

27

**STANDING COMMITTEE ON DEFENCE
(2021-22)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2022-23)

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

(DEMAND NO. 20 AND 21)

TWENTY-SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2022 / Phalguna 1943 (Saka)

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(2020-21)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2021-22)

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

(DEMAND NO. 19 AND 20)

Presented to Lok Sabha on 16.03.2022.

Laid in Rajya Sabha on 16.03.2022.



LOK SABHA SECRETARIAT

NEW DELHI

March, 2022 / Phalguna 1943 (Saka)

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE (2021-22).....	4
INTRODUCTION	6

REPORT

PART I

Introductory.....	
Chapter I Army.....	7
Chapter II Navy.....	19
Chapter III Air Force.....	35
Chapter IV Joint Staff.....	48
Chapter V Military Engineer Services.....	50
Chapter VI Ex-Servicemen Contributory Health Scheme.....	57
Chapter VII Sainik Schools.....	63

PART II

Observations/Recommendations.....	73
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APPENDICES

Minutes of the Sittings of the Standing Committee on Defence (2021-22) held on 16.02.2022, 17.02.2022, 18.02.2022, and 14.03.2022.....	105
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COMPOSITION OF STANDING COMMITTEE ON DEFENCE (2021-22)

SHRI JUAL ORAM

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CHAIRPERSON

Lok Sabha

- 2 Kunwar Danish Ali
- 3 Shri Nitesh Ganga Deb
- 4 Shri Rahul Gandhi
- 5 Shri D.V. Sadananda Gowda
- 6 Shri Annasaheb Shankar Jolle
- 7 Choudhary Mehboob Ali Kaiser
- 8 Shri Rattan Lal Kataria
- 9 Dr. Ram Shankar Katheria
- 10 Shri Sridhar Kotagiri
- 11 Smt. Rajashree Mallick
- 12 Shri Uttam Kumar Reddy Nalamada
- 13 Dr. T. R. Paarivendhar
- 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 Durga Das (D.D.) Uikey
- 21 Vacant

Rajya Sabha

- 22 Dr. Ashok Bajpai
- 23 Shri N. R. Elango
- 24 Shri Prem Chand Gupta
- 25 Shri Venkataramana Rao Mopidevi
- 26 Shri Sharad Pawar
- 27 Shri V. Lakshmikantha Rao

- 28 Shri Kamakhya Prasad Tasa
29 Dr. Sudhanshu Trivedi
30 Lt. Gen. (Dr.) D.P. Vats (Retd.)
31 Shri K.C. Venugopal

.....

SECRETARIAT

- | | | | |
|----|---------------------|---|-------------------|
| 1. | Shri M K Madhusudan | - | Joint Secretary |
| 2. | Dr. Sanjeev Sharma | - | Director |
| 3. | Shri Rahul Singh | - | Deputy Secretary |
| 4. | Smt. Shilpa Kant | - | Committee Officer |
| 5. | Smt. Rekha Sinha | - | Committee Officer |

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2021-22), having been authorised by the Committee, present this Twenty-seventh Report (Seventeenth Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2022-23 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 20 and 21)'.

2. The Demands for Grants of the Ministry of Defence were laid on 9 February, 2022 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 16, 17 and 18 February, 2022. The draft Report was considered and adopted by the Committee at their Sitting held on 14 March, 2022.

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;
10 March, 2022
19 Phalguna, 1943 (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 2022-23, 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 2021-22, separately for Capital and Revenue segments along with projection and allocation in the BE 2022-23. The details submitted to the Committee are as tabulated below:-

REVENUE						(Rs. in crore)
Year	BE		RE		Expenditure	
	Projection	Allocation	Projection	Allocation		
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	1,39,903.33	
2021-22	1,70,705.28	1,47,644.13	1,68,657.23	1,57,619.06	1,24,608.42*	
2022-23	1,74,038.35	1,63,713.69				

*Figure upto December, 2021.

Note: RE 21-22 and BE 22-23 figures are subject to approval of the Parliament.

(\$ - Excludes Military Farms and ECHS which were shifted from Army to modified Grant -MoD(Miscellaneous) in FY 2016-17 and reverted back to DSE in FY 2019-20)

CAPITAL

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	26,320.93
2021-22	51,492.10	36,531.90	38,344.90	25,377.09	14,569.08*
2022-23	46,844.37	32,115.26			

*Figure upto December, 2021.

Note: RE 21-22 and BE 22-23 figures are subject to approval of the Parliament.

(\$ - Excludes Military Farms and ECHS which were shifted from Army to modified Grant -MoD (Miscellaneous) in FY 2016-17 and reverted back to DSE in FY 2019-20)

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 2022-23, against Revenue Head, projection of Army was Rs. 1,74,038.35 crore and allocation to be made is Rs. 1,63,713.69 crore, hence allocation lessened by Rs. 10324.66 crore. In case of Revised Estimates (RE) for FY 2021-22, under Revenue head, Army's projection was Rs. 1,68,657.23 crore and allocation made was Rs. 1,57,619.06 crore. The allocation is short of demand by Rs. 8,891.01 crore, however, the expenditure incurred till December 2021 was Rs. 1,24,608.42 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 2022-23, Army's projection was Rs. 46,844.37 crore and allocation to be made is Rs. 32,115.26 crore. There is a deduction of Rs. 14,729.11 crore in allocation vis-a-vis demand. In RE 2021-22, the projection of Army was Rs. 38,344.90 crore against which

an allocation of Rs. 25,377.09crore was made, hence, Rs. 12967.81 crore short of demand. However, the expenditure in three quarters of FY 2021-22 i.e. upto December 2021 was only Rs. 14,569.08crore.

1.5 During oral evidence, on gainfully utilization of budget, a representative of Indian Army through power point presentation submitted as under:

“.....the Indian Army is looking forward to gainfully utilising the budgetary allocations in the forthcoming Financial Year to address the expectations as highlighted. While the immediate concerns of operational efficiency on the frontiers shall be addressed from the Revenue Budget, the long-term capability developments shall be met from capital funds. Periodic reviews of the planned expenditure shall be undertaken and additional funds, as required, shall be sought at Supplementary, RE and modified Appropriation stage.”

1.6 As regards decrease in the pertantage of Revenue Budget, during oral evidence, a representative of Indian Army submitted as under:

“Sir, if I get your question correctly, you are asking about the Non-Salary Revenue Budget as a percentage.

One is the salary component and another one is the non-salary revenue component. The salary component has kept up with the pace of increase of expenditure. However, the non-salary revenue portion is what you are probably alluding to. Our projections are made based on our requirements. This year’s projection was Rs. 47,810 crore, against which, we have got Rs. 37,922 crore at this stage. We expect that we will get additional allocations at RE at Supplementary stages, which has been a trend in the past. Just to substantiate the issue, we have already got about Rs. 4,085 crore in the current financial year for meeting the urgent requirements above the budgetary estimates.

Besides this, our priority is Op-readiness requirements. I have brought out the components of the non-salary revenue budget. We first cater for those things which are absolutely mandatory and cannot be compromised. These include, our requirements of operational stores, mobilisation requirements, replacement of war-like equipment, ammunition, training, and habitat in field areas. Special clothing, rations and kit of medical stores, etc., which are also a component, are catered for within that. There are other mandatory requirements, such as fuel and individual

entitlements. There is no major impact on these issues. However, the problem with the shortage initially affects our Works Budget. But as and when we get additional, we infuse more funds into that.”

17 On the issue of drastic reduction in the budget estimates to revised estimates, a representative briefed the Committee as under:

“I will attempt to answer two or three pertinent points which have been raised by the hon. Member.

Firstly, it is a fact that there has been a reappropriation of the capital Budget in the Indian Army’s capital allocation this year and it has also been happening in the past few years. This is a normal and dynamic process which is undertaken with the assistance and concurrence of the Indian Army in the Ministry of Defence depending on the capital cases which are progressed by the Army, Navy and Air Force jointly. That is the first point.

Secondly, in the past 1-2 years, Indian Army and other services also have taken a very conscious and a very deliberate effort and decision to focus on the path of indigenisation ‘Atmanirbharta’ and to do that, a large number of cases which were being progressed as global cases are now being realigned to being produce by our own industry. This involves a little protracted time because it involves production by the industry of a new equipment, its trial, subsequent acceptance based on our requirements and fielding it for initial exploitation in the forward areas. So, this is a very correct and a very conscious decision taken by us. This will take, may be 1-2 more years, to totally fructify and totally ensure that we are totally self-reliant. Therefore, this issue of capital reduction or increase of capital budget should be seen in the context of the larger issue of our country going towards the path of very high, if not hundred per cent self-dependence, in the matters of defence equipments and weapons.

In addition to this, let me also assure that, as per what has been allotted to us now, after the reappropriation based on the requirements of the other two services also, we are very confident that whatever at the RE stage is balance with the Indian Army, we will be in a position to spend it by 31st March because almost rupees one thousand plus crore worth of bills have already been forwarded for clearing and approximately rupees three thousand crore worth of bills have also been processed and some of the bills are yet being obtained from the vendors. That process is on. In a nutshell, despite the challenges of COVID-19 pandemic, despite the challenges of various procurement processes, the aim of going ‘Atmanirbhar’ is a very conscious decision and the dynamism in the capital budget allocation and expenditure is a result of that Sir.

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
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
2021-22	3,47,088.28	1,47,644.13	42.54	36,531.90	10.53	1,84,176.03	53.06

(\$ - Excludes Military Farms and ECHS which were shifted from Army to modified Grant –MoD(Miscellaneous) in FY 2016-17 and reverted back to DSE in FY 2019-20)

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

1.9 There is an evident decrease in percentage share of revenue budget of Army out of Defence Services Estimates from 46.27 per cent in 2017-18 to 42.54 per cent in 2021-22. At the same time there is increase in capital budget share from 9.72 percent in 2017-18 to 10.53 per cent in 2021-22.

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 2021-22, an amount of Rs. 30,636.90 Crore was allocated to Army at BE stage under Capital Acquisition (Modernization) Head. Further, earmarking between Committed Liabilities and New Schemes is carried out by Service HQrs based on prioritization among the projects/schemes and the progress of contractual

milestones. Against these allocations, an expenditure of Rs. 11,760.68 Crore (upto December, 2021) has been incurred in FY 2021-22. Keeping in view the pace of expenditure additional funds were not allocated to Army in RE 21-22. Surrender, if any, will be known at the time of finalization of Modified Appropriation of current financial year 2021-22.

The Committee were further apprised that under Modernisation (Capital Acquisition) Head, 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 and final supplementary stage under Modernisation (Capital Acquisition) Head.

2. Under Modernisation (Capital Acquisition) Head, Army had sought no additional allocation at first and second Supplementary stages in FY 2021-22.

3. Details of additional requirements projected by Army under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2020-21 and 2021-22 are as under:-

(Rs. in crore)

Year	BE Allocation	RE Projection	Additional funds projected at RE stage over BE allocations	RE Allocation
2020-21	26,068.61	31,961.00	5,892.39	26,068.61
2021-22	30,636.90	30,636.90	0.00	19,485.09

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

4. The allocations made above at RE stage were based on pace of expenditure, critical requirement of other Services and overall resource envelope available under Capital Head. It may be added that the allocated funds are optimally utilized towards operational activities. If required, the schemes are reprioritized to ensure that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.

Planning and Procurement

1.11 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 31.12.2021) are given below:-

(value in Rs. crore)

2020-21		2021-22 (upto 31.12.2021)	
No. of contracts	Value	No. of contracts	Value
15	16374.08	14	15375.36

As informed to the Committee, the items contracted during 2020-21 and 2021-22 include Tanks, Weapon Locating Radars, Assault Rifles, missiles, vehicles, ammunitions, Multimode Hand Grenade, Secure communication systems and Pinaka System. The delivery schedule of the equipment and payment terms are given in each contract.

