequate measures for streamlining of procurement and budgetary procedures shall be undertaken in order to mitigate projection vs. allocation gap. This will help in optimizing resource utilization and boost transparency in processes of budgeting and spending.

3. The Revenue budget comprises of two main components, salary and non-salary. Major portion of the budget head primarily goes for salary expenses which is a fixed and recurring expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training, upkeep and optimizing all time operational preparedness of Army. In Budget Estimates (BE) for FY 2021-22, against Revenue Head, projection of Army was that of Rs. 1,70,705.28 crore against which allocation to be made is Rs. 1,47,644.13 crore, hence amounted shortfall stood at Rs. 23,061.15 crore. In percentage terms, the allocation is short of demand by

13 percent. Further gleaning through the documents furnished by the Ministry of Defence, the Committee infer that in 2020-21, BE allocation was Rs. 1,45,785.88 crore. The proportionate annual increase is 1.27 per cent which is marginal. The Committee believe that since salary obligations and service benefits are fixed expenses, the implication of budget constraint would affect training, infrastructure and stores. These expenditure are viewed as vital for battle readiness of Army, therefore, the Committee in no uncertain words recommend that in subsequent stages of the FY 2021-22, adequate funds shall be provisioned to Army under Revenue Head bridging the gap in demand and allocation.

4. Capital budget cardinally provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2021-22, Army's projection was Rs. 51,492.10 crore and allocation to be made is Rs. 36,531.90 crore. There is evident deduction of Rs. 14,960.20 crore in allocation vis-a-vis demand. The Committee view that a gap to the tune of 30 percent is huge and merit attention. On this account, the Committee were enlightened that initially at the time of Acceptance of Necessity, cost is projected broadly, later on negotiations take place and the final procurement is invariably lesser than anticipated amount. The Committee opine that most of the procurement details are available in open market as well as on internet, therefore inaccuracy in cost estimation to such a large extent should be avoided. They reiterate that further streamlining and systematizing budgeting procedures of Army need serious consideration and priority.

Budget Review 2020-21

5. In case of Revised Estimates (RE) for FY 2020-21, under Revenue head, Army's projection was Rs.1,53,436.68 crore and allocation made was Rs. 1,44,545.67 crore. The allocation is short of demand by Rs. 8,891.01 crore, however, the expenditure incurred till December 2020 was Rs. 1,06,690.05 crore. In case of Capital Head, in RE 2020-21, the projection of Army was Rs. 39,019.17 crore against which an allocation of Rs. 33,283.28 crore was made, hence, an amount of Rs. 5,835.89 crore was short of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2020 was only Rs. 15,354.93 crore which is less than half of allocation. The Committee expressed concern over noticeably less utilization of funds during FY 2020-21. They were given to understand that due to less production during lockdown period of three months from April to June, 2020 there was lesser payment utilization of Capital Budget. The Committee find that the production has improved during the past six months and they hope that Army would be able to finish off its liabilities once the items contracted are supplied by the factories. The Committee desire that the process shall be hastened up and funds be prudently utilized so that the trajectory of development of Army is not hampered.

Percentage Share of Army Budget

6. After glancing at the papers furnished to the Committee, they evidently find an increase in percentage share of revenue budget of Army out of Defence Services Estimates from 41.87 per cent in 2015-16 to 45.13 per cent in 2020-21. At the same time there is decrease in capital budget share from 11.08 percent in 2015-16 to 10.05 per cent in 2020-21. However, in value terms, increase is witnessed under both revenue and capital heads during the same time period. The Revenue Budget saw a jump from

Rs.1,03,315.91 crore in 2015-16 to Rs. 1,47,644.13 crore in 2021-22. At the same time the capital budget witnessed increase from Rs. 27,342.42 crore to Rs. 36,531.90 crore during the same period. The relative growth in Capital outlay is significantly less in comparison to relative increase in Revenue outlay. From the figures mentioned here above, the Committee note a steady inclination over past few years towards Revenue overhead. The Committee recommend maintaining financial prudence in such a manner as to maintain healthy balance between Revenue and Capital share as sturdy progress of Army can be accomplished only with unvarying augmentation of infrastructure and forcing level.

Budget for Modernization

7. During course of examination of DFG 2021-22, the Committee were apprised that in the Defence Services Estimates, there is no separate allocation of funds for Committed Liabilities and New Schemes. In the FY 2020-21, an amount of Rs. 26,068.61 crore was allocated to Army at BE stage. Further, earmarking between Committed Liabilities and New Schemes is carried out by Service Head Quarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 13,129.81 crore (upto December, 2020) has been incurred in FY 2020-21. In FY 2020-21, Army had sought additional allocation of Rs. 7,300 crore in first supplementary to cater for shortfall towards Committed Liabilities, emergency powers-2020 and requirement for construction of offices in connection with Central Vista Project. Keeping in view the pace of expenditure additional funds were not allocated to Army in RE 2020-21 under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). The Committee observe that developmental programmes for one complete year cannot be left in lurch as national security is certainly paramount

aspect of Governance. It is understandable that the expenditure had been low due to COVID pandemic during first quarter of FY 2020-21, albeit with normalization of state of affairs, the expenditure has now picked pace and Army shall be able to realize its annual modernization goals and any gaps hence created shall be ameliorated. Final appropriation of Army relating to Modernization for the FY 2020-21 shall be brought to the knowledge of Committee at the earliest.

Planning and Procurement

8. The Committee were intimated that Capital Acquisition is planned, based on Schemes included in the Annual Acquisition Plan (AAP). Cases included in the AAP are progressed as per Defence Procurement Procedure (DPP) / Defence Acquisition Procedure (DAP) till finalisation of contracts. Discussions on Demands for Grants 2021-22 brought out that there is a need for shortening of procurement process which include planning, negotiations, trials etc. so that the budget utilization by Army happens in timely manner. The Committee were enlightened that Defence Acquisition Procedure 2020 has been formulated to revise shortcomings. The Committee hope that with revision in DAP, the procurement process will be efficiently reorganized to engender proficiency and prudence in acquisition processes and also help in ameliorating breaches in projection and allocation.

9. With regard to planning, the Committee were further given to understand that acquisition of Weapon Systems and equipment for Army flows from the Long Term Integrated Perspective Plan (LTIPP). The current LTIPP spells out the capability desired to be achieved by the Armed Forces over the 15 years duration from 2012 to 2027. The LTIPP is translated into specific assets to be acquired, in the form of Services Capital

Acquisition Plan, covering a five year period. From the Services Capital Acquisition Plan (SCAP), a list of equipment and weapon systems required to be procured immediately is listed in the form of the Annual Acquisition Plan (AAP). The AAP is a 2 year roll on plan. The Committee recommend that since more than half the timeline of LTIPP 2012-27 has elapsed, a valuation of goals and projects planned initially for Army and accomplished hitherto shall be done to assess the progress. The study report of the same may be brought to the knowledge of the Committee.

Indigenization

10. The Committee desired to know the efforts made by Army towards realization of indigenisation and self-reliance. In this connection, it was informed by Ministry of Defence that during the year 2019-20 and current year 2020-21 (upto 30.11.2020), out of the total 21 contracts signed, 14 contracts were signed with the Indian vendors for capital procurement of defence equipment such as Tanks, Mine ploughs for Tanks, Pinaka Regiments, Secure communication systems, Multimode Hand Grenade (MMHG) for Indian Army. The expenditure under capital acquisitions budget for Army during 2019-20 and 2020-21 (till date), on indigenous contracts was Rs. 20,896.14 crore and Rs. 13,580.55 crore respectively. While appreciating the efforts being made by Army towards achieving goals of self reliance, the Committee recommend that a major chunk of amount from modernisation outlay shall be designated for indigenous procurement in the FY 2021-22. While doing so, necessities of Army shall be given due consideration and its right for having latest State-of-the-Art global capabilities not compromised by any extent.

Bullet Proof Jackets(BPJs)

11. The Committee were updated on the status of procurement of Bullet Proof Jackets (BPJs) for our soldiers. They were happy to find that Government is issuing licenses to private companies for manufacture of Bullet Proof Jackets/Body Armour/Body Protector to have indigenous capabilities of said defence stores. The Committee believe that involvement of private sector will definitely speed up design and production of BPJs and moreover, Army will have greater options to select the best available jackets. However, the Committee at the same time recommend for imbibing all indispensable precautions so that confidentialities do not get divulged. The safeguards being taken by Army in respect thereto shall be brought to the knowledge of the Committee.

12. Further, the Committee were educated that in Government sector, Ordnance Factories Board (OFB) in association with Mishra Dhatu Nigam Limited (MIDHANI) has developed Bullet Resistance Jackets branded as 'BHABHA KAVACH'. This has been successfully evaluated to meet the specifications/requirements by the Para Military and Police Forces. This was launched at the International Police Expo 2019 held on 19-20 July 2019 at New Delhi. Bullet Resistance Jacket developed by OFB is conforming to all technical specifications/requirements of Bullet Proof Jacket of Indian Army. The Committee applaud the developments and recommend that consistent and continued efforts

for improving indigenous protective gear shall be done by the Ministry of Defence so that our Forces get the best supplies which they truly deserve.

Manpower

13. At the time of presentation by the representatives of Ministry of Defence on Demands for Grants 2021-22, the Committee were informed that a proposal for reduction in non-essential manpower is under consideration. The representative further added that the relevance of certain divisions such as infantry division, mountain division and armed division etc. have eroded with time. The new concept will have Integrated Battle Groups while logistics support will mostly be outsourced as modern day infrastructure development and outsourcing facilities have expanded upto border and forward areas. Manpower requirements will see a transition from conventional to new-age technological warfare requirements which include space, cyber and Artificial Intelligence specializations. The Committee ratifies the perception of manpower optimization and imbibing technological advancements. Simultaneously, they observe that the secrecy of Army's mission and strategic operations shall not be jeopardised by outsourcing activities in border or forward areas. Therefore, developing a foolproof internal system is the need of the hour. In this perspective, the Committee recommend that the agencies/workshops approved for outsourcing activities shall designate specific officials/personnel at least on annual basis for executing tasks of Army as everybody's responsibility sometimes becomes nobody's responsibility.

14. The Committee find that another aspect of manpower optimization included using technologies for surveillance needs, for instance in hilly terrains. The Committee approve and recommend use of technologies for surveillance and reconnaissance purpose as latest surveillance tools and software indeed prove to be decisive in gathering intelligence against enemies. Nevertheless, boots on ground is inherently important from point of view of taking quick and responsive measures from time to time as the need be. Technologies shall be imbibed to assist human resource in carrying out responsibilities to the best.

15. The Committee are aware of the ordeal of the war widows involved in the situation when they clear the exams as tough as Combined Defence Services Examination (CDSE) and Staff Selection Board (SSB) and still they are denied commission on the basis of lack of vacancies. Taking note of the fact that there are scores of vacancies existing in Armed Forces at the level of Officers, the Committee urge the Ministry to explore the possibility of absorbing those war widows who have qualified SSB and are rejected commissioning in the vacancies available with Army and other Services. The Committee take a serious view of the same and recommend that as these war widows have already gone through an ordeal after the supreme sacrifice of their spouses for the nation and definitely do not deserve this behaviour of dejection and injustice and desire that if there are no vacancies, there should be no selection at the first place and if the war widows get qualified in the exams they should definitely be offered commissioning at the earliest, under any Services/Organisations of Defence Forces.