1.12 The Committee were apprised that Capital procurement of defence equipment is undertaken from various domestic as well as foreign vendors in accordance with the DPP/DAP, based on threat perceptions, operational challenges, technology requirements and to keep the Armed Forces in a state of readiness to meet the entire spectrum of security challenges.

During the last four financial years 2017-18 to 2020-21 and current year 2021-22 (upto 31.12.2021), 81 contracts have been signed for Army for capital procurement of defence equipment such as Bullet proof jackets(BPJ), rifles, rockets launchers, missiles, radars, artillery guns, tanks, helicopter, Multimode Hand Grenade, Secure communication systems, Pinaka System Simulators and ammunition.

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 Defence 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.

1.13 During the oral evidence, on the subject, a representative of Indian Army submitted as under:

“The DFPDS 2020-21 was promulgated. This has empowered our field commanders to undertake delegated procurement and enhanced exploitation of the GeM platform by the Army. It has taken the Ministry of Defence to one of the top buyers because of the contributions and this magnitude of procurements carried out by Army. The efforts towards *atmanirbharta* have been facilitated by promulgation of positive indigenisation lists. In keeping with the spirit of this initiative, bulk of the acceptances of necessity for the financial year 2021-22 have been accorded in favour of Indian vendors.”

Further, on new technologies procurement, a representative submitted as under:

“On the issue of additional requirements for drones and soldiers, let me assure the hon. Member that the Indian Army is fully cognizant of these requirements. In the last one or two years, we have undertaken numerous capital development and modern platforms procurement which will help us in ensuring surveillance and information gathering capability through drones, UAVs, mini copters and such other equipment.

As far as soldiers’ protection is concerned, it encompasses a large number of issues starting from better weapons, better bunkers, improvement in infrastructure along the borders, improved clothing, and improved protection measures, that is, the use of BPJs, helmets, etc. Here also, without getting into specifics, we have undertaken numerous issues and procurements and there has also been improvement. That is all I had to say as far as these two issues are concerned.”

Indigenization

1.14 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 2020-21 and current year 2021-22 (upto 31.12.2021), out of the total 29 contracts signed, 19 contracts were signed with the Indian vendors for capital procurement of defence equipment such as Tanks, Missiles, Vehicles, Mine

ploughs for Tanks, Pinaka System, Secure communication systems, Multimode Hand Grenade (MMHG), Weapon Locating Radars(Mtns) and Assault Rifles for Indian Army.

The expenditure under capital acquisitions budget for Army during 2020-21 and 2021-22 (upto Dec,2021), on indigenous contracts was Rs. 17,446.83 crore and Rs. 9946 crore respectively.

1.15 During Financial Year 2022-23 under the “Atma Nirbhar Bharat” package, Gol announced “Separate budget provisioning for domestic capital procurement”. Out of Rs. 25,908.85 Crore, Rs. 19,690.73 Crore has been earmarked for domestic capital procurement for Army in BE 2022-23.

1.16 On the issue of efforts towards indigenization a representative of the Indian Army submitted as under:

“As a result of conscious efforts towards indigenisation by the Indian Army, over the years the ratio of indigenous vs foreign procurement, which was 75:25 in the year 2017-18, has been progressively increased to 83:17 in the current financial year as on date. Targets for the next financial year are 76 per cent : 24 per cent, which we aim to better.

The Atmanirbhar Bharat initiative is fully supported by the Indian Army through multiple initiatives and outreach through the Army Design Bureau, the Directorate of Indigenisation, Army Technology Board, and a host of other establishments. Methodologies to enhance modernisation through indigenous industry are being explored further.”

Further on indigenisation, a representative submitted as under:

“Sir, as I have said earlier, the process of Indianisation started a long back. A numerous platforms and systems have been Indianized. However, to give certain examples, in the area of surveillance and target acquisition, all the UAVs and the micro drone type of items are bring brought indigenously. There are a large number of firms in our country and we have developed a good capability.

There are various sights which are of two broad categories – thermal imaging and emergency sphere. These were traditionally all procured from foreign countries because we did not have the core technologies. Now, a very high degree of the core competence with respect to manufacturing the core

technology of II as well as TI has been acquired in our country, some by our PSUs and some by our private industries.

All the orders for TI and II sights which include the requirement of infantry, tanks etc. are being given to the Indian industry. As far as lethality is concerned, it is a vast area. It includes like tanks, artillery guns, small armed weapons, motors, surface to air missiles and other things. In this regard, earlier a few decades and a few years back, we were largely dependent on making of this large and complex system on foreign vendors. Today, a substantial portion of all these long and big platforms are being brought indigenously.

In this case, earlier the capability was largely with our ordnance factories. Today, it has also been acquired by our PSUs and a large number of private industries which are coming up proactively to indulge and contribute to our Indianisation programmes.

Then, there is the issue of survivability in terms of making various body protection armour, bullet proof jackets, bullet proof helmets, mine shoes etc. These were all largely being procured from foreign countries or a large component of these things were being procured from foreign countries including clothing for extreme cold also. All these have been 100 per cent Indianized today. Mine boots have also been Indianized very recently. We took a lot of efforts because we had no capability in that field.

We have been able to Indianize Combat Support Equipment like bridges, bridge laying tanks, the things used in the warfare to support the combat, various types of mine laying equipment, mines etc. This is a very great success story of our country where all of them are not being made not only by our DPSUs but also by our private industries. A large number of contracts with respect to mines, bridges etc. have all been given to our own Indian industries.

With this, I would like to conclude and say that we are confident to exceed even 90 per cent of all our contracts. That is the effort that we have made and that is the process we are going through.”

Bullet Proof Jackets(BPJs)

1.17 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 manufacturing of Bullet Proof Jackets/Body Armour/Body Protector to have indigenous capabilities of said defence stores. Presently, in private sector, 21 companies have been issued licences for manufacturing of Bullet Proof Jackets and 07 companies namely M/s Anjani Technoplast Noida, M/s SMPP

Pvt. Ltd. Delhi, M/s Indian Armour Systems Pvt. Ltd. Haryana, M/s Star Wire India Ltd. Haryana, M/s Bharij Fabricators Pvt. Ltd. Punjab, M/s A&T Medical Equipment Co. Pvt Ltd, Ghaziabad and M/s Tata Advanced Material Limited Bengaluru have furnished commencement of production. Further, M/s SMPP Pvt. Ltd. has successfully executed a contract of MoD to supply 1, 86,138 quantity of Bullet Proof Jackets (BPJs). In Government sector, Troops Comfort Ltd. has developed Bullet Resistance Jackets (BRJ) and successfully supplied a small order quantity of 172 nos. to Tamil Nadu Police. MIDHANI has started manufacturing different variants of BRJs as per user requirements and supplied to security and defence forces. Also, MIDHANI has set up a captive production Unit at Industrial Modern Township (IMT) Rohtak to produce BRJs including Bhabha Kavach.

1.18 On the subject, during oral evidence, a representative submitted before the Committee as under:

“Sir, bulletproof jackets consist of two/three critical parts. One is the essential plates of polymer design. It has got various layers. The certain layers of the polymers were not being made in our country. The industries were doing some imports. I am not aware whether they were going through the licence process or JB process. Today, I can say with confidence that all of them are 100 per cent designed, made and manufactured in our country.”

Manpower

1.19 At the time of presentation by the representatives of Ministry of Defence on Demands for Grants 2022-23 the Committee desired to know about the short of the sanctioned Strength and the steps taken to fill up the sanctioned strength, In this respect, the following submission was made by a representative:

“Sir, as far as the issue of sanctioned strength is concerned, right now, our number is up to the sanctioned strength. I will divide it into two parts. One is the issue of officers’ cadre and one is personnel below officers’ cadre. Now, within the officers’ cadre, we have a shortfall of approximately 15 per cent.

This deficiency has been there for over a period of time. The AVSC Committee had decided that we should ideally maintain a ratio of 1.1 : 1 between the permanent cadre and the support cadre which is largely the short service cadre.”

Further, on the manpower deficiency, a representative added:

“दूसरा, मैनपावर के बारे में चेयरमैन साहब ने भी बताया कि मैनपावर डेफीशिएंसी को हम एक्सेप्ट नहीं कर सकते हैं। एक प्रश्न यह भी था कि मॉडर्नाइजेशन में हम उसको कैसे ऑप्टिमाइज करें? मैं यही कहना चाहूंगा कि हमने मैनपावर ऑप्टिमाइजेशन करने के लिए कई एक कदम उठाए हैं। शेकटकर कमेटी ने रिकमेंडेशंस दी थीं कि किस तरह से हम मैनपावर को ऑप्टिमाइज करें। उसी मैनपावर के दूसरी कोई यूनिट, नई कैपेबिलिटीज़, नई उपलब्धियों के लिए रेज करें। हमारे सिस्टम में यह हुआ है, जिसमें हम कई यूनिट्स को थोड़ा रीअलाइन करके उसी में से जो बची हुई मैनपावर है, नई कैपेबिलिटीज़ के लिए हमने उसका इस्तेमाल किया है। आपका आखिरी प्रश्न था कि बजट जब बनता है, तो आर्मी या डिफेंस फोर्सों के जितने भी कंसर्न्स हैं, क्या वह फैक्टर किया जाता है? मैं यह भी समाधान के सकता हूं कि जो हमारे प्रोजेक्शंस और प्रोसेस है, उसमें एक तरह से चर्चा चलती रहती है और जो भी हमारी क्रिटिकल ऑपरेशनल रिक्वायरमेंट्स हैं, मेरी समझ में उसके लिए बड़े अलोकेशन की जरूरत है, उससे काफी मात्रा में हमारा समाधान होगा।“

Further on the subject, a representative added:

“As of 1st January, the sanctioned strength was 12,12,000 and we have a shortage of 81,000 which is 6.7 per cent.”

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 2021-22, separately for Capital and Revenue segments along with projection and allocation in the BE 2022-23. The details submitted to the Committee are as follows:-

A. REVENUE

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	32,825.23
2021-22	44,992.90	30,652.53	48,816.59	34,283.02	27,307.22*
2022-23	50,692.44	32,873.46			

*Figures are upto December, 2021

B. CAPITAL

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	58,207.95
2021-22	77,140.56	53,214.77	71,176.39	53,214.77	36,820.15*
2022-23	85,322.60	56,851.55			

*Figures are upto December, 2021

Note: RE 21-22 and BE 22-23 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 2022-23, against Revenue Head, projection of Air Force has been Rs. 50,692.44 crore and allocation to be made is Rs. 32,873.46 crore. In case of Revised Estimates (RE) for FY 2021-22, under Revenue head, Air Force projection was Rs. 48,816.59 crore and allocation made was Rs. 34,283.02 crore. The allocation is short of demand by Rs. 14,533.57 crore and the expenditure incurred till December 2021 was Rs. 27,307.22 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 2022-23, Air Force's projection was Rs. 85,322.60 crore and allocation to be made is Rs. 56,851.55 crore. There is a deduction of Rs. 30,221.24 crore in allocation *vis-a-vis* demand. In RE 2021-22, the projection of Air Force was Rs. 71,176.39 crore against which an allocation of Rs. 53,214.77 crore was made, hence, Rs. 17,961.62 crore short of demand. However, the expenditure in three quarters of FY 2020-21 i.e. upto December 2021 was only Rs. 36,820.15 crore.

2.5 During the deliberations on Demands for Grants 2022-23, a representative of Air Force deposed to the Committee as follows:

“रेवेन्यू बजट की बेटर यूटिलाइजेशन के लिए प्लान किया गया है कि जो भी टेन्योर्स हो, थोड़े लॉन्ग किए जाए, ताकि एक स्टेबिलिटी हो, जॉब का बेटर अण्डरस्टैंडिंग हो और रेवेन्यू बजट का बेटर यूटिलाइजेशन किया जा सके।

अब मैं अपने बजट का थोड़ा-सा रिव्यू दिखाऊंगा। पिछले पाँच सालों में इंडियन एयरफोर्स का जो बजट एलोकेशन है, वह आपके सामने दर्शाया गया है। उसके तहत जो कैपिटल बजट का

एलोकेशन है, वह आपके सामने दर्शित है। रेवेन्यू बजट का अगर ब्रेकडाउन देखें, सैलरी एंड अदर दैन सैलरी, यह आपके सामने दर्शित है। अगर हम अपने बजट को डोमेस्टिक और फॉरेन में ब्रेक करके देखें तो जो टोटल डोमेस्टिक एलोकेशन थी, वह 29,684 करोड़ रुपये था, जिसमें से 21,631 करोड़ रुपये अभी तक खर्च किया गया है। यह 72.87 परसेंट है। अभी बैलेंस आठ हजार करोड़ रुपये हैं। इसका मतलब है कि 27 परसेंट अभी बैलेंस है। जो फॉरेन बजट था, वह 20,400 करोड़ रुपये था, जो टोटल बजट का 40.74 परसेंट था। इसमें से 16,484 करोड़ रुपये अभी तक खर्च किया गया है। मतलब 80.77 परसेंट खर्च किया गया है। अभी 3,923 करोड़ रुपये अभी बैलेंस हैं, मतलब 19.23 परसेंट बैलेंस है। अभी तक जो बैलेंस है, वह 31 मार्च तक पूरी करने की आशा है।

अगले साल, वर्ष 2022-23 वित्तीय वर्ष के लिए बजट की जो एलोकेशन होगी, वह 62.34 परसेंट डोमेस्टिक के लिए और 37.66 परसेंट फॉरेन के लिए है। अगर हम कंक्लूड करें तो हमें यह पता चलता है कि अभी हमारे फाइटर स्क्वार्डन की स्ट्रेंथ है, हमें जो भी रोल्स दिए गए हैं, हमारे दो प्रतिद्वंद्वी हैं, उनको काउण्टर करने के लिए अभी फाइटर स्क्वार्डन की स्ट्रेंथ है, वह इनएडिक्वेट है। हमें लॉन्ग रेंज विपन्स का प्रोक्योरमेंट करना पड़ेगा, ताकि हमारे जो भी प्लेटफॉर्म और एसेट हैं, उनकी उपलब्धता हम एन्शोर कर सकें। आईएफ पूरी तरह मिनिस्ट्री ऑफ डिफेंस के साथ वर्क कर रहा है, ताकि जो भी एलॉटेड बजट है, उसका अधिकतम यूटिलाइजेशन हो। हमें एडिशनल फंड्स रिक्वायर्ड होंगे, अगर हम अपनी करेंट ऑपरेशनल कैपेबिलिटी को बरकरार रखने की कोशिश करें। हमारी जो भी मेज़र प्रोक्योरमेंट्स हैं, वे इंडिजीनस सोर्सिज़ से प्लान्ड हैं।”

2.6 As regards, lesser allocation against too much projected amount by Indian Air Force, the reasons in this regard expenditure incurred by Air Force during the FY 2021-22, the representative of Ministry of Defence replied as given below:

“सर, यह प्रश्न हर साल ही आता है। हम जो डिमांड करते हैं, जो ऑनगोइंग कांट्रैक्ट हो चुके हैं, उनकी कमिटेड लाइबेलिटी, which are there, उसको लेकर करते हैं। वह तो श्योर हैं। जो कांट्रैक्ट्स चल रहे हैं, प्रोग्रेस कर रहे हैं, उनका टोटल करके करते हैं। उन्हें एमओडी और एमओडी फाइनेंस के साथ दिखाते हैं कि यह-यह, I know it is an optimistic or the best case situation, वह हम देते हैं। फाइनल एलोकेशन या उसके फाइनली जैसे आपने बताया है कि आरई और फाइनल एमए में हर साल कुछ न कुछ आता है, पिछले से पिछले साल काफी ज्यादा आ गया था, तो उससे काफी प्रोक्योरमेंट हो सके, पेमेंट हो सके। यह प्रक्रिया इस तरह से आई है कि जो-जो कांट्रैक्ट हो सकते हैं, जो आगे वाली स्टेज में हैं, उनको लेकर यह किया जाता है। फाइनली जो

बजट आता है, वह एमओडी के साथ मिलकर प्राथमिकता के आधार पर उसका पेमेंट होता है। यह चैलेंज तो है। मैं इस बात को मानता हूँ। प्रोजेक्शन अब ऐसा नहीं है कि बिना किसी के आधार के कर रहे हैं। पूरा स्कूटनाइज होता है कि क्या-क्या प्रोजेक्ट्स हैं और कौन से बेस्ट केस सिनोरियो में हो सकते हैं?

दूसरा, यह सबको पता है कि चाइना कितना खर्च कर रहा है। उसका जो थ्रेट सिनोरिया है, वह काफी बड़ा है। वह इनफैक्ट यूएस से कंपीट कर रहा है कि उससे ज्यादा हो जाए। हमारे माननीय रक्षा मंत्री का डायरेक्टिव है कि चाइना के अगेंस्ट हम इतने शक्तिशाली हों कि उसको हम डिटर करें। हमारी कंट्री का ऐसा इरादा नहीं है कि हम जाकर उनसे अपने आप ही लड़ाई शुरू कर दें। डिटरेंस के लिए जितनी क्षमता तीनों फौजों को, उस हिसाब से गवर्नमेंट दे रही है। कुछ कमियां हैं, कुछ क्रिटिकलिटीज़ हैं, जो धीरे-धीरे कम होती रहेंगी। मैं यह तो आश्वासन आपको देता हूँ कि जैसा डोकलाम या गलवान में हुआ, हम उनको डिटर तो कर ही सकते हैं और यह दिखा सकते हैं कि अगर उन्होंने कोई छेड़खानी की, तो हमारा जो रिएक्शन होगा, वह उसके लिए ठीक नहीं होगा। I think that is what the Government has given us the directive”.

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, reasons of mismatch in projection, allocation and expenditure, 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
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
2021-22	3,47,088.28	30,652.53	8.83	53,214.77	15.33	83,867.30	24.16

(\$ - Excludes Military Farms and ECHS which were shifted from Army to modified Grant -MoD (Miscellaneous) in FY 2016-17 and reverted back to DSE in FY 2019-20)

2.8 The Committee can see that there is an evident decrease in percentage share of revenue budget of Air Force, out of Defence Services Estimates from 9.57 per cent in

2017-18 to 8.83 per cent in 2021-22. At the same time, there is a increase in capital budget share from 12.95 percent in 2017-18 to 15.33 percent in 2021-22. 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). Further, earmarking between Committed Liabilities and New Schemes is carried out by Service HQrs based on prioritization among the projects/schemes and the progress of contractual milestones. In the FY 2021-22, an amount of Rs. 49,320.77 Crore was allocated at BE stage under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). An additional amount of Rs. 770 Crore has been allocated to Air Force in RE 2021-22. Against these allocations, an expenditure of Rs. 34,855.79 Crore (upto December, 2021) has been incurred in FY 2021-22. Surrender, if any, will be known at the time of finalization of Modified Appropriation of current financial year 2021-22

2.10 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 was received in First Supplementary. In second supplementary, an additional amount of Rs. 11,152.00 Crore had been sought to cater for SESF operations, Committed Liabilities, new schemes, and future operational capabilities of IAF, etc. In Second and Final Supplementary, an additional allocation of Rs. 7,783.37 Crore had been received.

2.22 In FY 2021-22, Air Force had sought additional allocation of Rs. 11,747 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. 17,848.65 Crore has been sought to cater for Committed Liabilities, new schemes, and future operational capabilities of IAF, etc. No additional allocation is received in Second Supplementary.

2.12 Details of additional requirements projected by Air Force under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2020-21 and 2021-22 are as under:-

(Rs. in crore)				
Year	BE Allocation	RE Projection	Additional projection at RE over BE	RE Allocation
2020-21	39,030.91	69,421.59	30,390.68	52,218.91
2021-22	49,320.77	67,169.42	17,848.65	50,090.77

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

It may be seen from the table given above that Air Force's allocation were increased at RE stage by Rs. 13,188 Crore over BE 2020-21 and Rs. 770 Crore increased in RE 21-22 over BE 21-22 allocation under Capital Acquisition (Modernization) Head. The allocations made above at RE stage were based on pace of expenditure, Committed liabilities of Air Force and overall resource envelope available under Capital Head. The allocated funds are optimally utilized towards operational activities. If required, the schemes are reprioritized to ensure that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.

2.13 The Committee have been informed that the Planned acquisitions for these years include MAFI Phase-II, Digitisation of Pechora, Light Combat Aircraft (LCA) Mk-IA aircraft, Procurement of LLLWR ASLESHA Mk-I and Sets of communication and associated equipment, Simulator for Mirage 2000 Upgrade aircraft, Light Combat Helicopters (LCH), Transport Aircraft and Associated Equipment (for Avro replacement), Procurement of Fixed Base Full Mission Simulator (FBFMS) for Darin-III Jaguar Aircraft for Indian Air Force & Procurement of 7.62x39mm Assault Rifles (AK 203).

The funds have been expended on projects including MAFI Phase-II, Digitisation of Pechora, Light Combat Aircraft (LCA) Mk-IA aircraft, Procurement of LLLWR ASLESHA MK-I and Sets of Communications and associated equipment, Simulator for

Mirage 2000 Upgrade aircraft, Procurement of Fixed Base Full Mission Simulator (FBFMS) for Darin-III Jaguar Aircraft for IAF and other ongoing schemes.

Indigenization

2.14 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 2020-21 and 2021-22. In this connection the following details were furnished to the Committee:

(a) The details of Capital Acquisition (**New Contracts Only**) made by Air Force from Domestic sources during 2020-21 and 2021-22 and expenditure made during the same period is mentioned below:-

FY	No of Contracts	Total Contract Value (Rs in Cr)	Expenditure (Rs in Cr)
2020-21	63	49,455.53	6,563.63
2021-22	24	12,206.56	★ 3,217.89

★ Exp as on 31 Dec 21

(b) Further, the expenditure incurred on Domestic Procurement during 2020-21 & 2021-22 under Capital Acquisition is appended below:-

FY	Expenditure (Rs in Cr)
2020-21	36,638.14
2021-22	★ 19,387.51

★ Exp upto 31 Dec 21

2.15 On the issue of funds dedicated for acquisition from indigenous sources during the year 2022-23, the Ministry in its written replies submitted as under:

“Yes. Funds amounting to 62.34% have been earmarked for Domestic Capital Procurement in the Capital Acquisition Budget for the year 2022-23.”