Tooth to Tail Ratio

16. The Committee are aware of the rapid technological advancements and changes taking place globally in the warfare technology and feel that after the appointment of Chief of Defence Staff there is an imperative need to examine the current system and suggest that necessary reforms should be undertaken in the future.

Since a long time, the Army is trying to reduce its force size especially the Tooth to Tail ratio but nothing concrete has come out till date. The Committee feel that after integration of the available resources of three Forces, the tail part of Army can be substantially reduced. As stated by the CDS, State-of-the-Art equipment and surveillance system may give the concept of smart soldier, a certainty. The Committee recommend that trimming the force should be a time bound exercise to enable our soldiers to be of international standards and imbibing State-of-the-Art technologies.

AIR FORCE

Budget Outlay 2021-22

17. The Committee are aware of the fact that the Air Force leverages airpower of the Armed Forces. Humanitarian assistance during disaster Relief is another vital and momentous role of Indian Air Force (IAF) as was witnessed during Covid pandemic. For effective command and control, the IAF has various commands, under which there are different stations and units located at various places throughout the country. For running their operations and modernizing force level, Air Force needs adequate budgetary provisions. The Committee had sought from the Ministry of Defence a statement indicating the proposed and earmarked outlay at Budget Estimates (BE), Revised Estimates (RE) and actual expenditure for Air Force.

18. The Committee scrutinized the papers furnished to them and inferred that the budgetary projection of Air Force for the FY 2021-22 was Rs. 1,22,133.46 crore including both Revenue and Capital budget. The approved allocation is Rs. 83,927.30 crore. There is a deficit of Rs. 38,206.16 crore in allocation against projections which is a substantial amount. At the time of deliberations, the representatives of Air Force submitted before the Committee that in the coming future Air Force will have to essentially increase their aircraft fleet and improve ground based systems. Simultaneously improvisation of security infrastructure is equally important. For achieving all these, they will require additional budget in consequent years. Notwithstanding the fact, the Committee find that in BE

2021-22, the grant to Air Force is only 70 per cent of its projection. The Committee desire that modernization and enhancement of capabilities of Air Force shall not be compromised for want of resources. The budget has two main components- Revenue and Capital. An analysis of both the budget overheads is brought out in paras below.

19. Glancing at the documents, the Committee in summation find that in case of Revenue Budget, in FY 2021-22, the projection of Air Force was Rs. 44,992.90 crore and allocation to be made is Rs. 30,652.53 crore. The allocation is lessened by Rs. 14,340.37 crore which is almost one-third of the demand. The Revenue budget comprises of two main components, salary and non-salary. Major portion of the budget head primarily goes for salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, transportation, fuel, etc. which are essential for regular training and operational preparedness of Air Force. During course of deliberations on Demands for Grants, the Committee were given to understand that the projection is made on the basis of schemes at planning stage which may or may not fructify during the particular Financial Year and therefore, the projections are higher than the allocations. However, in case of schemes rolling out, the requisite budget will be provided at RE stage. The Committee observe that the Revenue expenditure is an integrated cost of maintenance and training and most of the expenses are routine and essential commodities. Therefore, the Committee recommend that adequate

budgetary provision should be made to Air Force at subsequent stages during the FY 2021-22 so that basic maintenance cost is met.

20. In case of the Capital Outlay for BE 2021-22, Air Force's projection is Rs. 77,140.56 crore and allocation to be made is Rs. 53,214.77 crore. The Capital budget outgo necessarily meet expenditure on infrastructure development and procurements of aircraft, helicopters etc. These expenses are dedicated towards modernization and capability enhancements. The Committee realize that Air Force is a capital intensive Force and any shortfalls in budget outlay would be creating gaps in existing and desired strength. Therefore, they recommend that adequate budget shall be given to Air Force at later stages of budgeting during the FY 2021-22 so that path of development of Air Force is not affected.

Budget Review 2020-21

21. In case of Revised Estimates (RE) for FY 2020-21, under Revenue head, Air Force's projection was Rs. 44,605.21 crore and allocation made was Rs. 31,742.07 crore. The allocation is short of demand by Rs. 12,863.14 crore, however, the expenditure incurred till December 2020 was Rs. 22,640.01 crore. As far as capital outlay is concerned, in RE 2020-21, the projection of Air Force was Rs. 72,955.18 crore against which an allocation of Rs. 55,083.91 crore was made, hence, Rs. 17,871.21 crore were short of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2020 was only Rs. 34,098.00 crore. As regards lesser expenditure incurred by Air Force during the FY 2020-21, the Committee

were apprised that in the current year there was lesser expenditure due to COVID, therefore, Government has not imposed any limit on last quarter spending which normally is 30 per cent. The Committee are hopeful that the targets missed owing to COVID breakdown would be accomplished henceforth and accordingly recommend that Air Force makes a strategy so as to enable them to cautiously utilize their budget by the end of March 2021.

Percentage Share of Air Force Budget

22. While examining Demands for Grants 2021-22, the Committee analyzed Air Force budget, both in Revenue and Capital segments, out of total Defence Budget during the last five years. In 2014-15, the Revenue allocation was Rs. 20,506.84 crore which grew to Rs. 30,652.53 crore in 2021-22. Meanwhile the capital allocation increased to Rs. 53,214.77 crore in 2021-22 from Rs. 33,710.68 crore in 2014-15. There is an evident increase in percentage share of revenue budget of Air Force, out of Defence Services Estimates from 8.95 per cent in 2014-15 to 9.27 per cent in 2020-21. At the same time there is decrease in capital budget share from 14.72 percent in 2014-15 to 13.40 per cent in 2020-21. However, there is an increase in absolute terms under both Revenue and Capital Heads during the same time period. The Committee take note of steady decline in case of Capital allocations which is pertinent in view of Air Force being capital intensive branch of Armed Forces. Therefore, the Committee recommend that a fair share of allocation in the Capital Head should be given to Air Force.

Budget for Modernization

23. The Committee were apprised that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the FY 2020-21, an amount of Rs. 39,030.91 crore was allocated at BE stage and an additional amount of Rs. 13,188.00 crore was allocated to Air Force in RE 20-21 under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Committed Liabilities and New Schemes is carried out by Service Head Quarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 32,872.12 crore (upto December, 2020) has been incurred in FY 2020-21. In the same year no additional allocation was received in First Supplementary. In Second Supplementary, an additional amount of Rs. 11,152.00 Crore has been sought to cater for Committed Liabilities, new schemes, and future operational capabilities of IAF, etc. Second and Final supplementary is yet to be approved by the Parliament. In this regard, the Committee recommend that the additional allocation shall be approved so that requisite outgo for modernization activities are concluded.

Indigenization

24. At the time of power point presentation, the Committee were briefed that Air Force is vigorously pursuing indigenisation. Expenditure is being done as per committed liabilities and internal earmarking of budget for domestic capital

acquisition. The Ministry further revealed that during FY 2019-20 the contract worth Rs. 5,846.13 crore was signed from indigenous sources. In three quarters of 2020-21, i.e. upto 31 December, total contracted value from domestic market is Rs. 2,835.19 crore. The Committee understand that due to covid crisis, lesser amount was contracted during the current first three quarters of current FY. Nevertheless, with industrial and economic activities opening up in full vigour, the Committee hope and desire that acquisition processes will pick pace and occurred backlogs will be cleared.

25. At the time of evidence on the Demands for Grants, the Committee take note of the fact that there is a dependency on foreign vendors for repair and upkeep of aircraft and other equipments of Air Force. The representatives of Air Force stated that there is a certain amount of dependence because when they approach PSUs like HAL etc., the latter have got backend contracts with foreign Original Equipment Manufacturer. The Committee express their concern over the prevailing situation and observe that unless and until domestic companies are able to indigenise manufacturing processes, self reliance could not be realized. The Committee recommend that in terms of self-reliance, our companies shall look at sustainability in all maintenance activities. The milestone in this regard is not easy to be achieved, nevertheless, with renewed emphasis on R & D and, even though in staggered manner, it can be achieved.

Planning

26. The Committee were apprised that the current Long Term Integrated Perspective Plan (LTIPP) in vogue is LTIPP 2012-27. LTIPP lays down broad guidelines for the Acquisition Plans over a period of 15 years. It does not include schemes in particular. Further, the plans are converted into schemes in three Five Year Plans (SCAPs) and in AAPs. A total of 75 schemes are expected to fructify during the remaining period of LTIPP 2012-27. Total funds envisaged for such schemes are Rs. 67,658.36 crore. Since more than half the period of LTIPP has completed, therefore, the Committee recommend that an analytical study shall be carried for assessment of ambition versus accomplishment report. The Committee opine that such an analysis will assist in guiding future course of action of Air Force. The details of outcome shall also be furnished to the Committee.

Force Level

27. At the time of examination of Demands for Grants, the Committee were apprised about the status of availability of fighter squadrons with Air Force. In this respect, the Committee found that the total strength of Fighter Squadrons varies, depending upon phasing out of aircraft due to obsolescence as well as new inductions. The Committee find that the induction of new generation aircraft is underway in a planned manner. The development of advanced unmanned systems with better technology, long range Air Defence Missiles also contribute to Air Power. Hence, requirement of aircraft for Air Force varies with the threat

perception and induction of other combat systems that supplement Air Power. As far as the build-up in the strength of fighter squadrons is concerned, two pronged approach has been adopted by midlife upgradation of legacy aircraft to retain their operational relevance and induction of new aircraft. The Committee learn that MiG-29, Jaguar and Mirage-2000 aircraft are being upgraded in a phased manner as a part of obsolescence management so that they remain relevant and contemporary. The Committee observe that utilizing existing capabilities to its fullest by managing obsolescence issues is plausible. They desire that since aircraft are operated by human resource, due care should be taken while carrying out upgradation and maintenance.

28. With regard to induction of new aircraft, the Committee were apprised that procurement of 36 Rafale aircraft has commenced and will significantly enhance operational capabilities of Air Force. Meanwhile, induction of the balance Su-30 MKI aircraft from HAL is under process. The induction of indigenous LCA is also ongoing, of which some LCA Mk 1 have been delivered. Additionally, contract for procurement of 83 x LCA Mk 1A from HAL has been signed recently. The first batch of the aircraft are planned to be inducted within 03 years of signing of contract (FY 2023-24) and all deliveries would be completed within 08 years after commencement of deliveries. Induction of these aircraft would augment the present overall fighter squadron strength of IAF by four over a period of next eight years. The Committee recommend that the timelines for deliveries of the above

stated aircraft shall be stringently followed so that desirable strength of combat capabilities are achieved by Air Force.

29. The Committee find that induction of indigenously developed LCA Mk-IA would partially offset drawdown of number of fighter squadrons to cater for phasing out of MiG-21 and MiG-27 squadrons. The Committee cautiously state that further advancements in indigenous development of fighter aircraft shall be undertaken so that in near future Air Force does not depend solely on LCA Mk-I which is a light combat aircraft. On this account, the Committee were reassured that a case for additional fighter aircraft is under process with enhanced indigenous content and technology transfer. Also, the IAF is fully supporting DRDO in the Design & Development of indigenous Advanced Medium Combat Aircraft (AMCA). The Committee recommend that Ministry of Defence shall regularly review the status of progress of AMCA so that it rolls out within a stipulated timeframe and if the progress is not satisfactory, alternate aircraft may be procured so that squadron strength does not deplete further.

Trainer Aircraft

30. With regard to trainer aircraft, the Committee wanted to know the existing strength of trainer aircraft with Air Force which is 260 as against the sanctioned strength of 388. Trainer aircraft held by IAF in its inventory include 75 PC-7 Mk-II Basic Trainer Aircraft (BTA), 86 Kiran Mk-I/IA Intermediate Jet Trainer (IJT), 99 Hawk Mk-132 Advanced Jet Trainer (AJT) and 42 Kiran Mk-II (which are presently

not being utilized for training). The Committee also learn that simulators have been acquired for the PC-7 Basic Trainer Aircraft and Hawk-132 Advance Jet Trainer aircraft. A case for procurement of two Twin Dome Simulator for Hawk Mk-132 aircraft has been processed. Presently Technical Evaluation is under progress. Also, a case for procurement of additional 29 Hawk aircraft (AJT) has been initiated. Presently, the case is with Contract Negotiation Committee (CNC). The Committee recommend that the said procurements are made in time by undertaking all out efforts and details thereof shall be intimated to the Committee as well.

31. A representative of Air Force intimated the Committee that albeit current Air Force is managing with the existing strength, more trainer aircraft would be desirable to undertake training responsibilities .The Committee further found that in order to cater for the shortage of trainer aircraft, IAF is in the process of acquiring 106 indigenous HTT-40 Basic Trainer aircraft from Hindustan Aeronautics Limited (HAL). While taking note of the fact that process of certification of HTT-40 has been pending for some time, the Committee recommend that immediate steps must be taken to acquire/procure of HTT-40 in time so that training curriculum of Air Force pilots is not disrupted. Developments on the same shall be intimated to the Committee.

32. The Ministry of Defence furnished a note stating that Kiran (Intermediate Jet Trainer) aircraft have started phasing out on reaching the life span since 2016. However, a scheme for Total Technical Life extension from present 8,000 hr to 8,500 hr by HAL has been accepted. With this, the Kiran MK-I/IA fleet is likely to be exploited till 2025-26. The Committee recommend that adequate precautionary measures shall be adopted while using the IJT for training purposes lest precious life of our pilots will fall in danger.

Transport Planes and Helicopters

33. The Committee desired to know about the availability of transport planes and helicopters with Air Force. In respect thereto, they were assured that Adequate transport aircraft and helicopters are available to meet operational and administrative requirements. Phase out of Transport Aircraft and Helicopters is based on Calendar Life / Flying Hours as designated by the Original Equipment Manufacturers (OEM). IAF undertakes Life Extension of these aircraft from time to time depending upon the actual condition of these platforms. The Committee desire that adequacy in transport planes and helicopters should be maintained by Air Force as they are backbone of our fighting strength at far flung areas.

Modernisation of Air Field Infrastructure (MAFI) Project Phase-II (MAFI-II)

34. The Committee wished to be apprised about the status of night landing facilities at Air Force bases. In this regard, the Ministry of Defence submitted that night landing facilities are provisioned as per the operational commitments of a

base. Installation of night landing facilities is planned when requirement for night operations is envisaged. Installation of night landing facilities is planned at 18 IAF airfields as part of Modernisation of Air Field Infrastructure (MAFI) Project Phase-II. The Committee recommend that the projects under MAFI-II shall be completed within stipulated timeframe.

Accidents

35. The Committee were concerned to learn about the accidents of aircraft. The Ministry of Defence replied that the aircrafts' accidents have reduced by over 60 per cent between the 11th plan period to 13th plan. In the current financial year, only two accidents have occurred and the accident rate is the lowest in last 50 years. The Committee applaud the measures being taken to curb accidents, nevertheless, recommend that a foolproof strategy be chalked out so that Air Force operations become safer with time.

Manpower

36. During examination of Demands for Grants, the Committee found that the shortage in officers' strength is approximately 4 percent and is a variable figure which keeps fluctuating depending on commissioning cycle, premature separation of officers etc and is considered negligible for such calculations. The inductions are planned so as to gradually bring the strength at par with the sanctioned establishment. With regard to strength of airmen, the shortage is approximately 5% and is a variable figure. Presently 12,330 trainees are

undergoing training at various training institutes. The Committee recommend that a thorough review of measures undertaken for reduction of deficiency of manpower and improvements in training infrastructure shall be carried out and they may be apprised of the progress while furnishing Action Taken Replies.

NAVY

37. The Committee find that Navy is prime manifestation of India's maritime power which shapes maritime domain and safeguards national maritime interests. To safeguard our national maritime interests, continuous Mission Based Deployments are being undertaken by Indian Navy. Indian Ocean Region (IOR) has multiple security challenges as it contains major shippings lines and nearly 1,20,000 ships transit through various choke points. Almost 13000 ships are in IOR at any given point of time. The region is centre of gravity of piracy & trans-national crimes and also locus of 70% of world's natural disasters. Providing Humanitarian assistance during disaster is another vital role played by Navy. The Committee are also aware and they applaud that large scale evacuations was also carried by Indian Navy during COVID-19 crisis. In the considered opinion of the Committee, in order to run their operations efficiently, Navy unquestionably need consistent and adequate inflow of funds.

38. For examination of the Demands for Grants of Navy for the year 2021-22, the Committee had sought from the Ministry of Defence a statement indicating the proposed and earmarked outlay at Budget Estimates (BE), Revised Estimates (RE) and actual expenditure for Navy during the last five years and the current

year. After gleaning through the documents furnished to them, the Committee find that total demand of Navy including Revenue and Capital outlays, for the year 2021-22 is Rs. 1,05,177.61 crore while the allocation is Rs. 56,614.23 crore resulting into a deficit of Rs. 48,563.38 crore. The Committee take serious note of huge gap in projection and allocation. The Committee further looked into detailing of Revenue and Capital Overheads and their findings are contained in succeeding paragraphs of this recommendation portion.

39. The Revenue budget has two constituents viz. salary and non-salary. Major portion of the budget head primarily goes for salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of Navy. In Budget Estimates (BE) for FY 2021-22, against Revenue Head, projection of Navy was Rs. 34,256.83 crore and allocation to be made is Rs. 23,360.68 crore, so there is a reduction of Rs. 10,896.25 crore. From the examination of Demands for Grants, the Committee record that the average increase in revenue budget allocation over the last five years has been 8.05 percent. However, the requirements projected continue to be significantly higher than the allocations. As brought out in earlier paras of this Report, a healthy Revenue budget is significant for regular upkeep, training and operational preparedness of the Force. Therefore, the Committee aver that adequate funding shall invariably be provided to Navy for meeting their operational cost.

40. Capital budget cardinally provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2021-22, Navy's projection was Rs. 70,920.78 crore and allocation to be made is Rs. 33,253.55 crore. There is a deduction of Rs. 36,677.23 crore in allocation vis-a-vis demand. It is apparent for the Committee to see that Naval Capital budget has not seen substantial increase over past years. Most of the provisions are utilized for paying off committed liabilities, hence leaving minimal scope for new schemes. The Committee are very clear in their exhortation that due to dearth of funds for new schemes, capability enhancement of Navy cannot progress at desired pace. The Committee, therefore, recommend that the Ministry of Defence shall review the aspects related to Capital allocation to Navy and funds be allocated in accordance to advancements of their capital acquisition schemes.

Budget Review 2020-21

41. In case of Revised Estimates (RE) for FY 2020-21, under Revenue head, Navy's projection was Rs. 28,379.84 crore and allocation made was Rs. 23,347.69 crore. The allocation is short of demand by Rs. 5,032.15 crore, However, the expenditure incurred till December 2020 was merely Rs. 15,135.30 crore. Under Capital head, in RE 2020-21, the projection of Navy was Rs. 51,769.28 crore against which an allocation of Rs. 37,542.88 crore was made, hence, Rs. 14,226.40 crore short of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2020 was only Rs. 25,384.81 crore. With regard to the Capital

budget, the Committee were apprised by the representatives of Ministry of Defence who stated that in capital budget at RE stage Navy got an additional amount of Rs. 11,000 crore which catered for budget shortfall in the capital allocation as well as the emergency procurement. Further, it was added that majority of Naval Capital expenditure goes for ship construction. The ship construction timelines are unpredictable, some of the payments were to slip to next year due to COVID-19. The Committee construe that as estimation of ship construction timelines should be pursued with the shipyards at commencement of contract and constant reviews be held at regular intervals. Further, the Committee desire that those obligations which had been deferred due to covid, shall now be accelerated so that yearly procurement plans are mostly concluded by the end of the FY 2020-21 i.e. March 2021. The efforts initiated and outcome of the same be intimated to the Committee simultaneously.

Percentage Share of Navy Budget

42. The Committee desired to know the percentage share of Navy budget, both in Revenue and Capital segments, out of the total Defence Budget during the past years. The data furnished by the Ministry of Defence revealed an evident increase in percentage share of Revenue budget of Navy out of Defence Services Estimates from 6.10 per cent in 2014-15 to 7.10 per cent in 2020-21. At the same time there is decrease in capital budget share from 10.41 percent in 2014-15 to 8.26 per cent in 2020-21. Albeit, in absolute terms, increase is visible under both revenue and capital heads during the same time period. In case of Revenue head,

in 2014-15, the allocation was Rs. 13,975.79 crore which increased to Rs. 23,360.68 crore in 2021-22. As far as Capital part is concerned, the allocation of Rs. 23832.67 crore in 2014-15 grew to Rs. 33,253.55 crore in FY 2021-22. The Committee observe that only a healthy balance between Revenue and Capital overheads of Naval budget would determine both, all time operational preparedness and modernization drive of Navy. Based on the above analogy, the Committee recommend that funds shall be demanded and allocated to Navy in light of the above observation.