2.16 During the deliberations on Demands for Grants 2022-23, a representative of Air Force deposed to the Committee as follows:

“अगर हम देखें तो आगामी वर्षों में वायुसेना अपने स्वदेशी वस्तुओं पर निर्भर रहेगी। हमें अपेक्षा है कि ये सब यथा समय निर्मित होंगे। भारतीय वायुसेना इंजीजिनाइजेशन के लिए पूरी तरह कमिटेड है। जैसा कि मैंने पहले कहा था कि एलसीए मार्क-1 है, जिसमें 83 एलसीए मार्क-1 डिलीवर होंगे। पिछले जनवरी महीने में इसका कॉन्ट्रैक्ट साइन हुआ था और वर्ष 2024 से इसकी डिलीवरी होगी। एडवांस्ड मीडियम कम्बैट एयरक्राफ्ट का भी प्रोग्रेस हो रहा है। हेलिकॉप्टर के बारे में जैसा मैंने कवर किया था, एलसीएच और एलयूएच, ये दोनों एचएएल द्वारा निर्मित हैं। उनकी प्रोक्योरमेंट अभी प्रोग्रेस में है। सरफेस टू एयर वीपन्स में ब्रह्मोस, एमआरएसएम और एयर टू एयर में अस्त्रा तथा सरफेस टू एयर में आकाश मिसाइल सिस्टम भी इंजीजिनस्ली डेवलप करेंगे, जो कि ग्रेजुअली इंडियन एयरफोर्स में इंडक्ट हो रहे हैं। बहुत लार्ज मात्रा में इंजीजिन्स रडार हैं, जैसे असलेसा, रोहिणी, एसआरई और पीएआर भी भारतीय वायुसेना में इंडक्ट हो रहे हैं। इसके साथ हमारे पायलट्स को ट्रेन्ड करने के लिए ट्रेनर एयरक्राफ्ट की रिक्वायरमेंट है, उसकी भी मैनुफैक्चर और डेवलपमेंट इंडिया के अंदर ही किया जा रहा है। इसके तहत एसी एचटीटी-40, जिसे एचएएल बना रहा है, यह डेवलप हो गया है। उसका इंडक्शन प्लान्ड है। ट्रांसपोर्ट एयरक्राफ्ट में सी-295 का कॉन्ट्रैक्ट साइन हो गया है। इसका इंजीजिन्स मैनुफैक्चरिंग होगा और यह भी धीरे-धीरे भारतीय वायुसेना में इंडक्ट होगा।”

Accidents

2.17 The Committee were concerned to know about the accidents of aircraft. In this regard, the Ministry of Defence replied that there were 105 aircraft accidents during each year of the Eleventh and Twelfth Plan. The number of aircraft accidents has reduced from an average of 13 accidents per year in 11th plan to an average of 08 accidents per year in 12th plan. During 13th five year Defence plan an average of six accidents per year have taken place. In last Financial Year (2020-21), the accident rate was the lowest in last 50 years.

2.18 Further on the subject, during the oral evidence of the Committee, a representative of Indian Air Force submitted as under:

“सर, मैं इसका आंसर देता हूँ। MIG-21, no doubt, is a very old fleet, but the aircraft which we have, सिर्फ चार स्कवाड्रन हमारे पास हैं। वे सब अपग्रेडेड हैं। ये सबसे रिलेटिवली न्यू थे। उसको भी अपग्रेड किया गया था, जिसे बाइसेन जहाज बोलते हैं। बाकी हमने कुछ सालों में फेज़ आउट कर दिए हैं। इसलिए थोड़ी कमी हो गई थी, थोड़ा एलसीए में डिले हुआ, लेकिन अब प्रोडक्शन शुरू हो रहा है। जब-जब टोटल टेक्निकल लाइफ में पहुंच जाते हैं, हम एक दिन उनको ज्यादा नहीं रख सकते हैं और रखते भी नहीं हैं। कुछ जहाजों का लाइफ एक्सटेंशन होता है। उस हिसाब से अब हमारे पास बाइसेन एयरक्राफ्ट रह गए हैं, जो अपग्रेडेड हैं, फिर भी पुराने हैं। There is no doubt about that.

यह बोलना गलत होगा कि अगर हम कंपेयर करें, मेरे पास डाटा है, हम उसे आपको लिखित में दे सकते हैं कि पांच-पांच साल में एवरेज, इस साल हालांकि दो एक्सीडेंट्स ज्यादा हो गए, मगर यदि हम एवरेज लें तो हमारे एक्सीडेंट रेट्स बीस-पच्चीस साल के पहले से एक-तिहाई हो गए हैं। वह तो इंप्रूव हो रहा है। हम स्पेशियली ओल्डर फ्लीट के पहले और भी ज्यादा डिलीजेंट है।”

Planning

2.19 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 and in Annual Acquisition Plans. Acquisition is planned accordingly, which is an ongoing process. As stated earlier, present system of LTIPP is being replaced with more scientific Integrated Capability Development Plan (ICDP).

Further, it was informed that a total of 56 schemes are expected to fructify during the remaining period of LTIPP 2012-27. Total funds envisaged for such schemes during the period are Rs.42819.87 Crore.

Force Level

2.20 At the time of examination of Demands for Grants, the Committee wished to be apprised about the combat capabilities and benefit of Tejas and it will be helpful in replacing aging fighter fleet of IAF. In this respect, the Ministry of Defence informed through written reply as under:

“(a) Tejas is a 4th plus generation Light Combat Aircraft (LCA) with a glass cockpit and is equipped with Satellite aided Inertial navigation system. It has a digital computer based attack system and an autopilot. It can fire Air to Air missiles, bombs as well as precision guided weapons. It has high manoeuvrability and agility due to its light weight composite structures and fly by wire control. The Initial Operational Clearance (IOC) aircraft are armed with air to air missiles, Helmet mounted display and Precision guided weapons like laser Guided Weapons. These aircraft are also capable of dropping unguided bombs with much higher accuracy due to highly advanced indigenous mission computer. Additionally, the Final Operational Clearance (FOC) aircraft will have the capability for air to air refuelling.

(b) LCA can be relied on to meet the operational requirements and roles assigned to the aircraft. Additionally to augment the operational employment of the aircraft, integration of long range indigenous beyond visual range (BVR) ASTRA Missile and stand-off weapons is being undertaken. The aircraft design features along with capable sensor and weapon suite would optimise operational employability of the aircraft in the dynamic and evolving threat environment posed by our adversaries.

(c) The LCA and its variants are being integrated with contemporary weapons and sensors to maximise its operational utilisation. LCA and its variants along with a healthy mix of different aircraft types and class would meet the spectrum of capabilities and operational roles required to pose credible deterrence.

(d) Phasing out of ageing fleet of aircraft has resulted in drawdown of fighter squadron strength. 83 LCA Mk-IA are planned to be inducted into four Squadrons of IAF. These would replace the MiG 21 and MiG 27 squadrons. Replacing these with LCA will definitely be beneficial to the Indian Air Force.”

Further on the subject, the Ministry also apprised about the total number of Tejas being procured by IAF and money spent:

“Total 123 number of Tejas in different configurations are being procured by Indian Air Force at a total contract value of Rs. 51724.07 crore”.

2.21 During the deliberations on Demands for Grants 2022-23, a representative of Air Force deposed to the Committee as follows:

“भारतीय वायु सेना फाइटर्स की ऑथोराइज्ड स्ट्रेंथ 42 स्क्वाड्रन की है। इसमें ग्राफ में 2022, 2027 और 2032 के स्क्वाड्रन स्ट्रेंथ दिखाए गए हैं। जैसा कि इस स्लाइड में दिखाया गया है कि जैसे-जैसे समय बीत रहा है, हमारे स्क्वाड्रन का ड्रॉ-डाउन बढ़ रहा है क्योंकि स्क्वाड्रन की टोटल टेक्नीकल लाइफ खत्म हो रही है।

एलसीए माक-1 ए, जिसका कॉन्ट्रैक्ट पिछले साल जनवरी में साइन हुआ और एमआरएफए, ये हमारे ड्रॉ-डाउन को अरेस्ट करने में मदद करेंगे। अगर हम अपने ट्रांसपोर्ट जहाज देखें तो हमारे 2,050 के लगभग ऐसे जहाज हैं और अभी हमारा मुख्य जहाज एएन-32, एब्रो हैं। इन्हें 2022 में दर्शाया गया है। जैसे-जैसे समय बीत रहा है, दोनों जहाजों की मात्रा कम होती जा रही है। वर्ष 2032 में एब्रो लगभग खत्म है। इसकी जो कमी है, इसका मेक-अप सी-295 से की जाएगी, जिसका कॉन्ट्रैक्ट पिछले साल सितम्बर में साइन किया गया था।

अगर हम हेलिकॉप्टर्स को देखें तो हमारे पास लगभग 500 हेलिकॉप्टर्स हैं, जो अभी हमारे medium-lift main helicopters मी-17 हैं, वे वर्ष 2032 तक बिल्कुल खत्म हो जाएंगे।

हमारी फॉर्बर्ड एरियाज सियाचीन और उत्तर-पूर्व में एयर मेनटेनेंस है, जिसमें हमारे चेतक, चीता और चीतल यूटीलाइज किए जाते हैं, उनकी मात्रा भी वर्ष 2032 तक कम हो जाएगी। इसकी कमी हम एल.यू.एच. के इंडक्शन से पूरी करेंगे, जिसका ए.ओ.एन. हो गया है और 12 एल.यू.एच. इस साल से गैजुअली डेलिवर होने शुरू होंगे।

इसके साथ ही एलसीएच, जो एचएएल बनाता है, उसका भी कॉन्ट्रैक्ट साइन होने वाला है। इसकी मात्रा धीरे-धीरे बढ़ेगी। इससे हमारी फाइटर अटैक हेलिकॉप्टर कैपेबिलिटी बढ़ेगी।

अगर हम सरफेस टू एयर वीपन्स देखें, वर्ष 2022 से हमारी स्ट्रेंथ इसलिए बढ़ रही है, क्योंकि हमारे पास आकाश और एमआरएसएएए जैसे इंजीनिस सिस्टम है, इनका इंडक्शन बढ़ती जाएगी।”

2.22 On the issue of squadrons strength, during the oral evidence, a representative of Indian Air Force submitted as under:

“Sir, you yourself have said that we will not be able to achieve the desired strength for the time but I think we are doing the best we can. The delay in productionization of indigenous fighter has been the cause. Till 2024 before it starts coming, we are hopeful there would be few other revenues which can be explored. But there is an interesting fact that we have ended up spending a large amount when we got the funds last to last year and last year also on revenue spares. There is an interesting aspect that a very large number of Sukhoi-30 and other fighters are on ground and we are hopeful that when those spares start coming from this year onwards, we are hopeful that will be able to actually add some squadrons. That is one way Air Force fills that. Serviceability state, you are aware of it, has been low. Once we get that, the existing strength itself we can ramp up before the new aircraft come in. That is the best we are looking at for us as of now.”

Further, Defence Secretary added:

“.....in the last three to four years, concerted efforts have been made by the Air Force to ramp up its capability and to make up for the less squadron. This pace of acquisition was not there earlier. We have acquired 36 Rafale fighter planes; we have issued order for 83 LCAs. Once we issue the order, it will take some time. We have ordered S-400; we have ordered UAVs. So, the composite effort to ramp up the air defence and the air capability in the last four to five years has been significant. As you may recall, last year there was an increase of 18 per cent in modernization Budget. This year again, there is an increase of 13 per cent. There is unprecedented ramping up of modernization of armed forces. So, there is adequate budget available. As and when the new requirements come up, we can meet them”.

Trainer Aircraft

2.23 On the status of shortage and demand of trainer aircraft, the representative of Air Force, at the time of presentation, apprised the Committee:

“As regards trainer aircraft shortage, I am not very sure if it is very critical. The Kirans will phase out. The HTT-40 is coming in now. As it comes, we are hopeful that Kirans will hold. There have been a few issues of engine which HAL has managed to get some contracts to sustain them while they are being safe. In fact,

Kiran Mk-IIs are also there. In fact, I just reviewed it a week back. That we will start using. We had kept them for a different purpose. So, it is not that critical. And HTT-40, after initial delays, I will confess, of spin and all, has come of age. Test pilots have tested it. I think the contracts will be placed soon. The final evaluation is on. In fact, negotiations will start soon. So, that will not be that critical.