Budget for Modernization

43. The Committee were apprised that in the FY 2020-21, an amount of Rs. 24,948.28 crore was allocated at BE stage and an additional amount of Rs. 11,084.50 crore has been allocated to Navy in RE 2020-21 over BE 2020-21 under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Further, earmarking between Committed Liabilities and New Schemes is carried out by Service Head Quarters based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 24,568.88 crore (upto December, 2020) has been incurred in FY 2020-21. The Committee also find that in FY 2020-21, Navy had sought additional allocation of Rs. 29,672.68 crore in first supplementary to cater for anticipated Carry Forward Liabilities of Defence Public Sector Undertakings (DPSUs)/ Foreign/ Private Vendor and Shipbuilding Projects, P8I, Multi Role Helicopter (MRH), progress of other aviation schemes, Annual Major

Works Programme (AMWP), Married Accommodation Project (MAP), Varsha, Seabird, marine projects including Strategic Infrastructure Projects, etc. No additional allocation is received in First Supplementary. In 2nd Supplementary, an additional amount of Rs. 11,645.59 crore had been sought to cater for anticipated Carry Forward Liabilities of DPSUs/ Foreign/ Private Vendor and Shipbuilding Projects, P8I, MRH, progress of other aviation schemes, Annual Major Works Programme, MAP, Varsha, Seabird, marine projects including Strategic Infrastructure Projects, procurement of weapon equipments/ systems, missiles and torpedoes; emergency procurements and custom duty payments, etc. Second and Final supplementary is yet to be approved by the Parliament. In the first instance, the Committee see that anticipated committed liabilities to the tune of Rs. 29,672.68 crore denied in first supplementary would generate backlogs ahead. This will certainly lead to rippling effect on future modernization programme. Secondly, the Committee wish to recommend that the demands sought in second supplementary are judiciously provisioned to Navy so that anticipated expenditure are paid off.

Planning and Procurement

44. Upon scrutiny of the documents furnished to them, the Committee learn that Long Term Integrated Perspective Plan 2012-27 (LTIPP 12-27) for the three Services including Navy was formulated by Head Quarter Integrated Defence Staff (HQIDS), and approved by the Defence Acquisition Council in April, 2012. The purpose of this plan is to bridge the void and build force levels to achieve the

desired combat potential vis-à-vis our adversaries, and consolidated our defence potential. During the last two plan periods, various shortfalls and voids of the Indian Navy have been progressively mitigated/ addressed. As larger time period of LTIPP has now passed, the Committee recommend that a report on targets and achievements for LTIPP shall be prepared by Navy and brought to the knowledge of the Committee.

Indigenisation

45. As regards indigenization, the Committee were apprised during deliberations that that Indian Navy has been at the forefront of indigenisation and has aligned itself fully with the Make in India initiative of the government. The Navy has nurtured indigenous shipbuilding programme since 1960, and over 130 indigenously built ships have been commissioned, till date. Presently, 48 ships and submarines are being constructed indigenously in Indian shipyards. In addition, Navy has contracted for 12 Dornier aircraft, 16 Advanced Light Helicopters and eight Chetak helicopters with Hindustan Aeronautics Limited last year. IN would maintain domestic and foreign outlay 70:30 in next 5-7 years. It was further informed by Ministry of Defence that in 2019-20, Rs. 17401.48 crore was incurred on indigenous procurements. Comparatively in 2020-21, upto January 2021, Rs. 14574.44 crore worth procurements were made from domestic market by Navy. Taking into account, the lockdown periods due to covid pandemic and subsequent slowdown of economic activities, the Committee view that indigenised purchases of Navy had progressed well during the year. The

Committee commend the initiatives undertaken by Navy in realizing self-reliance in country's Defence and desire that the right trajectory of indigenization continue to be constantly pursued.

Force Level

46. The Committee were confided by Ministry of Defence that, Navy is constantly reviewing, rationalising and prioritizing their requirements so as to remain a combat ready force and achieve optimum utilization of the available resources. At the time of proceedings, a detailed discussion was held on aircraft carriers. The representative of Ministry of Defence, in this regard, stated that Indian Navy has got Vikramaditya which is an operational aircraft carrier. The second aircraft which is under construction in Cochin was expected to be delivered in March, 2021 but owing to lockdown period is now being expected for induction by the end of this year. The Committee are wishful for timely induction of the second aircraft carrier which is an indigenous production and hope that no further extensions would be needed.

47. In so far as requirement of aircraft carriers are concerned, the Committee were given to understand that it is desirable to have three aircraft carriers in Indian Navy. Two of them are operating in maritime zone on each of the side of Indian Coastline viz. eastern and western coasts. The third one can be used as a substitute when either of the first two undergoes maintenance as Aircraft Carriers are known to have lengthy maintenance schedules. In this perspective, the

Committee recommend that case for development of a third aircraft carrier be taken up for serious consideration by the Ministry of Defence. The Committee would like to be kept abreast with the development in this regard.

48. The Committee explored that island territories are viable of developing into an optional aircraft carrier. Country is enriched with island territories having runways which can be operationalized. In fact, some of these islands are strategically and favourably located on both sides of the coast suited for blocking and dominating the ingress routes provided runways there are made operational. The Committee infer that the above proposal is worthwhile and prioritising investment for development of various island territories as provisional aircraft carrier shall be contemplated by Ministry and decisions on the same shall be furnished to the Committee.

Naval Exercises

49. The Committee were apprised on role and purpose of Quadrilateral Security Dialogue (QUAD) which is a Naval exercise collaborated with other Navies to ensure that there is freedom of navigation in the Indo-Pacific. The Committee endorse such operational cooperation and they recommend Government can explore possibilities of extension of Naval exercises among QUAD nations in domain of defence as well. The Committee look forward to advancement in this regard and shall be informed by Ministry of Defence.

Safety Measures

50. The Committee were concerned about the implementation of safety measures in Navy so as to curb accident rate. On this issue, the Ministry of Defence brought to the notice of the Committee various measures taken to enhance safety awareness and mitigate accidents. It was submitted through a written reply that aspects have always been accorded utmost importance by the Indian Navy. Adherence to safe working practices is a pre-requisite for operational effectiveness for the Indian Navy, wherein personnel operate in an equipment intensive and potentially hazardous environment. To ensure safe conduct of all operations within their respective domains, Class Authorities, namely Flag Officer Sea Training (for surface), Flag Officer Naval Aviation (for aviation) and Flag Officer Submarines (for sub-surface) have been existing for a long time. The implementation of Safety Consciousness is a process in continuation. The measures facilitate improvement in the working environment from the safety point of view, without curbing the traditional naval ethos of initiative and boldness. The Committee desire that Indian Navy continues to keep 'safety' at work at all times as well as in operations.

MANPOWER

51. After going through the data on existing and sanctioned strength of manpower in Navy, the Committee found that as on 31 December, 2020 the shortage in case of officers (excluding medical and dental officers) was 11.4 per cent. The Committee are happy to take note of the improvement on comparison from the position in 2011 when the shortage was 21.5 percent. The shortage of

sailors has been reduced from 22.65 percent in 2011 to 18.49 percent in 2020 (on 01 December, 2020). The Committee are confident that current endeavours shall result into ameliorating manpower shortages in Navy, therefore, they recommend for continuation of the same trend in future and for achieving the optimum number of its force level.

JOINT STAFF

52. The Committee learn from the detailed discussion on Demands for Grants that Ministry of Defence is introducing process of jointness and integration of the three services. The prioritization of procurements are being done to regulate imbrications in purchases by the three Services namely Army, Navy and Air Force. The Committee infer that integration of logistics would surely help in checking redundancy and saving upon the budget, however, they are cautious to perceive if this would lead to compromising upon individual insufficiencies for any of the Services at any point of time. Therefore, while welcoming logistical integration of processes at central level of the three services, the Committee recommend that independent needs of all the services shall not be overlapped so that there be no need of adjustments in regular activities of training and maintenance.

53. An overview of budget of Joint Staff was taken up by the Committee. They find that allocation in BE 2021-22 is Rs. 4,543.04 crore made against a projection of Rs. 6,251.11 crore, a deficit of Rs. 1708.07 crore. Further study of outlays, revealed that that there is hardly any increase in BE 2021-22 from the last year

when BE was Rs 4,461.44 crore. The Committee were apprised by the representatives of Ministry of Defence that on the basis of expenditure further money will be sought subsequent budgetary stages of the year. The Committee feel that in view of the enhancement in jointness of procurement etc. by the three services, there will be augmentation in responsibilities of Joint Staff. Therefore, the Committee recommend for enhanced allocation to Joint Staff at consequent stages during the year, otherwise substantial progress in expanding horizons of defence will be delayed.

54. In course of examining DFG 2021-22, the Committee discovered that the land for construction of few establishments has not yet been finalized. The Committee construe that wars in modern times are no more limited to conventional battlefield conflicts but cyber and space attacks are becoming new normal. Therefore, they in no uncertain words recommend that the process of acquiring land which is evidently a very crucial stage of progressing further and construction of building infrastructure shall be expedited and at no cost shall be deferred due to want of requisite money. Developments in regard thereto shall be furnished to the Committee.

55. Glancing at the figures submitted to them, the Committee notice that lesser expenditure had been incurred during FY 2020-21, whereby only Rs. 2,266.70 crore was spent till the end of December 2020. The amount is nearly half the allocated amount for that year. The Committee were given to understand that

there was less expenditure in FY 2020-21 due to Covid as most of the training programmes were run online. The Committee are aware of the fact that the demands of Joint Staff are not limited solely to training activities. Therefore, it goes without saying that the money saved under training head shall be prudently utilized against other overheads for holistic development.

Air Defence Command and Maritime Theatre Command

56. In course of examination of DFG 2021-22, the Committee found that An Air Defence Command (ADC) and a Maritime Theatre Commander (MTC) are in advanced stages of finalization. It was further apprised by the Ministry of Defence that ADC will be responsible for the air space of the entire nation both during peace and war while MTC would look after the Maritime domain. These would provide the operational flexibility, resource optimization, unity of command and unity of effort. The Committee view that this integration has the potential to unlock critical core strength within the three services to bridge limitations and complement each other's competencies in battle to optimise combat power. On the obverse, the Committee find that a very positive development intertwined with the modernization and advancement of our Forces, and such recommend that no stone should be unturned to take this development to finality. The Committee would like to be informed of the details in this regard with the Action Taken Replies furnished by the Ministry.

Military Engineer Services (MES)

57. The Committee learn that Engineer-in-Chief's Branch of Military Engineer Services (MES) is responsible for monitoring of budget allotted for Carry Over Capital and certain Heads of Revenue and Maintenance Services for Army only. The allocations for the balance Code Heads of Army and all Code Heads of other Services is carried out to lower MES formations by Service Headquarters through staff channel. The Committee note that during the year 2020-21, under Capital Head only Rs. 3,450.00 crore could be utilized out of Rs. 7,343.17 crore and under Revenue Head only Rs. 6329.70 crore could be utilized out of Rs. 10,713.04 crore which leaves a large amount of unutilized fund. The Committee understand that due to Covid-19 pandemic situation there were delays in reaching the targets of expenditure under Revenue and Capital Head but taking note of the fact that due to the crunch in Budgetary grants, AMWP ceilings were regulated, six works worth Rs. 484.42 crore were reprioritized under Army and 57 works worth Rs. 2263.71 crore were reprioritized under Air Force. While taking note of this dismal performance the Committee recommend that MES should improve their trend of utilization of budget in a well organized manner and adhere to the prescribed timelines so that the unutilized funds are not surrendered at the end of Financial Year and due to non-availability of funds, reprioritization of certain sanctioned works under the three services does not take place in coming years. Such a trend in fiscal parameters does not bode well with the prudent financial principles. The Committee would like to be apprised of the figures of final

expenditure in 2020-21 under Revenue as well as Capital Heads at the time of sending action taken replies.