As regards S-400, you are right that they have it. But finally, it remains a potent weapon for them and it will be our tactics how to take them out. Perhaps we have better precision weapons. So, do they. That will be a direct tactical planning”.

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

2.24 The Ministry in its written replies informed that MAFI Project Phase-I has already been completed at 30 airfields. Implementation of MAFI Phase-II which involves a total of 37 airfields has already commenced and the completion date of the project is October 2024. Out of 37 airfields under Phase II, 24 airfields are of Indian Air Force, 09 of Indian Navy, 02 of Indian Coast Guard and 02 of Aviation Research Centre (ARC).

The details of allocation for modernising of airfields and actual expenditure during the 11th plan and 12th plan are given below:

S.No.	Project name	Contracted amount (in Cr.)	Amount paid (in Cr.)
1.	MAFI Phase I	1215.35	1201.56
2.	MAFI Phase II	1187.17	126.57

2.25 On the issue of infrastructure and air fields, a representative of Indian Air Force submitted as under:

“इस मैप में रेड में चाइनीज एयर फील्ड्स दिखाए गए हैं, वे एग्जीस्टिंग एयर फील्ड्स थे और जो ग्रीन में दर्शाए गए हैं, वे हाल ही में पिछले साल में और डेढ़ सालों में वे अपना इंफ्रास्ट्रक्चर काफी तीव्र गति से डेवलप कर रहे हैं। उसे कॉम्बैट करने के लिए भारतीय वायु सेना का बॉर्डर एरियाज में इंफ्रास्ट्रक्चर डेवलपमेंट की काफी बढ़ोतरी की जा रही है। चीन को काउण्टर करने के लिए भारतीय वायु सेना की जो स्ट्रैटजी होगी, उसमें अस्वीकार्य क्षति पहुंचाने वाली सैनिक क्षमताएं विकसित

करना है। भारतीय वायु सेना की जो जवाबी रणनीति है, उसमें चीन के पहले प्रहार को बिना ज्यादा क्षति के सहना और जवाबी हमले करना है। चीनी सेना की सप्लाई लाइन और कम्युनिकेशन तोड़ना और क्षत-विक्षत करना और उनकी थल सेना को लक्ष्य बनाकर भी हमारी राजनीति होगी। इसके लिए हम अपने वे फोर्सैज यूज करेंगे, जो डिसपस्टर्ड एयर फील्ड्स में होंगे और जो बॉर्डर से दूर होंगे। इसके लिए अगर हम अपनी वायु सेना की क्षमताओं को एनालाइज करें तो अगली स्लाइड में मैं उसके बारे में दर्शाऊंगा।“

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:

“(a) The Government sanctioned Establishment and Strength of officers (except Medical and Dental branch) and airmen in IAF, as on **01 Jan 22**, is as follows:-

	<u>Establishment</u>	<u>Strength</u>	<u>Shortage / Vacancies</u>
Officers	12714	12142	572
Airmen	1,43,964	1,37,740	6,224

(b) Additionally, **8422** airmen trainees are undergoing training at various training institutes.

(c) The shortage of 572 officers is a variable figure which keeps fluctuating depending on commissioning cycle, premature separation of officers etc. The induction plans have been revamped so as to gradually bring the strength at par with the sanctioned establishment. In addition, due to cadre management planning and implementation, there is likely to be no shortage of officers in the Indian Air Force in due course.

(d) Requirement of manpower is reviewed annually. 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. It is expected that IAF will be able to bring up the strength of airmen at par with the authorized establishment **in about 3-4 years**.

(e) Accrued vacancies are mostly due to discharges / superannuation and varies from year to year. However, no vacancy remains vacant for more than two

years since induction is an ongoing time bound process and is being carried out as per the timelines specified.

(f) **Online examination.** Air Force Common Admission Test (AFCAT) and Scheduled Test for Airmen Recruitment (STAR) for selection of officers and airmen respectively, were conducted successfully in online mode for the first time in 2018 and are being conducted biannually since then. This has provided opportunity for every eligible candidate to participate in the selection process and that too closer to their place of residence. Presently, there are 224 examination centres for AFCAT and 241 centres for conducting STAR examination, spread across the country.

(g) In addition, the following efforts are being taken by IAF to increase awareness amongst youth to join IAF:-

(i) **DISHA Cell.** A dedicated department named 'DISHA' Cell is functional at Air HQ, Vayu Bhavan to ensure wide publicity of Indian Air force.

(ii) **Different modules.** Various medium like print, electronic & social media are being utilized extensively to create awareness amongst the youth. Following Modules are used to give wide publicity for induction into officers' cadre of IAF:-

(aa) **Advertisements.** Advertisement for all the entries are released in Employment News, newspapers, magazines on pan India basis. Additionally, advertisement are also given in the form of TV spots in prominent TV channels and as Jingles in Radio channels. Digital media avenues are also optimally explored for giving the necessary advertisements.

(ab) **Hoardings.** As part of publicity strategy, campaigning through outdoor media is also explored. Over a period of time, Air Force has installed 256 Publicity hoardings across India towards achieving the target of viewership and maximum benefits.

(ac) **Social Media** Regular posts related to various events and national and international exercises conducted / participated by IAF are posted by MPR on twitter, YouTube, Facebook and Instagram account of IAF.

(ad) **Mobile Game Application.** IAF launched an upgraded IAF mobile game 'Indian Air Force: A Cut above' in 2019, which was a huge hit amongst the youth with more than 04 million downloads. Besides the gaming features, the app has career induction information and various other features.

(ae) **Direct Contact Programme.** Thrust on motivational lectures and one to one interaction, which is the most effective method of publicity, has been enhanced for providing guidance to students of premier and rural educational institutes, NCC cadets and Sainik Schools. Specific institutions in geographically displaced regions have been identified and motivational talks have been conducted. Such interactions migrated to virtual connect mode by optimally utilising online platforms during COVID pandemic.

(af) **Participation in Exhibitions and Fairs.** Air Force participates in various exhibitions and fairs. Publicity stalls were set up at various forums including youth festivals, career conclaves and youth related exhibitions etc. are set up from time to time for benefit of the target youth.

(ag) **Induction Publicity Exhibition Vehicle (IPEV).** There are two customized buses with information displayed about IAF and flying simulator visit various educational institute to motivate students. Eight road drives in North, East, Central and Southern parts of country have already been completed by IPEV-1.

(ah) **Facilitation Cum Publicity Pavilion (FCP).** The IAF has come up with a new concept of installing FCPs at prominent locations across the country where the footfall of the children exists to the tune of 10-20 lakh children per annum. The FCP is technologically advanced set up giving information about IAF and career opportunities thereof in a trendy, logical and appealing manner. Conceptualised on “look and feel” norm, the FCP has various features including flying simulator, touch screen kiosk, selfie points, aircraft miniature models, mannequins with flying pilot’s attire, LED displays etc. to captivate the visitors”.

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 2022-23, 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 2021-22, separately for Capital and Revenue segments alongwith projection and allocation in the BE 2022-23. The details submitted to the Committee are as follows:-

REVENUE

(Rs. in Crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2017-18	22,473.64	18,493.82	20,545.47	18,878.93	18,715.05
2018-19	23,747.75	19,571.37	24,420.58	20,795.04	20,856.23
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	23,166.05
2021-22	34,256.83	23,360.68	30,069.08	23,925.91	17,043.37
2022-23	34,701.66	25,406.42			

CAPITAL

(Rs. in Crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
2017-18	28,591.56	19,348.16	27,717.41	19,348.16	20,118.58
2018-19	35,695.41	20,848.16	30,735.65	20,890.87	21,509.60
2019-20	37,220.98	23,156.43	40,123.18	26,156.43	27,446.68
2020-21	45,268.31	26,688.28	51,769.28	37,542.88	41,666.76
2021-22	70,920.78	33,253.55	50,011.38	46,021.54	29,616.00
2022-23	67,622.96	47,590.99			

*Figures are upto December, 2021.

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 2022-23, against Revenue Head, projection of Navy was Rs. 34,701.66 crore and allocation to be made is Rs. 25,406.42 crore, so a reduction of Rs. 9295.24 crore. In case of Revised Estimates (RE) for FY 2021-22, under Revenue head, Navy's projection was Rs. 30,069.08 crore and allocation made was Rs. 23,925.91 crore. The allocation is short of demand by Rs. 6143.17 crore, However, the expenditure incurred till December 2021 was merely Rs. 17,043.37 crore.

Capital budget

3.4 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 2022-23, Navy's projection was Rs. 67,622.96 crore and allocation to be made is Rs. 47,590.99 crore. There is a deduction of Rs. 25,281.97 crore in allocation vis-a-vis demand. In RE 2021-22, the projection of Navy was Rs. 50,011.38 crore against which an allocation of Rs. 46,021.54 crore was made,

hence, Rs. 3989.84 crore short of demand. However, the expenditure in three quarters of FY 2021-22 i.e. upto December 2021 was only Rs. 29,616.00 crore.

3.5 During oral evidence, when enquired about shortfall in projected and allocated budget, a representative of the Ministry stated as under:

“If we look at the budget of Navy, Indian Navy has strived to maintain a healthy capital to revenue ratio over the years. Currently, the capital-revenue ratio is 61:39 and would increase to 68:32 in financial year 2022-23, thus contributing towards enhanced thrust for the modernisation of our Navy. Allocation of modernisation of Indian Navy under capital budget at BE stage over the last five financial years have witnessed a year-on-year increase of about 24 per cent. This has considered optimum to meet the existing committed liabilities and contract new modernisation schemes. यहां पर मैं हाइलाइट करना चाहूंगा कि नौसना के प्रोजेक्ट्स लंबी अवधि के होते हैं। चाहे वह वार शिप कंस्ट्रक्शन का प्रोजेक्ट हो या इंफ्रास्ट्रक्चर का। Therefore, assured funding for long periods is essential towards meeting contracted liabilities and new contracts.

Coming to our revenue budget, the allocation over the last five years has seen an increase of 6.78 per cent. This segment of the budget is what is used for operation, training, maintenance, repairs, and day-to-day functioning of the Navy. The shortfalls are being mitigated through rationalisation and prioritisation. Since we are a growing Navy, we look at capital allocations in accordance with our perspective plan and revenue allocations commensurate to our growth to provide longevity to our assets and maintain a functional Navy.”

“Sir, our projections were based on the requirements and plans which are the long-term integrated perspective plans. लेकिन, हमें जो एलोकेशन मिला था, उसको हमने यूटिलाइज किया है। And towards the end of the year, we got additional allocation and we were able to manage our force structure planning. So, it met our requirements. We have a long gestation period of projects. As we progress, we will be getting additional allocations.