Ex-Servicemen Contributory Health Scheme

58. The Committee note that during the year 2020-21, ECHS has been allocated Rs. 3451.98 crore against the projection of Rs. 6892.00 crore out of which only Rs. 2913.34 crore had been utilized. The Ministry has put forth the projection of Rs. 5643.62 crore in 2021-22. The Committee further learn that the Ministry of Defence has provided additional financial sources for current pandemic management to ECHS which is to the tune of Rs. 150 crore. During the course of evidence while examining Demands for Grants 2021-22 the Committee note that there were bills pending as the Bills processing Agency at Mumbai is not clearing the bills in time and there are inordinate delays reported in clearing the bills of Ex-Servicemen pertaining to the treatment during COVID-19 pandemic situation in the empanelled hospitals. The Committee believe that this delay in timely payment of medical bills of the empanelled hospitals may have detrimental effects on the healthcare Services provided to the ECHS beneficiaries, and, therefore, recommend that if the present additional allocation is not adequate to settle the bills, more funds should definitely be provided to ECHS at supplementary Grants stage to do away with the pendency of Medical Treatment related expenses. The Ministry should also apprise the Committee regarding current pendency in this regard while furnishing Action Taken Notes.

59. After examining the data of authorized and actual Manpower at ECHS against the sanctioned strength of 61, there are only 03 radiologists in ECHS polyclinics. This issue of shortage came to the attention of the Committee during the examination of previous DFGs also. However in a written reply, the Committee were informed that there has been no shortfall in the existing authorized manpower and unutilized vacancies are due to non-availability of Specialists in small town and remote areas and low Daily Average Sick Report (DASR) in Polyclinics. In their earlier report (5th Report of 17th Lok Sabha), the Committee had recommended that new technology of providing radiology services through telemedicine may be explored as an option at ECHS polyclinics at the earliest for compensating lack of radiologists. The Committee would like to be apprised of the action taken in this regard. Nevertheless, the Committee recommend the Ministry to publicize the vacancies in the ECHS Polyclinics through print and electronic media as well as writing directly to the super-specialty medical institutions to solicit the interest of willing candidates. It is of paramount interest that serious consideration should be given to revise the pay structure of the concerned posts and make unwavering efforts to fulfill these vacancies at the earliest.

Expansion of ECHS

60. The Committee understand that Fixed Medical Allowance (FMA) has been authorized at all ECHS beneficiaries who are residing in far flung areas where Polyclinics are not available. Further, 17 Mobile Polyclinics have been sanctioned

in the States of Uttarakhand, Karnataka, Himachal Pradesh, Assam, Arunachal Pradesh, Punjab, Madhya Pradesh, Jammu & Kashmir and West Bengal. Taking into account the difficulties experienced by the veterans and their dependents dwelling in remote and difficult areas of the country in accessing and utilizing health care services, the Committee recommend that the Ministry should expedite with the formalities relating to the opening up of 17 Polyclinics in the above mentioned States. The Committee also recommend that these sanctioned Polyclinics should become functional at the earliest and new possibilities of procurement of ambulances and Mobile Medical Units should also be accorded topmost priority by the Ministry of Defence. The action taken in this regard may be apprised to the Committee at the earliest.

SAINIK SCHOOLS

Opening of Sainik Schools

61. The Committee note that the scheme of Sainik Schools was conceived as a collaborative effort between the Central and State Government so that all parts of the country have Sainik Schools to remove regional imbalance in training for joining Defence Forces. The Committee truly believe that Sainik Schools have played a unique role as a recruiting and training ground of future leaders of the armed forces. The Sainik Schools, true to its aim, have contributed more than one fourth of NDA intake during the last decade. At present, Sainik School Society is playing a significant role in imparting quality education to students across length and breadth of the nation with 33 Schools in 23 States and 01 UT having about

16000 cadets. In the budget speech for 2021-22, pronouncement was made for consideration of proposal of setting up 100 more Sainik Schools in collaboration with NGOs and other stakeholders. During deliberations on Demands for Grants 2021-22, the Committee were enlightened that the said proposal is at formulation stage. The Committee desire that the scheme rolls out well within this Financial Year so that timely benefit could be availed by students.

62. In course of examination of Demands for Grants for the Financial Year 2021-22, the Committee realized that 5 states namely Sikkim, Tripura, Telangana, Goa & Meghalaya do not have even one Sainik School. Meanwhile, some States have two or more Sainik Schools. The Committee recommend that at the time of opening up of new schools balanced and equal distribution amongst States shall also be seriously taken into consideration. However in this regard, simultaneous assessment of keenness and commitment of the State for sharing joint responsibility and allocating necessary financial resources shall also be merited.

63. The Committee also express concern for preservation of existing values, ethos and quality of education by new Sainik Schools. The proposals for new schools are at formulation stage, the criteria for the same shall ensure retention of existing excellence. The Committee wish to recommend that all the stakeholders for new schools shall be approved only when essential procedural parameters for infrastructure and professional competence of faculty are

diligently followed. The approval Committee should be constituted of eminent people including ex-service personnel.

Budgetary Provisions

64. The Committee scrutinized the details of budgetary allocation for Sainik Schools submitted to them by the Ministry of Defence. They noted that in BE 2020-21, the projection was Rs. 116.00 crore while the allocation/utilization was Rs. 79.36 crore till date. The Committee were apprised that despite lesser allocation from Central Government, the mandatory expenses were not affected as State Governments provided for necessary financial support. Furthermore in RE 2020-21, an allocation of Rs. 329 crore has been approved by the Government and therefore there will not be any financial implication on functioning of Sainik Schools. The Committee appreciate that in the current Financial Year, Government has made adequate allocation to Sainik Schools which will be helpful in realizing all outstanding financial obligations.

65. In BE 2021-22, the projection of Sainik Schools is Rs. 137.68 crore. The allocation was to be finalized by Directorate General Financial Planning (DGFP). The Committee recommend that the allocation shall be made in light of the proposal for setting up of 100 more schools in ensuing year.

66. The Committee explored into the possibilities that Central and State Governments jointly share responsibilities and pool resources for smooth running of Sainik Schools. It also stands to reason that for practical purposes running a school on daily basis requires active and positive support of the local administration/State Government. After sifting through the documents furnished to them, the Committee find that over the years the share of contribution of State Governments has increased from 63.16 per cent in 2017-18 to 74.65 per cent in 2019-20. Meanwhile, the share of Central Government has plummeted from 36.84 percent in 2017-18 to 25.35 percent in 2019-20. Not only in proportionate terms, even in absolute terms the contribution of Central Government has slided over the years. Gleaning the documents made available to them, the Committee explored that in 2017-18, Rs. 8000 lakh was sponsored by Central Government which came down to Rs. 4039.93 lakh in 2019-20. The Committee would like to comment that in order to bring in uniformity across the spectrum of Sainik Schools, role of Central Government is paramount and shall not erode under any circumstances.

67. The Committee, while examining DFG 2021-22 found certain issues such as payments of teachers are pending with Sainik Schools. Further exploring the matter, it was found that Sainik Schools were self-sustaining till the implementation of Sixth and Seventh Central Pay Commission(CPC) pay scales came to being. Subsequent to that, Sainik Schools are faced with certain fund constraints especially related to payment of additionality. The representative of

the Ministry of Defence while throwing light on the issue stated that in the extant system pension payments is the liability of State Government, however, the additionalities arising out of implementation of Sixth and Seventh CPCs will be paid by Central Government. Further, the Committee were assured that with suitable allocation within the existing budget lines, these limitations have been overcome to a substantial extent. The Committee desire that in current Financial Year, those outstanding financial issues shall be amicably resolved.

68. Contemplating upon the facts stated in para No. 7 above, the Committee feel that issuance of some payment heads from Central Government while some from State Governments are complicating financial matters. Therefore, it would be in the fitness of things to create a corpus fund at level of each Sainik School so that financial commitments are cleared in timely manner and issue is taken to its logical conclusion.

Inadequate Infrastructure.

69. The Committee note certain issues in respect to the maintenance and infrastructure. Not all Sainik Schools are well endowed in the matter of land, buildings and infrastructure. Many years since their commencement, Schools such as Sainik School Rewari, Sainik School Gopalganj, Sainik School East Siang and Sainik School Sujapur Tira continue to have inadequate infrastructure. The maintenance of the infrastructure is largely the subject of the State Government, but the allocation of grants for this purpose also does not meet the actual

demand in some of the cases. Consistent follow up is being done with states in this regard. The Committee would like to recommend that Ministry of Defence shall consistently follow up such issues and endeavour to resolve them. The action taken in respect to the aforesaid schools shall be shared with the Committee.

Deficiency of Quality Staff

70. The Committee came to know that that the quality of staff is affected by the location of the school. For instance, far flung schools find it difficult to attract and retain the best talent. The problem is further aggravated after withdrawal of Residential Allowance to school teachers and Tough Area Allowance. The Committee desire that Ministry of Defence should strive to find solutions to such problems and measures taken be informed to the Committee.

71. Sometimes, difficulty is faced in posting of Principal, Vice Principal, Administration Officer, Permanent Instructors (PI) Staff etc. The number of Sainik Schools has steadily grown because of their ever increasing demand. However, concomitant increase in Officers from Army Education Corps(AEC) who ternate the post of Principal, Vice Principal and Admin Officer has not happened. As a result, on some occasions, the three services face difficulty in sparing officers for filling up the post of Principal, Vice Principal and Administrative Officer. The Committee note that efforts are being made to get officers posted from other core Armed Forces having requisite flair and academic bent to meet the shortages.

Further, they wish that more effective initiatives are taken to overcome the challenge.

72. Another concern of the Committee was to be apprised about the efforts that have been made by the Sainik Schools to facilitate online/distance learning for the students in wake of current pandemic. In this regard, they were informed that a letter dated 11.05.2020 was issued to all Sainik Schools to conduct mandatory online classes through video conferencing apps like Microsoft Teams, Google Suite etc. The video conference app is also used by Sainik Schools to carry out other activities like PT (including Yoga), NCC as well as co-curricular activities like group discussion, class talk, programmes related to Ek Bharat Shreshtha Bharat etc. The Committee appreciate the efforts and desire the same be continued.

Curriculum

73. The Committee were given to understand that as a measure of standardization CBSE Board curriculum is being followed by Sainik Schools. It was also found by the Committee that the existing pattern is satisfactorily fulfilling aspirations of the cadets and their parents. However, in progressive interest, the Committee opine that a comparative study may be conducted for assessment of performance of other Boards and a feasibility report for venturing out more options of affiliation shall be prepared. The outcome of such a study may be brought to the knowledge of the Committee.

74. The Committee, find that the fee structure of Sainik Schools is more than lakh rupees annually which is beyond reach of weaker sections of the society. There are indeed some schemes for provisioning of scholarships to students in Sainik Schools, however, those schemes of Central and State Governments are not universal in nature. The Central Government scholarship programmes cover wards of Defence Personnel. Although there are some State Government schemes for students of weaker sections, yet large number of students is not able to reap the benefit due to limited number of scholarships leaving many talented and aspiring students on the fringe. Therefore, the viability of exploring CSR corporate social responsibility may also be taken into consideration in different schools.

Implementation of reservation for Economically Weaker Section (EWS)

75. The Committee categorically wished to be intimated about the status of implementation of reservation for EWS in Sainik Schools. A representative of Sainik School candidly submitted that the proposal is still under consideration and has not yet been implemented for pendency of final decision. The Committee view that reservation for EWS has now been pronounced for quite some time and most of the institutions in the country have implemented it. Delaying of the same by Sainik Schools will not be in support of the scheme. Therefore, the Committee recommend that the policy shall be implemented in Sainik Schools without delay so that the purpose of the idea is achieved in letter and spirit.

76. The Committee during deliberations on the subject desired to be apprised about the percentage of Cadets of Sainik School in total selections in Service Selection Boards. The representatives of Sainik School assured that they will provide the requisite data.

77. The specific enquiry regarding progress of the Sainik School at Matanhail in Jhajjar district was made before the representatives of Sainik Schools. It was assured by the Ministry of Defence that the specific report shall be made available in due course requisite data is furnished at the earliest. In this case also the Ministry should supply the details at their earliest easy convenience.

Intake of Girl Cadets

78. The Committee sought details regarding existing and required infrastructure for girl students in the Sainik Schools in the country as well as the steps being taken to expedite admission of girl students in Sainik Schools in terms of necessary infrastructure and teaching staff. The Committee found that consequent to the success of the pilot project for admission for girl children in Sainik School Chhingchhip (Mizoram), based on Government approval, five more Sainik Schools viz., Bijapur & Kodagu (Karnataka), Chandrapur (Maharashtra), Ghorakhal (Uttarakhand) and Kalikiri (Andhra Pradesh) commenced admission of girls from the academic session 2020-21. With effect from the academic session 2021-22, girls will be eligible for admission to Class VI in all 33 Sainik Schools. The process for induction of girl cadets in all Sainik Schools is underway. Here

the Committee would recommend that essential infrastructure for ensuring safety and well being of girl cadets include various measures such as separate hostel with ample CCTV cameras, adequate medical support, separate washrooms, etc. which shall be ensured for them.

79. In summation, the Committee would like to appreciate and place on record that commencement of intake of girl cadets in the Sainik Schools is a boon not only for the Forces but for the society as well. Notwithstanding the fact, there are certain issue based aspects which needs deeper consideration and Committee thought their prudent duty to bring those to the attention of the Ministry. Thus far, the entry for the girl cadets is not open in the National Defence Academy. It is not certain that after passing out from the Sainik schools how many of these girl cadets would opt for entry into the forces other than the NDA after completing their Graduation. Keeping this in mind, it is high time that planning should start for the intake of girl cadets in the NDA and also not the least important, modalities should be worked upon to raise the new battalion especially for female officers. The Committee would like to know the outcome of this observation with the Action Taken Replies to be furnished by the Ministry.

New Delhi
15 March, 2020
24 Phalguna, 1942(Saka)

JUAL ORAM
Chairperson
Standing Committee on Defence

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Wednesday, the 17th February, 2021 from 1100 hrs to 1730 hrs in Committee Room D, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Jual Oram

-

Chairperson

MEMBERS

Lok Sabha

2. Kunwar Danish Ali
3. Shri Ajay Bhatt
4. Choudhary Mehboob Ali Kaiser
5. Smt. (Dr.) Rajashree Mallick
6. Dr. T.R. Paarivendhar
7. Shri Kapil Moreshwar Patil
8. Shri Jugal Kishore Sharma
9. Shri Brijendra Singh
10. Shri Mahabali Singh
11. Shri Durga Das Uikey

Rajya Sabha

12. Dr. Ashok Bajpai
13. Shri Prem Chand Gupta
14. Shri V. Lakshmikantha Rao
15. Shri Kamakhya Prasad Tasa
16. Dr. Sudhanshu Trivedi
17. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

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

LIST OF WITNESSES

MINISTRY OF DEFENCE

Sl. No.	Name & Designation
1.	Dr. Ajay Kumar, Defence Secretary
2.	Gen. Bipin Rawat, CDS & Secy. DMA
3.	Shri Ravikant, Secretary (ESW)
4.	Shri Raj Kumar, Secretary(DP)
5.	Lt. Gen CP Mohanty, VCOAS
6.	VAdm G Ashok Kumar, VCNS
7.	VAdm R Hari Kumar, CISC
8.	Shri Jiwesh Nandan, Addl. Secy.
9.	Smt. Nivedita Shukla Verma, Addl. Secy
10.	Shri Sanjay Jaju, Addl. Secy. (DP)
11.	Lt. Gen. Anil Puri, Addl. Secy.
12.	Air Mshl Sandeep Singh, DCAS
13.	Smt. Mala Dutt, FA(DS)
14.	Lt. Gen. Harsha Gupta, Adjutant General
15.	Lt. Gen Harpal Singh, E-in-C
16.	Lt. Gen Rajinder Dewan, DG SP
17.	Lt. Gen Paramjit Singh, DCOAS (Strat)/DGMO
18.	Lt Gen TK Chawla, DG FP
19.	Lt. Gen RKS Kushwaha, DG OS
20.	Lt. Gen SS Mishra, QMG

21.	Lt. Gen Shantanu Dayal, DCOAS (CD&S)
22.	VAdm Narayan Prasad, IN(Retd.), CMD MDL
23.	Shri A.N. Das, Addl. FA(AN) & JS
24.	Shri RK Karna, Addl. FA(RK) & JS
25.	Shri Rajesh Sharma, Addl. FA(RS) & JS
26.	Shri Anurag Bajpai, JS(P&C)
27.	Shri Puneet Agarwal, JS(LS)
28.	Shri Chandraker Bharti, JS(Aero)
29.	Shri Surendra Prasad Yadav, JS(NS)
30.	Maj Gen NR Indurkar, MD ECHS
31.	Maj Gen K Narayanan, JS(Army & TA)
32.	Maj Gen Adosh Kumar, Offg MGS
33.	Maj Gen KP Singh, ACIDS (Transformation)
34.	Maj Gen H Dharmarajan, ADG FP
35.	Maj Gen Pankaj Chouhan, ADG Works
36.	Maj Gen S K Khanna, DG Works
37.	AVM SK Jha, JS (Air)
38.	AVM N M Desai, ACAS (Fin P)
39.	RAdm Kapil Mohan Dhir, JS(Navy & Def Staff)
40.	RAdm Sameer Saxena, ACNS (P&P)
41.	RAdm VK Saxena (Retd.), CMD GRSE
42.	Cmde Siddharth Mishra (Retd), CMD BDL
43.	Shri R. Madhavan, CMD HAL
44.	Shri MVG Gowtama, CMD BEL
45.	Cmde Hemant Khatri, CMD HSL
46.	Shri MV Rajasekhar, CMD BEML
47.	Cmde BB Nagpal, CMD GSL
48.	Dr. Sanjay Kumar Jha, CMD MIDHANI
49.	Shri D. Gopi Krishna, GM (Prod & Marketing), MIDHANI
50.	Shri Ambarish Barman, Director (Budget)

51.	Brig MRK Rajesh Panicker, MA to VCOAS
52.	Brig Bimal Monga, Brig (Budget)
53.	Brig UK Ojha, Brig FP(B)
54.	Brig Tarun Agrawal, Brig FP(A)
55.	Brig RS Lamba, Brig CD(B)
56.	Cmde Joginder Chandna, Cmde (Budget)
57.	Smt. Deepa Bajwa, DGDE
58.	Lt. Gen RK Anand, DG LW&E
59.	Maj Gen NR Indurkar, MD ECHS
60.	Smt. Inderjeet Kaur, Sr. Addl. DG
61.	DG K Natarajan, DG ICG
62.	Dr. Pudi Hari Prasad, JS(ESW)
63.	Mrs. Nidhi Chhibber, Joint Secretary
64.	Shri Rakesh Mittal, Joint Secy.
65.	Maj Gen MK Sagoch, DG (Resettlement)
66.	Maj Gen YP Khanduri, GM & Chairman, BOA
67.	IG Mukesh Purohit, DDG(P&P)
68.	Shri Valeti Premchand, Addl. DG
69.	Shri Ravi Shankar, Addl. DG
70.	Smt. Sonam Yangdo, Addl. DG
71.	Smt. Vibha Sharma, Addl. DG
72.	DIG SC Gupta, PD(P&P)
73.	Dr. PP Sharma, OSD (WE)
74.	Shri Sushil Kumar, Director (Res.I)
75.	Air Commodore B Ahluwalia, Secy. Kendriya Sainik Board
76.	Smt. Sharmishtha Maitra, Director
77.	Brig Akaash Johar
78.	Shri Harendra Singh, DDG
79.	Comdt (JG) TD Pandey, DD(Plans)
80.	Brig APS Chahal, Secy. BOCCS

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2021-22 on the subjects 'General Defence Budget, Department of Military Affairs (DMA), Ministry of Defence (Civil) and Defence Public Sector Undertakings (DPSUs), Directorate General Defence Estate (DGDE), Ex-Servicemen Welfare, Canteen Stores Department (CSD), Border Roads Organization (BRO), Coast Guard Organisation (CGO), Navy and Joint Staff'.

3. The Committee then invited the representatives of the Ministry of Defence and the Services/Organisations. The Chairperson welcomed the representatives to the Sitting of the Standing Committee on Defence and drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings. Thereafter, the Chairperson requested the representatives of the Ministry of Defence to brief the Committee on various issues included in the agenda for the day.

4. The Defence Secretary initiated the discussion by giving an overview of Defence Services Estimates and other Demands for Grants of the Ministry of Defence for 2021-22. The highlights of the brief given by the Defence Secretary are as under:

- i. Significant increase in allocation under Capital Outlay by 18.75 percent over Financial Year 2020-21;
- ii. 100 new Sainik Schools in partnership with NGOs/private schools/States;
- iii. Allocation under Non-Salary Revenue to meet operational requirement increased to Rs. 54,624.67 crore;
- iv. Introduction of new Defence Acquisition Procedure in 2020; and
- v. Delegation of emergency procurement powers to the Services.

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

- i. Basis of selection of new Sainik Schools and role of the Ministry of Defence in such selection;
- ii. Difference between projection and allocation of funds;
- iii. Increase in Defence Budget for 2021-22 in comparison with Budget Estimates and Revised Estimates 2020-21;
- iv. Schedule of commencement and other details viz. curriculum, selection of teaching faculty etc. of Indian National Defence University;
- v. Plans for critical procurement of equipment in Defence Budget;
- vi. Replacement of MIG aircraft in Air Force;
- vii. Current status of Army Base Workshops;
- viii. Updates regarding Wheeled Armoured Personnel Carriers;
- ix. Plans to compensate for urgent and critical capabilities in view of mismatch between allocation and project at Revised Estimates stage in 2020-21;
- x. Notification of Negative list of import of 101 items in line with steps being taken for 'Aatmanirbhar Bharat'; and
- xi. Clarification regarding findings of a recent study by United Service Institution of India (USI) on Indian Army personnel.