A representative of the Ministry further apprised the Committee:

सर, आपने नेवी का वर्ष 2021-22 के बारे में जो बताया है, इनका प्रोजेक्शन कैपिटल में 70,920.78 करोड़ था। इनको काफी कम मिला था। लेकिन, हमने आर.ई के टाइम पर नेवी की जरूरत को मद्देनजर रखते हुए और पैसा एलोकेट किया है। कैपिटल में हमने सब्सटैंशियली इनका बजट बढ़ाकर 46,021,54 करोड़ किया है। आज की तारीख में कैपिटल में हमारा एक्सपेंडिचर 73 प्रतिशत और रेवेन्यू में 85 प्रतिशत तक हो चुका है। इनका जो शॉर्टफॉल था, चूंकि इनको बजट कम एलोकेट हुआ था, उसमें इन्होंने अपना एक्सपेंडिचर रैशनलाइज किया था। उसको जूडिशियस यूटिलाइजेशन किया। इनके प्रोजेक्ट्स का जो एक्सपेंडिचर है, उसको प्रॉयोरिटाइज किया। उससे इनकी काफी सेविंग हुई थी। भारत सरकार का भी एक मत था कि जो अवायडेबल एक्सपेंडिचर है, उसे कम किया जाए। इन्होंने इस पर बहुत काम किया। वह एक्सपेंडिचर कम करके इनको कहीं भी, किसी भी समय फंड्स की शॉटेज नहीं सहनी पड़ी। अभी इनके पास जो बैलेंस फंड्स पड़े हैं, जिनको अगले डेढ़ महीने में खर्च करेंगे, उसको हम पूरी तरह से यूटिलाइज कर पाएंगे। ऑपरेशनल प्रिपेयर्डनेश पर कोई असर नहीं पड़ा है।“

Budget for Modernization

3.6 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 2021-22, an amount of Rs. 31,505.54 Crore was allocated at BE stage and an additional amount of Rs. 12,636.20 Crore is allocated to Navy in RE 21-22 over BE 21-22 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 HQrs based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 28,577.84 Crore (upto December, 2021) has been incurred in FY 2021-22. Surrender, if any, will be known at the time of finalization of Modified Appropriation of current financial year 2021-22.

Details of additional requirements projected by Navy under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2020-21 and 2021-22 are as under:-

(Rs. in crore)

Year	BE Allocation	RE Projection	Additional projection made in RE over BE	RE Allocation
2020-21	24,948.28	49,863.33	24,915.05	36,032.78
2021-22	31,505.54	47,820.04	16,314.50	44,141.74

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

4. It may be seen from the table given above that Navy's allocation were increased at RE stage by Rs. 11,084.50 Crore in 2020-21 and by Rs. 12,636.20 Crore in 2021-22 over corresponding BE allocations. The additional allocation were made to cater for Committed Liabilities of Navy. Also, the allocated funds are optimally utilized towards operational activities. If required, the schemes are reprioritized to ensure that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.

(a) The modernisation of Indian Navy (IN) is an ongoing process and aims to strengthen India's maritime security. The capability development/ modernisation of the Indian Navy is being undertaken in accordance with the Long Term Integrated Perspective Plan (LTIPP) which was approved by the Defence Acquisition Council (DAC). The ongoing modernisation aims to create capabilities for accomplishing a range of missions across the entire spectrum of threats and challenges addressing rapidly shifting global and regional balances of power.

(b) The capability development/ modernisation of the Indian Navy, for the next ten years is being formulated as part of the Integrated Capability Development Plan (ICDP), which aims to prioritise and rationalise the allocation of resources/capabilities among the three services. Post promulgation, the Navy's Long Term Perspective plan would be based on the ICDP".

3.7 During oral evidence, when asked about what kind of steps taken by the Ministry in regard to Modernisation, Defence Secretary apprised as under:

“If I may just supplement, I want to say this. जैसे वाइस चीफ साहब ने कहा है कि मॉडर्नाइजेशन पर नेवी में तीन मुख्य क्षेत्रों में बहुत काम हो रहा है और आत्मनिर्भर भारत के तहत भी हो रहा है तो मैं उस बात के लिए भी नेवी को बधाई देना चाहता हूँ। एक अन्मैन्ड एरीअल व्हीकल्स हैं और दूसरा, अन्मैन्ड अंडरवाटर व्हीकल, जो छोटा सबमरीन है, लेकिन अन्मैन्ड है और तीसरा अंडरवाटर डोमेन अवेयरनेस है। आने वाले समय में जैसे स्पेस में मॉर्डन वारफेयर की इम्पोर्टेंस बढ़ रही है, उसी तरह पानी की सतह के नीचे भी इंपोर्टेंस बढ़ रही है। पहले हमारे पास उस क्षेत्र में बहुत ज्यादा क्षमता नहीं थी, लेकिन आज उस क्षेत्र में नेवी काफी काम कर रही है। इसमें बहुत सारी इंफॉर्मेशन क्लासीफाइड भी है, लेकिन ये तीन फोकस एरिया है।”

3.8 On the issue of full amount was not spent by Indian navy allocated for modernisation A representative apprise the Committee, a representative of Ministry stated as under:

“सर, हमारे कुछ कांट्रैक्ट होने हैं, जो अभी होंगे, उसमें आपने जो एमाउण्ट बताया, वह कवर हो जाएगा।

Some of our contracts are pending, and that will help us meet the amount that you have mentioned, because the percentage of our capital budget is kept towards new schemes. जो कांट्रैक्ट्स होने थे, वे कोविड वगैरह के कारण के कांट्रैक्ट कंक्लूजन नहीं हुए थे, अब वे हो जाएंगे तो वह एमाउण्ट कवर हो जाएगा

यह 3000 करोड़ रुपये की जो फिगर है, उसे न्यू स्कीम्स के तहत रखा गया है, वह कैश आउटगो बेसिस पर रखा गया है, न कि टोटल सैंक्शन बेसिस पर। जैसे ही कोई कांट्रैक्ट होता है, उसकी एडवांस पेमेंट दी जाती है। इनके जो प्रोजेक्ट्स पाइपलाइन में हैं, वे सैंक्शन होंगे तो यह एमाउण्ट खर्च हो जाएगा। इसमें जो पुरानी कमिटेड लायबिल्टी है, पुराने कांट्रैक्ट्स हैं, कई कांट्रैक्ट्स लम्बे समय तक चलते रहते हैं, जैसे-जैसे उनमें डिलीवरी होती है, उसके लिए पेमेंट होती रहती है। यह इतना सैक्रोसैंक्ट नहीं है कि 3000 करोड़ रुपये न्यू स्कीम से ही खर्च करना है, अगर पुरानी लायबिल्टी से भी ज्यादा डिलीवरी होती है तो उस मद में भी यह पैसा खर्च हो जाता है।”

Indigenisation

3.9 “The Status of Outlay spent on indigenous acquisitions during the respective periods are as mentioned below:-

- (i) Year **2021-22** :Rs. 16795.36 Cr as on **19 Jan 22**.
- (ii) Year **2020-21** :Rs. 23047.51 Cr.

On the issue of funds dedicated for acquisition from indigenous sources during the year 2022-23, the Ministry in its written replies stated as under:

“Yes. 70% of funds (about Rs 28,000 Cr), allotted for Modernisation, has been earmarked for acquisition from indigenous sources during the year 2022-23”.

3.10 On the issue, amount spent by Indian Navy on indigenisation. A representative of the Ministry apprised the Committee as under:

“सर, भारतीय नौसेना सेल्फ रिलाइंस और इंडिजनाइजेशन के लिए वचनबद्ध है। सन् 1960 में हमारा सबसे पहला जहाज इंडिया में बनाया गया था और हमने प्रेजेंटेशन में भी बताया है कि हमने तब से 130 जहाज भारत में बनाए हैं और आज के दिन 37 out of 39 ships and submarines are being constructed in Indian shipyards. इन एडिशन हमें 41 शिप्स और सबमरीन्स के जो ए-वन मिले हैं, वे सब भारत में बनाए जाएंगे। यह तो हमने आत्मनिर्भरता के लिए जो कार्य कर रहे हैं, उसे बताया है। हमारे शिप्स में स्टील फ्लॉट मूव वाला कॉन्सेप्ट है, जिसको हम सबसे ज्यादा भारत में ही बनाते हैं। हमने लॉग टर्म इंटीग्रेटेड प्रोस्पेक्टिव प्लान वर्ष 2012 से वर्ष 2027 का बनाया था, जिसमें हमने प्लान बनाया था कि हमें क्या कैपेबिलिटी चाहिए। We had planned what is the role and mission the nation will task the Navy in 2027. We made it 2012. We planned our modernisation in that manner which involved aircraft carrier, ships, submarines and various weapon systems and other systems which will modernise the Navy to meet the challenges on the role and mission which the nation will task us based on the threats, which are emerging. So, accordingly we made our plans. We made our plans according to the affordability also. Now, as we are moving ahead, in an integrated manner, with the HQ-IDS, and DMA. We are looking at the Integrated Capability Development Plan, together with the Army, Navy and Air Force, which is being made for the next ten years, which builds our capability to again meet our

requirements. इसमें हमारा बहुत प्रोग्रेस है। हमने 15 साल पहले साइंस एंड टेक्नोलॉजी रोडमैप बनाया था। Science and Technology roadmap means what sort of weapon systems and sensors we need and that we shared with the CII, FICCI and DRDO so that there could be some indigenous development. Recently, we made an unmanned roadmap. We are progressing towards the unmanned world and unmanned platforms, whether it is UAVs, drones or underwater UUVs. यह मैप हमने अगले 10 सालों के लिए बनाया है। हमें उसमें जो टेक्नोलॉजी चाहिए, उसे हम इंडस्ट्रीज़ के साथ शेयर कर रहे हैं और वे उसको बना रहे हैं। जैसा बताया गया है कि हमारी शिप बिल्डिंग इंडस्ट्री के कारण एक शिप बिल्डिंग जॉब की तुलना में ऐन्सलेरी इंडस्ट्री में 6.4 जॉब्स क्रिएट होती हैं।“

He further added that:

“सर, अभी हमने यह काम किया है, for example, we have got a quadcopter in terms of modernisation. यह एक कैपेबिलिटी है, जिसे हमने एमएसएमईज़ के साथ मिलकर तैयार की है।“

“भारतीय नौसेना गवर्नमेंट के आत्मनिर्भर भारत अभियान में सदैव आगे रहा है। इंडीजेनस शिप बिल्डिंग प्रोग्राम की तरफ पूरी तरह कमिटेड हैं और अब तक हमने 130 जहाज भारतीय शिपयार्ड में बनाए हैं। हमारा पूरा फोकस इंडिजनाइजेशन पर रहा है। अगले पांच से सात साल में लगभग 70 परसेंट होगा और अगले 10-15 साल में बढ़कर 80 परसेंट तक जाएगा।

I would like to highlight that a substantial part of the Naval Budget is ploughed back into the Indian shipbuilding ecosystem, including a large number of MSMEs. शिप बिल्डिंग एक मैनपावर इंटेसिव इंडस्ट्री है।

शिप बिल्डिंग एक मैन पावर इंटेसिव इंडस्ट्री है। The efforts of Indian Navy aid in generation of job opportunities and enable skilling of workforce. As per KPMG, the multiplier for employment in ancillary industry for ship building is 1:6.4. As an example, the total shipyard manpower for Project-17 Alpha, which is the follow on of the Shivalik-class, is over 4,000 persons per year. Thus approximately, 28,000 personnel are employed in ancillary industry just for this one project alone.

Among the contracts concluded, 37 out of the 39 ships and submarines are being constructed indigenously in Indian shipyards. We have also contracted for 12 Dornier aircraft, 16 Advance Light Helicopters, and 8 Chetak helicopters from HAL. In addition, acceptance of necessity has been accorded for 41 ships

and 6 submarines which are at various stages of acquisition process. All these ships will be manufactured in India”.