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

- i. Commendable role of Bharat Electronics Limited (BEL) in manufacturing of ventilators during COVID period;
- ii. Percentage of contribution of Hindustan Aeronautical Limited (HAL) in manufacturing of helicopters in the country;
- iii. Mismatch between order book position and Profit after Tax/Value of Sales in certain DPSUs;
- iv. Shortfall in composition of Board of Directors in a DPSU; and
- v. Delivery of submarines by Mazagon Dock Shipbuilders Limited (MDL).

7. Thereafter, a Power Point Presentation by the representatives of the Defence Estates Organisation (DEO) was made. This was followed by extensive discussion on the following points:

- i. Implementation of recommendations of Expert Committee on the Working of Cantonment Boards;
- ii. Amendment of Cantonment Board Act, 2006;
- iii. Participation of private agencies and introduction of Corporate Social Responsibility (CSR) scheme in educational and health institutions in the Cantonment areas;
- iv. Elections of Cantonment Boards;
- v. Budgetary provisions for 2021-22 and effect on various activities carried out by Cantonment Boards ;
- vi. Encroachment of Defence lands;
- vii. Proposal to convert civil areas of Cantonments into municipalities;
- viii. Issues related to convenience of the civilian population residing in the Cantonment areas such as renewal of leases, repair ect., simplification of permission process etc.

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

- i. Current status of pending bills of Ex-Servicemen Contributory Health Scheme (ECHS);
- ii. Payment of bills for emergency treatment of COVID in respect of Ex-Servicemen;
- iii. Skill development and other welfare programmes for Ex-Servicemen and their re-settlement;
- iv. Budgetary grants for the Department of Welfare of Ex-Servicemen;
- v. Share of State Governments in Sainik Board; and
- vi. Opening up of 100 Sainik Schools consequent to the announcement in the Union budget.

9. Thereafter, a presentation was given by Canteen Stores Department (CSD) and followed by discussion *inter alia* on operationalisation of facilities of CSD during CORONA pandemic etc.

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

- i. Organisation structure in BRO;
- ii. Connectivity of border roads;
- iii. Public private participation model in BRO;
- iv. Construction of roads in coastal areas;
- v. Use of indigenous equipment by BRO;
- vi. Training of manpower;

11. Thereafter, the Chairperson invited representatives of the Coast Guard Organisation. The representatives of the Coast Guard Organisation commenced their briefing through a Power Point presentation. This was followed by discussion *inter alia* on mismatch between projection and allocation in budgetary provisions for Indian Coast Guard.

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

- i. Additional allocation of funds to Navy in Revised Estimates 2020-21;
- ii. Sea trials of aircraft carrier;
- iii. Role of Indian Navy in Quadrilateral Security Dialogue (QUAD); and
- iv. Difference between projection and allocation in budget.

13. Thereafter, a presentation on Joint Staff was made which was followed by discussion *inter alia* on budgetary provisions for Joint staff and Indian National Defence University.

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

The Committee then adjourned.

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

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Thursday, the 18 February, 2021 from 1100 hrs. to 1740 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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CHAIRPERSON

MEMBERS

LOK SABHA

2. Kunwar Danish Ali
3. Shri Ajay Bhatt
4. Shri Rahul Gandhi
5. Shri Annasaheb Shankar Jolle
6. Choudhary Mehboob Ali Kaiser
7. Smt. (Dr.) Rajashree Mallick
8. Dr. T.R. Paarivendhar
9. Shri Kapil Moreshwar Patil
10. Shri Jugal Kishore Sharma
11. Dr. Shrikant Eknath Shinde
12. Shri Brijendra Singh
13. Shri Kotagiri Sridhar
14. Shri Durga Das Uikey

RAJYA SABHA

15. Dr. Ashok Bajpai
16. Shri Prem Chand Gupta
17. Shri V. Lakshmikantha Rao
18. Shri Sanjay Raut
19. Shri Rajeev Satav
20. Dr. Sudhanshu Trivedi
21. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

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

LIST OF WITNESSES

MINISTRY OF DEFENCE

Sl. No. Name & Designation

1. Shri Ajay Kumar, Defence Secretary
2. Gen. Bipin Rawat, CDS & Secy. DMA
3. Shri Ravikant, Secretary (ESW)
4. Shri Raj Kumar, Secretary(DP)
5. Lt. Gen CP Mohanty, VCOAS
6. Shri Jiwesh Nandan, Addl. Secy.
7. Shri Sanjay Jaju, Addl. Secy. (DP)
8. Lt. Gen. Anil Puri, Addl. Secy.
9. Smt. Mala Dutt, FA(DS)
10. Lt. Gen. Harsha Gupta, Adjutant General
11. Lt. Gen Harpal Singh E-in-C
12. Lt. Gen Rajinder Dewan, DG SP
13. Lt. Gen Paramjit Singh, DCOAS (Start)/DGMO
14. Lt. Gen TK Chawla, DG FP
15. Lt. Gen SS Mishra, QMG
16. Lt. Gen Shantanu Dayal, DCOAS (CD&S)
17. Lt. Gen Tarun Kumar Aich, DG NCC
18. Lt. Gen RK Malhotra, DGQA
19. Shri A.N. Das, Addl. FA(AN) & JS
20. Shri RK Karna, Addl. FA(RK) & JS
21. Shri Rajesh Sharma, Addl. FA(RS) & JS
22. Dr. Pudi Hari Prasad, JS(ESW)
23. Shri Shantanu, JS(Parl & Works)
24. Shri Satish Singh JS(Trg)
25. Shri Puneet Agarwal, JS(LS)
26. Maj Gen NR Indurkar, MD ECHS
27. Maj Gen K Narayanan, JS(Army & TA)
28. Maj Gen Adosh Kumar, Offg MGS
29. Maj Gen H Dharmarajan, ADG FP
30. Maj Gen Pankaj Chauha, ADG Works
31. Maj Gen S K Khanna, DG Works
32. Shri Rajeev Ranjan, ADG (Adm)

33. Dr. PP Sharma, OSD(WE)
34. Shri Ambarish Barman, Director (Budget)
35. Brig MRK Rajesh Panicker, MA to VCOAS
36. Brig Bimal Monga, Brig (Budget)
37. Brig UK Ojha, Brig FP(B)
38. Brig Tarun Agrawal, Brig FP(A)
39. Brig RS Lamba, Brig CD(B)
40. Brig P K Sharma, Inspecting Officer Sainik Schools Society
41. Shri S Gopal Krishna, Director (Trg)
42. Brig Jim James, Brig QA (Dte of PP&T)
43. Shri CP Gusia, Dir (P&F)
44. Dr. G. Satheesh Reddy, Secretary, Deptt. DR&D & Chairman DRDO
45. Shri CS Vishwakarma, DGOF & Chairman/OFB
46. Shri K.S. Varaprasad, DS & DG(HR)
47. Dr. AK Singh, DS&DG(LS)
48. Ms. Nabanita R Krishnan, OS & DG(R&M)
49. Shri GN Rao, OS& DG(PC&SI)
50. Air Mshl Sandeep Singh, DCAS
51. Lt. Gen RKS Kushwaha, DG OS
52. Air Mshl HS Arora, ADC
53. Shri Subir Mallick, Addl. FA & Addl. Secy
54. Shri RK Arora, Member/Finance (OFB)
55. AVM NM Desai, ACAS (Fin P)
56. AVM SK Jha, JS (Air)
57. Dr. Ravindra Singh, Sc 'G' & Dir. DPARO&M
58. Dr. Sumit Goswami, Sc 'F' & Dir. DP&C
59. Shri M.P. Gupta, Addl. Dir., DFMM
60. AVM N Tiwari, ACAS(Plans)
61. Dr. K. Ramachandran, OS & Director, DIPR
62. Shri Alok Mall, Scientist 'G' & Director, DHRD
63. Shri Vivek C Verma, Secy/OFB
64. Shri Vijay Mitta, DDS/OFBNDO
65. Shri PK Dash, DDG/ P&P OFB
66. Shri NI Laskar, DDG/Budget, OFB
67. Shri B. Krishnamoorthy, Dir/ OFBNDO
68. Shri Devi Dutt Nailwal, JWM(SG)/OFBNDO
69. Brig T Rajesh Bhanu, Brig ADB(TRC)

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

day. He also drew their attention to Direction 55(1) of the Directions by the Speaker, Lok Sabha.

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

- 1) Budgetary allocation to Army;
- 2) Maintaining ideal ratio between Revenue and Capital Budget;
- 3) Use of non-salary revenue for operation and maintenance of Indian Army
- 4) Under-utilisation of Capital expenditure due to Covid
- 5) Less allocation as compared to amount projected by Army
- 6) Compulsory retirement of non-essential staff
- 7) Updation on situation at China borders
- 8) Restructuring of Army
- 9) Reduction in tooth-to-tail ratio

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

- 1) Standard schedule of rates for construction activities
- 2) Under utilization of Revenue and Capital budget due to Covid-19
- 3) Use of solar energy

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

- 1) Role of DGQA organization in procurement of ammunitions etc.
- 2) Third party inspection of ammunition and store
- 3) Training programme of DGQA personnel
- 4) Role of DGQA in providing testing facility to private sector
- 5) Process of testing of ammunition supplied to Forces
- 6) Shortage of manpower

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

- 1) Training of NCC cadets in war like situation
- 2) Creation of jobs for NCC Cadets in Armed and other Forces
- 3) Expansion of NCC in schools, colleges and Coastal and Border Areas
- 4) Implementation of Self Financing Scheme(SFS) in schools and colleges
- 5) Inclusion of Skill development syllabus for NCC Cadets

- 6) Implementation of Super 30 scheme for NCC cadets for selection in Armed Forces
- 7) Use of Tamil Nadu and Uttar Pradesh Defence Corridors for increasing employability of the NCC Cadets.

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

- 1) Issues related to opening of 100 new Sainik Schools
- 2) Use of CSR policy for Sainik Schools
- 3) Implementation of EWS quota in Sainik Schools
- 4) Involvement of private sector and NGO in the proposed opening of new Sainik Schools
- 5) Release of pension of teachers
- 6) Percentage of Cadets of Sainik Schools in Forces

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

- 1) Mismatch in projected Estimate and the actual Budget Estimate of ECHS
- 2) Present policy of ex-servicemen getting treatment in service hospitals
- 3) Enhancement of capacity of service hospitals
- 4) Employment of Infantry Officers and doctors as OIC, ECHS
- 5) Issue of pendency of payments of bills of hospitals empanelled under ECHS

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

- 1) Self-reliance in maintenance and repair of Aircraft
- 2) Dependency on HAL and BEL for maintenance and repair of different type of Aircraft
- 3) Under-utilisation of budget
- 4) Decline in percentage of budget allocations;
- 5) Shortage of Training Aircraft
- 6) Indigenous development of AMCA Aircraft

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

- 1) Indigenisation of products by DRDO
- 2) Coordination with private Industry and Technology transfer to private industries
- 3) Revenue generation for technology transfer to private industry
- 4) Opening of new laboratory for Artificial Intelligence
- 5) Implementation of Performance related Incentive Scheme in DRDO as introduced in ISRO
- 6) Participation of private sector in R&D of DRDO
- 7) Shortage of Scientists in DRDO
- 8) Opening of new Defence Corridors in Tamil Nadu and Uttar Pradesh
- 9) Enhancement in research activities in area of Chemical, Nuclear and Biological warfare

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

- 1) Corporatization of Ordnance Factories for efficient, accountable and autonomous organization and to improve quality of products and expand their market
- 2) Use of upgraded version of 'Dhanush Gun'
- 3) Exporting of Ordnance Factories' products to other countries
- 4) Shortage of manpower
- 5) Delay of Product delivery to Forces by Ordnance Factories
- 6) Quality Check of ammunition
- 7) Use of Ordnance Factories weapons for personal use and private market
- 8) Coordination between Ordnance Factories, DRDO and other agencies in Transfer of Technology of products.

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

The Committee then adjourned.

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

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Friday, the 19 February, 2021 from 1100 hrs. to 1340 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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CHAIRPERSON

MEMBERS

LOK SABHA

- 2 Kunwar Danish Ali
- 3 Shri Ajay Bhatt
- 4 Shri Rahul Gandhi
- 5 Shri Annasaheb Shankar Jolle
- 6 Choudhary Mehboob Ali Kaiser
- 7 Pro. (Dr.) Ram Shankar Katheria
- 8 Smt. (Dr.) Rajashree Mallick
- 9 Shri Kapil Moreshwar Patil
- 10 Shri Anumula Revanth Reddy
- 11 Shri Jugal Kishore Sharma
- 12 Dr. Shrikant Eknath Shinde
- 13 Shri Brijendra Singh
- 14 Shri Kotagiri Sridhar
- 15 Shri Durga Das Uikey

RAJYA SABHA

- 16 Dr. Ashok Bajpai
- 17 Shri Prem Chand Gupta
- 18 Shri V. Lakshmikantha Rao
- 19 Dr. Sudhanshu Trivedi
- 20 Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

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

LIST OF WITNESSES

MINISTRY OF DEFENCE

Sl. No. Name & Designation

1. Dr. Ajay Kumar, Defence Secretary
2. Gen. Bipin Rawat, CDS & Secy. DMA
3. Shri Ravikant, Secretary (ESW)
4. Shri Sanjiv Mittal CGDA
5. Lt. Gen CP Mohanty, VCOAS
6. Air Mshl HS Arora, VCAS
7. VAdm G Ashok Kumar, VCNS
8. Ms. Anuradha Mitra, Addl. CGDA
9. Lt. Gen. Anil Puri, Addl. Secy.
10. Smt. Mala Dutt, FA(DS)
11. Lt. Gen Rajinder Dewan, DG SP
12. Lt. Gen Paramjit Singh, DCOAS (Strat)/DGMO
13. Lt Gen TK Chawla, DG FP
14. Lt. Gen SS Mishra, QMG
15. Lt. Gen Shantanu Dayal, DCOAS (CD&S)
16. Lt. Gen RK Anand, DG LW&E
17. Air Mshl SP Wagle, DCIDS
18. Air Mshl BR Krishna, DG Air(Ops)
19. Mr. VL Kantha Rao, DG(Acq)
20. Dr. Pudi Hari Prasad, JS(ESW)
21. Shri Rakesh Mittal, Joint Secy. (Estt.)
22. Shri A.N. Das, Addl. FA(AN) & JS
23. Shri RK Karna, Addl. FA(RK) & JS
24. Shri Rajesh Sharma, Addl. FA(RS) & JS
25. Shri Shantanu, JS(Parl & Works)
26. Smt. Dipti Mohil Chawla, JS&AM(LS)

27. Mrs. Nidhi Chhibber, JS&AM(MS)
28. Shri Sanjai Singh, JS&AM(Air)
29. Maj Gen Adosh Kumar, Offg MGS
30. Maj Gen H Dharmarajan, ADG FP
31. Maj Gen Jagdeep Singh Ishar, DGMAP
32. Maj Gen PK Saini
33. Maj Gen Ashok Singh, ADG PS
34. AVM N Tiwari, ACAS(Plans)
35. AVM SK Jha, JS(Air)
36. AVM NM Desai, ACAS (Fin P)
37. RAdm Sameer Saxena, ACNS(P&P)
38. IG Mukesh Purohit, DDG(P&P)
39. Shri Praveen Kumar, DDG (DOMW)
40. Smt. K Inderjeet Kumar, Sr. Jt. CGDA
41. Shri Kanwaldeep Singh, Jt. CGDA (Pen)
42. Smt. Vinakshi Gupta, Jt. DGDA
43. Shri Vishvajit Sahay, PCDA (Pen)
44. Shri Akhilesh Kumar, CDA
45. Shri Ambarish Barman, Director (Budget)
46. Brig MRK Rajesh Panicker, MA to VCOAS
47. Brig Bimal Monga, Brig (Budget)
48. Brig UK Ojha, Brig FP(B)
49. Brig Tarun Agrawal, Brig FP(A)
50. Brig RS Lamba, Brig CD(B)
51. Brig Paritosh Shah, DDG
52. Mr. VK Adhana, Director(Acq)
53. Mr. LM Kaushal, Advisor (Cost)

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

3. The representatives of the Ministry of Defence then gave a Power Point Presentation on Married Accommodation Project (MAP). This was followed by a detailed discussion on the subject and during deliberations following issues were discussed:

- (i) Budgetary allocations for MAP.
- (ii) Reduction in the initially sanctioned number of Dwelling Units under MAP.
- (iii) Proposal for increasing dwelling units under MAP in Kashmir Valley.
- (iv) Preference for accommodation for Lady officers in the Defence Forces.
- (v) Allotment of already completed dwelling units of MAP.
- (vi) Constraints on construction activities for civilians around military stations.

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

- (i) Enhancement of Foreign Direct Investment limit under Defence Acquisition Policy from 49 per cent to 74 per cent.
- (ii) Digital facilities for the private players under DPP
- (iii) Efforts to encourage indigenisation in Defence sector to reduce dependence on imports
- (iv) Inclusion of more private industries under DAP 2020.
- (v) Ensuring quality of products manufactured under Make in India.
- (vi) Delays in design and development of a product to be manufactured indigenously.
- (vii) Adherence to the time-line for acquiring a defence asset.

5. Thereafter, a Power Point Presentation on Ministry of Defence-Pension was made by representatives of Ministry of Defence. This was followed by extensive discussion on the following issues:

- (i) Reduction in the final calculated amount of the Defence Pension in 2020-21.
- (ii) Issues related with One Rank One Pension (OROP).
- (iii) Constraints and problems related with disbursal of Pension.
- (iv) Time frame for redressal of grievances of Ex-servicemen.
- (v) Manpower employed under Controller General of Defence Accounts (CGDA).
- (vi) Centralised Pension Disbursement System.

6. The Chairperson directed the representatives of the Ministry of Defence and other organizations to furnish written replies to all the queries at the earliest.

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Tuesday, the 09 March, 2021 from 1500 hrs. to 1530 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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CHAIRPERSON

MEMBERS

LOK SABHA

- 2 Shri Devusinh Jesingbhai Chauhan
- 3 Shri Nitesh Ganga Deb
- 4 Shri Annasaheb Shankar Jolle
- 5 Choudhary Mehboob Ali Kaiser
- 6 Shri Kapil Moreshwar Patil
- 7 Shri Anumula Revanth Reddy
- 8 Shri Jugal Kishore Sharma
- 9 Shri Prathap Simha
- 10 Shri Brijendra Singh
- 11 Shri Kotagiri Sridhar
- 12 Shri Durga Das Uikey

RAJYA SABHA

- 13 Dr. Ashok Bajpai
- 14 Shri Sanjay Raut
- 15 Shri Rajeev Satav
- 16 Dr. Sudhanshu Trivedi
- 17 Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

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

2. At the outset, Hon'ble Chairperson welcomed the Members of the Committee and gave a brief on the following six reports to be adopted during the meeting and also solicited their suggestions :-

- (i) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Defence Public Sector Undertakings, Canteen Stores Department, Welfare of Ex-Servicemen and Defence Pensions (Demand Nos. 18 and 21)';
- (ii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos.19 and 20)';
- (iii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)';
- (iv) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Ordnance Factories, Defence Research and Development Organisation, Directorate General of Quality Assurance, and National Cadet Corps (Demand Nos. 19 and 20)';
- (v) Action Taken by the Government on the Observations/Recommendations contained in the Third Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2019-20 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'; and
- (vi) Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2020-21 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'.

3. However, some members requested Hon'ble Chairperson for some more time to study the Reports. As per consensus arrived at in the meeting, Hon'ble Chairperson postponed the meeting to 15.03.2021 (Monday).

4. Hon'ble Chairperson also informed the Committee that the responses to Members, supplementary questions will be received from the Ministry in due course of time. Accordingly, Hon'ble Chairperson directed that those responses would be incorporated at subsequent stages such as examination of subject reports, drafting On the Spot Study Tour questionnaires and even at the time of finalizing Action Taken Reports, if required.

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2020-21)

**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2020-21)**

The Committee sat on Monday, the 15 March, 2021 from 1000 hrs. to 1045 hrs. in Committee Room No. 'B', Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Ajay Bhatt
3. Shri Rahul Gandhi
4. Shri Kapil Moreshwar Patil
5. Shri Anumula Revnath Reddy
6. Shri Jugal Kishore Sharma
7. Shri Prathap Simha
8. Shri Brijendra Singh
9. Shri Kotagiri Sridhar
10. Shri Durga Das Uikey

RAJYA SABHA

11. Dr. Ashok Bajpai
12. Shri Sanjay Raut
13. Dr. Sudhanshu Trivedi
14. Lt. Gen. Dr. D. P. Vats (Retd.)

SECRETARIAT

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

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the Sitting. The Committee then took up for consideration the following draft Reports:-

- (i) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Defence Public Sector Undertakings, Canteen Stores Department, Welfare of Ex-Servicemen and Defence Pensions(Demand Nos. 18 and 21)';
- (ii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 19 and 20)';
- (iii) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)';
- (iv) Demands for Grants of the Ministry of Defence for the year 2021-22 on 'Ordnance Factories, Defence Research and Development Organisation, Directorate General of Quality Assurance, and National Cadet Corps (Demand Nos. 19 and 20)';
- (v) Action Taken by the Government on the Observations/Recommendations contained in the Third Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2019-20 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'; and
- (vi) Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (17th Lok Sabha) on the subject 'Demands for Grants of the Ministry of Defence for the year 2020-21 on Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 20)'.

3. After some deliberations, the Committee adopted the above reports without any modifications. During the deliberations, certain issues on the working of BRO, Ex-Servicemen Contributory Health Scheme and Defence Estates Organisation/ Cantonments figured. The Committee decided to include these issues during in-depth examination of the subject reports.

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

The Committee then adjourned.