Planning and Procurement

3.11 A written note was furnished regarding Details of Acquisition planned by *IN* for the year 2022-23, is as tabulated below:-

Ser	Scheme/ Nomenclature
1.	Next Generation Missile Vessels (NGMVs)
2.	Fleet Support Ship (FSS)
3.	High Altitude Long Endurance (HALE) Remotely Piloted Aircraft System (RPAS)
4.	Medium Altitude Long Endurance (MALE)RPAs
5.	Multi Role Carrier Borne Fighters (MRCBF)
6.	Indigenous Aircraft Carrier-2
7.	Next Generation Fast Attack Craft (NGFAC)
8.	Next Generation Corvettes(NGC)
9.	Next Generation Destroyers (NGD)
10.	National Hospital Ship
11.	Next Generation Fast Interceptor Craft
12.	EW System
13.	GISAT 2 Satellite
14.	Extra Large Unmanned Underwater Vehicle (XLUUV)
15.	Anti-Ship Missiles - consolidated case for requirements up to 2030
16.	Medium Range Anti-ship Missile System, Simulator and Missiles alongwith stowage and maintenance
17.	MR SAM Missiles for new Destroyers, Frigates and Corvettes

Ser	Scheme/ Nomenclature
18.	Vertical Launched Missiles for new Frigates
19.	Vertical Launched Missiles for existing ships
20.	Next Generation Survey Vessel (NGSV)
21.	High Endurance Autonomous Underwater Vehicles (AUVs)

3.12 Ministry was asked to furnish the details of the outlay planned to be spent for the modernisation of Navy along with the details of the projects/ programmes planned for the remaining period of LTIPP 2012-27, the Ministry in its written replies stated as under:

“Indian Navy (IN) has been allotted Rs. 45,250 crore under BE (Modernisation) in FY 2022-23. Considering a 10% year on year growth, *IN* is likely to be allotted Rs. 2,76,256 cr by FY2026-27 for modernisation.

The present total committed liabilities of *IN* is Rs. 1,20,890 crore. Modernisation schemes for Rs. 1,99,252.70 (Part A of AAP) and Rs. 2,50,571.53 (Part B of AAP) are being progressed for contract conclusion over the next five years”.

3.13 Ministry was asked to provide the sanctioned and existing number of vessels, planes and helicopters in Navy, the Ministry in its written replies submitted as under:

1. The capability development/ modernisation of the Indian Navy is being undertaken in accordance with the Long Term Integrated Perspective Plan (LTIPP) which was approved by the DAC on 02 Apr 12.

2. **Ships and Submarines.** The present Force level of IN includes more than 130 ships & submarines and over 230 aircraft. To augment the surface force levels, 37 ships & submarines are under construction at various shipyards. In addition, AoN also exists for 43 ships, and 111 Naval Utility Helicopters (SP Model) to be built indigenously. Four out of six, Scorpene class submarines have been inducted into the IN. The remaining two submarines are undergoing trials/ under various phases of construction at M/s MDL, Mumbai. RFP for construction of six conventional submarines under project 75(I) SP model was issued on 20 Jul 21 post approval of DAC on 04 Jun 21.

3. **Aircraft.** IN has concluded contract with HAL to deliver 36 aircraft comprising 12 Dorniers, 16 ALH and Eight Chetaks and delivery of these aircraft are being progressed as per contractual timelines. In addition, three out of four additional P8Is contracted have been delivered in Sep 21 and the fourth P8I is scheduled to be delivered by end Jan 22. 24 MRH contracted in early 2020 are scheduled for delivery in India from 2022 onward. Further, AoN exists for procurement of additional six P8I, six Kamov 31 and 111 Naval Utility Helicopters (under SP model). In order to keep pace with technology wrt unmanned aerial assets, case for procurement of ten Naval Ship-borne Unmanned Aerial Systems (NSUAS) is under contract conclusion stage and a case for procurement of 10 HALE RPAs is being progressed for accord of AoN.

MANPOWER

3.14 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:

(a) **Officers.** The status of officers' manpower as on **31 Dec 21 (excluding Medical and Dental officers)** is as follows:-

Year	Sanctioned Strength	Borne Strength	Shortages	% Short
2021 (31Dec)	11726	10169	1557	13.3

(b) **Sailors.** The status of sailors' manpower as on **31 Dec 21** is as follows:-

Year	Sanctioned Strength	Borne Strength	Shortages	% Short
2021 (31 Dec)	75409	63700	11709	15.53

“No, Sir. We are getting enough volunteers. But as you may understand it that we are growing Navy. Therefore, we have to add platforms and other things. Therefore, there is a little shortfall which we are meeting. We are continuously recruiting and inducting. So, that shortfall is reducing as we go ahead.”

“सर, इसके लिए हमने बहुत सारी पब्लिसिटी भी की है, जानकारी भी दी है। ‘ज्वाइन इंडियन नेवी’ और ‘ओशियन ऑफ अपॉर्चुनिटीज’ वाला पब्लिकेशन है। अभी हमारे पास जितने सेलर्स ऑफ ऑफिसर्स आ रहे हैं। We are getting enough applicants from all over the country. In the selection process, we are able to fill up our vacancies. We are building up our training capacity also. Infrastructure is also being built, so that we increase our training capacity to be able to meet this shortfall.

Further, a representative of the Navy added that:

It is a progressive thing. Now, we have plans of getting our ships commissioned. So, the ship commissioning may take up to three to four years, and from the time a sailor officer joins, for an officer, it takes four years after the training to be available for deployment because after that, he also does some practical training. So, after five years, he gets deployable. In the same way, it takes one and a half year for a sailor to get deployable. Since we are looking at future thing, so it is a chain process. A bit of shortage will always be seen because we are slowly building up, so that by the time our ships are available and other infrastructure comes up, these people are available for deployment.

The other thing which I would say is that 60 to 70 per cent Navy sailors, as of now, are coming from non-coastal States like Haryana, Punjab, Rajasthan, Bihar, Madhya Pradesh, and not from Kerala, which you would like to appreciate.

Operational Preparedness

3.15 During the oral evidence, on the issue of preparedness as well as the threat perception from various other countries, a representative of Indian Navy submitted as under:

“सर, हमारा फॉरेन को-ऑपरेशन और इंटरैक्शन विद द नेवरहूड नेवीज और हमारी जो नेवरहूड फर्स्ट पॉलिसी है, उसमें हमने इंडियन ओशन रीजन के सभी नेवर्स के साथ क्लोज्जली इंटरैक्ट करते हैं। हमारी रेगुलर एक्सरसाइजेज होती हैं। जैसे- श्रीलंका, बांग्लादेश, मालदीव इन सभी देशों के साथ हमारे क्लोज्ज इंटरैक्शन हैं। इंफ्रास्ट्रक्चरवाइज जो आप बोल रहे हैं, वह सही है कि चाइना ने कुछ पोर्ट्स में इन्वेस्ट किया है, but where it comes to training and where it comes to capacity and capability building, उसमें हमारी नेवी और उनके साथ बहुत योगदान रहा है। उसमें मिनिस्ट्री ने भी हमें बहुत सहयोग दिया है, जिसके कारण हम उनके साथ इंटरैक्ट कर सकते हैं। हम क्लोज्जली उनको सपोर्ट करते हैं। उसके कारण हमारा इतना क्लोज्ज इंटरैक्शन इतना है।

उदाहरण के लिए, श्रीलंका के साथ हमारा एक कोलंबो सिक्योरिटी कन्क्लेव है, जिसमें इंडिया, मालदीव और श्रीलंका एक साथ काम कर रहे हैं। हम कुछ फोकस्ड ऑपरेशन्स भी करते हैं। कुछ भी जरूरत पड़ती है, तो श्रीलंका में हमारा डोनियर जाता है। हमारी शिप्स भी उधर जाती हैं। उसके कारण उनकी डिपेंडेबिलिटी हमारी तरफ है।“

Future road map

3.16 On the issue of future roadmap to defend the Indian Ocean, a representative of Indian Navy, submitted as under:

“When we talk about China, we also have to understand that its coastline is 18,000 kms and it has other adversaries also. So, the number of assets that she can bring into the Indian Ocean is much lesser. Unlike the land boundary or air boundary that you may have, our maritime domain is global common. So, we cannot really stop her from coming into our region. But what we are doing is that we are building a capacity to match the assets that she can bring into our waters. If she is able to bring in submarines, we are improving our capacity to have anti-submarine warfare capability enhanced so that we can detect her submarines. We have our air surveillance and surveillance aircraft which can carry out anti-submarine warfare and also carry out anti-underwater surveillance by dropping sonobuoys, etc. So, we are building our capacity to ensure that whatever capacity she can bring into our region, we have all those capabilities to counter that. That is what we are doing.

Regarding the other question, they had the affinity to bring in China to help them in their growth, I would like to submit that we are also engaging the same nations and building their capability by having a lot of training for their defence personnel in our country and building our relationships in such a manner that when it comes to having a say in matters of the country, all these initiatives that we are taking will help our cause. That is what I wanted to add.

The basic advantage is our geography in the Indian Ocean. We are utilising that.”

CHAPTER IV

JOINT STAFF

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 witnessed expansion ever since its formation.

4.4 For examination of the Demands for Grants of Joint Staff for the year 2022-23, 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 2021-22, along with projection and allocation in the BE 2022-23. The details submitted to the Committee are as follows:-

(Rs. in crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	3,565.12
2021-22	6,251.11	4,543.04	4,684.83	4,146.26	2,504.49*
2022-23	5,473.28	4,462.35			

*Figures are upto December, 2021

Note: RE 21-22 and BE 22-23 figures are subject to approval of the Parliament.

4.3 At the time of examination of Demands for Grants 2022-23, the Committee raised the issue regarding wide gap between allocated budget and expenditure by the Joint Staff during 2021-22. On this point, a representative of Ministry of Defence replied as under:

“सर, हमारा इस साल जो एक्सपेंडिचर था, उसमें कोविड के कारण इन्फ्रास्ट्रक्चर डेवलपमेंट थोड़ा हिट हुआ है। So, our pace of expenditure and milestone payments could not be achieved. This is the reason that our expenditure for this year has been

less till now. We are trying to catch up to see how much better we can do from today onwards.”

In this regard a representative of the Ministry of Defence further added:

“सर, हम आपको बताना चाहेंगे कि अभी डेढ़ महीना बचा हुआ है, आज की तारीख में जॉइंट स्टाफ का रेवेन्यू एक्सपेंडिचर 80 प्रतिशत तक खर्च कर चुके हैं और कैपिटल साइड में 70 प्रतिशत हुआ है। हमारी पूरी कोशिश रहेगी कि जो फण्ड्स हमें हाल ही में दिए गए हैं, वे फुली यूटिलाइज्ड हों।“

4.4 Details of additional requirements projected under Revenue and Capital Heads in respect of Joint Staff at RE 21-22 stage was furnished to the Committee as tabulated below:

	(Rs. in crore)		
	Revenue	Capital	Total
BE Allocation	3,339.51	1,203.53	4,543.04
RE Projection	3,713.31	971.52	4,684.83
Additional amount sought in RE	373.80	-232.01	141.79
RE Allocation	3,174.74	971.52	4,146.26

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

In first supplementary, Jt. Staff had sought: Rs. 120 Crore under Revenue Head in the FY 2021-22. In second supplementary, Jt. Staff had sought: Rs. 198.12 Crore under Revenue Head in the FY 2021-22. No additional funds had been sought in first and second supplementary under Capital Head. No additional allocation has been received in first supplementary, however, an additional allocation of Rs. 50 Crore has been received in second supplementary under Revenue Head.

The allocations made above at RE stage were based on pace of expenditure, critical requirement of other Services and overall resource envelope available. It may be added that the allocated funds are optimally utilized towards operational activities. If required, the schemes are reprioritized to ensure that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.

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 advice and execute military infrastructure works not only for Army, Air Force, Navy, but also for Coast Guard, Defence Estates, Defence Accounts Department and Directorate Ordnance Coordination and maintenance. MES takes care of the design, estimation, contracting and construction apart from entire maintenance of infrastructure. Their work includes runways, marine structures, ammunition storage, sewage, etc.

5.2 The Committee also learnt 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. This is done through the Annual Major Work Programmes (AMWP) approved by the Ministry of Defence.

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 current Financial Year 2021-22:

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

(Rs in crore)

<u>Financial Year</u>	<u>Combined State</u>		
	<u>Projection</u>	<u>Allocated</u>	<u>Utilised</u>
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	16889.96
2021-22*	23363.77	19903.97	12268.80
* As on 31Dec 2021.			

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

(Rs in crore)

<u>Financial 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>
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	8833.13	6604.51#	13476.20	10362.13	10285.45
2021-22**	9450.72	9137	5876	13913.05	11364	7740

*Low utilization with respect to Navy works only.

** As on 31 January, 2022.

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

5.6 As the statement regarding BE and the amount allocated for the year 2022-23 was not furnished to the Committee in the written replies, a representative of the Ministry apprised the Committee elaborating the budgetary allocations as under:-

“The AMWP ceiling is what we get over the years and there has been a quantum jump for 2022-23 going up to Rs. 11000 crore out of which Rs. 8404 crore are already been listed and approved for 2022-23.

5.7 With regard to full utilization of funds during 2021-22, the Committee were apprised as under:

“As regards, 2021-22, Rs. 7781 crore, we will be utilizing this entire ceiling this year. Generally, a ratio of 45 per cent to 55 per cent is capital and 55 per cent is revenue and within that revenue, 55 per cent, a majority is going for capital maintenance like for infrastructure. In 2020-21, we have about Rs. 9000 plus and we have been able to spent the entire amount by the end of the financial year.”

5.8 Explaining the reasons for shortfall in the utilization of budget in 2021-22, the Committee were informed during the evidence as under:

“In 2021, because of the COVID, we had a shortfall in utilised Budget for Capital in 2021. But again, we have picked up pace and taken certain measures. The labour camps have been set up in all the Military establishments across the country. The quarantine facilities have been set up for the labourers. What we saw during the second and third wave is that the labourers are now no longer going back. This year, we are sure that we will be able to utilise the entire Capital Budget.”

5.9 When the Ministry was inquired about the cut/compromises made due to reduction in the projected amount in the budget, it was informed by a representative of the Ministry during evidence as under:

“Sir, our projections are always higher. As the Vice Chief and the Deputy Chief has stated earlier, overall, it depends upon the competing demands for capital acquisition and other than capital acquisition works of firstly the three Services, and thereafter, the Army. But this does not impact our strategic works and the priority works. So, if there is any shortfall of this nature, we realign our lower priority works. But the priority works, which are required

especially round the northern borders, which has seen a huge jump, are taken care of.”

5.10 When asked about the details of additional allocation sought by the MES and actually provided funds 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)

Ser No	Financial Year	Additional Allotment Sought	Additional Allotment Provided
(a)	2017-18	3616.59	643.71
(b)	2018-19	6173.12	1504.29
(c)	2019-20	5172.37	1411.06
(d)	2020-21	NIL	NIL
(e)	2021-22	NIL	NIL

5.11 Clarifying the stand of the Ministry regarding additional allocations sought and received the Committee were apprised as follows during evidence:

“We got the additional amount at the RE stage. Again, like we said, it is a competing thing within the three Services and then within the Army. As regards 2020-21, we did not seek any additional allotment at the RE stage primarily because of the COVID situation. The enhanced allotment which we have got this year is up to the tune of Rs.9,000 crore.”

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

5.12 Asked to state the areas where compromises have been made or likely to be made due to reduced budgetary allocations, in the current and ensuing Financial Years, 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-prioritisation 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 reprioritized. In addition, 25 CCS works of 11th plan (Development of Infrastructure in Eastern Command) amounting to approximately Rs 2397.14 Cr were reprioritized for sanction.
- (ii) **Air Force.** 57 works worth Rs 2263.71 Cr were re-prioritised.
- (ii) **Navy.** Nil.'

Liabilities

5.13 To a pointed query on the ability of MES to achieve its construction targets as per the established standard and schedule, the Ministry of Defence through a written reply, intimated the Committee as under:

“Yes, construction targets are fixed on a yearly basis. These are monitored as part of performance parameters for the executives on ground.

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 generally ranges from 99% to 100%.”

5.14 Regarding Financial liabilities and the works pending with MES, it was informed to the Committee as under:

‘MES is responsible for planning and execution of construction works under AMWP, Non- AMWP, ATWP and Special Projects. The approval for listing and ceiling of construction works pertaining to Armed Forces is accorded by MoD. Certain Special Projects are also sanctioned by the CCS and execution of these projects is also a part of the charter of MES. Once Administrative Approvals are accorded, the works are taken up for construction design and tender action before execution. Year-wise details of financial liabilities in respect of all ongoing works during the last five years are as follows:-

(Rs in crore)		
S. No	Date as on	Liabilities (Amount in crore)
(a)	01 Apr 17	33034
(b)	01 Apr 18	37534
(c)	01 Apr 19	29969
(d)	01 Apr 20	30197
(e)	01 Apr 21	30244

5.15 The Committee during evidence were informed intimated on reducing the cost in order to decrease the liabilities as under:

“सर, आप देखेंगे कि यह 1 अप्रैल, 2018 को 37500 करोड़ रुपये था और on 1st April, 2019, we were down to Rs. 29,900 crore. हमने लगभग 7500 करोड़ रुपये की लायबिल्टीज कम कर दी थीं। उसके बाद हम उसी फिगर में हैं because in spite of COVID, we have not let our liabilities go up.

Secondly, जैसा मैंने बताया है, इस साल हम लोग ईपीसी मेथडॉलजी इंट्रोड्यूस की है, जिससे हमारी काम करने की क्षमता काफी बढ़ गई है। आप इस साल और अगले साल में देखेंगे कि हमारी लायबिल्टीज कम हो जाएंगी। कई जगहों पर लगभग 6500 करोड़ रुपये के हमारे काम ऐसे हैं, जिनमें फॉरेस्ट क्लियरेंस और लैंड एक्वीजिशन इनवाल्ड है। वह थोड़ा टाइम कंज्यूमिंग एफर्ट है, लेकिन अभी हमने उसमें मिनिस्ट्री ऑफ एनवायरनमेंट और स्टेकहोल्डर्स के साथ काफी कंसंट्रेटेड एफर्ट्स लगाए हैं। इसलिए आने वाले साल में और उसके बाद ये लायबिल्टीज काफी कम हो जाएंगी।”

5.16 In this regard, the Committee were further apprised that :

“Liabilities, generally in any construction project, should be approximately one-third. Your budget utilization should be one-third because they keep on adding and doing it. So, at Rs.30,000 crore, we should be able to spend Rs.10,000 crore or maybe, a little more, say, Rs.11,000 crore or Rs.12,000 crore. So, if you see, like this year, on account of capital alone, we got about Rs.9,200 crore. So, with this and with the EPC methodologies and other fast track procedures which we have put in and with the incentives which have been given to the contractors and the ease of business, we will definitely be able to reduce it. Next year, we will definitely get a jump. So, if you take the total amount of Rs.30,000 crore and one-third of that, that is, Rs.10,000 crore, that is what we are intending to reach.”

5.17 The Ministry further apprised the Committee through written submission that in order to reduce the liabilities, following actions have been initiated:-

“Ceiling holiday was observed by Army in the Financial Year 2018-19 wherein only Rs 198 crore worth of new capital works were sanctioned. Thereafter, ceiling restrictions were imposed on all three Services for three years starting from the financial year 2019-20 onwards.

Reprioritization of certain sanctioned works was undertaken which were yet to be tendered.”

5.18 The Committee came across the fact that the proposal for optimization of more than 9,300 posts in the basic and industrial work force of Military Engineering Services has been approved. When the Committee were informed enquired about the present status of this proposal, the Committee were informed:

“Yes, the proposal has been implemented. This was done to optimise the utilisation of the staff without affecting the overall efficiency of the organisation. Also, to maintain efficiency and to ensure that works do not suffer, outsourcing is being resorted to wherever required.”

5.19 During the course of evidence, the Committee were apprised of the initiatives which were recently implemented by the MES. This included Solar Photovoltaic Projects (SPV) and LED-isation. The Committee were informed that “a drive was taken with the Ministry of Power to get a special electricity State for the Armed Forces which is now under implementation by some states. To cut down the electricity cost and tariffs, the energy exchange programme has been instituted at various stations.”

CHAPTER VI

EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)

The Committee find 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 Committee have been intimated that 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 Personnel. There are 30 Regional Centres, 427 ECHS Polyclinics and 3080 empanelled Private Health Care Organizations for providing treatment. ECHS has membership of approximately 55 lakhs including veterans and their dependants. 353 out of 748 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.

6.4 The Ministry apprised the Committee of the categorization of ECHS Polyclinics as under:

“Polyclinics are categorized as Type A to E based on the number of ESM residing in the area. Approximately 55 lakh beneficiaries including ESM and their dependents are presently availing ECHS benefits. Authorisation of contractual manpower and infrastructure is based on the category of the Polyclinic. Manpower optimization from within the authorised vacancies is being undertaken to enable efficient services in the Polyclinics. Keeping in view future requirements, a Pan India Proposal comprising the following facets is under consideration:-

- (a) New construction - 102 Polyclinics (17 Polyclinics on priority).
- (b) Upgradation - 46 Polyclinics.
- (c) Downgradation - 187 Polyclinics.
- (d) Merger - 22 Polyclinics (08 in Ph I and 14 in Ph 2).
- (e) Enhancement of Manpower in ECHS.

Budget 2022-23

6.5 The details of projections, allocation and expenditure by ECHS for the last five years along with projections for 2022-23 are as follows:

Financial Year	Proj		BE (Budget Estimate)	RE (Revised Estimate)	MA (Modified Appropriation)	Actual Expenditure
	BE	RE/MA				
2017-18	4260.00	4487.12	2911.50	3916.86	3928.70	3864.47
2018-19	4686.00	4686.00	3223.76	3198.02	3198.02	3223.55
2019-20	5733.50	6781.26	3281.26	4872.29	5199.21	5193.60
2020-21	6892.00	6054.43	3301.98	4451.98	5321.28	4579.63
2021-22	5643.62	5112.51	3332.51	4412.51	Not yet allotted	3882.20 (as on 31.01.2022)

Projection and Allocation of Funds at BE 2022-23 (Amt In Rs Crs)		
FY	Proj	BE Allocation
2022-23	5417.16	3583

6.6 The Ministry furnished the following information to the Committee about the additional financial sources extended to ECHS by the Ministry of Defence for current pandemic management:

“No additional financial resources have been specifically extended to ECHS over and above the projection for the current pandemic management.

The allocation at BE Stage for FY 2021-22 was Rs 3332.51 Crs. This has been revised on account of Additional fund allotment on 17.01.2022 to Rs 4412.51 Crs. Additional funds of around Rs 550 Crores has been demanded for allocation at Modified Appropriation (MA) stage.”

Authorized and actual manpower for ECHS Polyclinics

6.7 The details of authorized and actual manpower at ECHS Polyclinics as informed to the Committee are as under:

Ser No	Contractual Posts *	Type of Polyclinic					Total Sanctioned Posts	Filled up	Vacant In Central Pool
		A	B	C	D	E			
1.	Medical Officer	6	3	2	2	1	955	992	0
2.	Medical Specialist	2	2	1	-	-	200	140	23
3.	Dental Officer	2	2	1	1	-	471	424	47
4.	Gynecologist	1	1	-	-	-	61	57	4
5.	Radiologist	1	1	-	-	-	61	4	57
6.	Officer-in-Charge	1	1	1	1	-	410	410	0
A	Total Officers	13	10	5	4	1	2158	2027	131
B	Para Medical Staff	10	10	7	5	1	2528	2363	05
C	Non-Medical Staff	6	6	5	5	1	2128	1577	11
	Grand Total	29	26	17	14	3	6814	5967	147

6.8 The Ministry, further clarified the status of manpower in ECHS polyclinics as under:

“Para medical Staff includes Radiographer, Lab Technician, Lab Assistant, Pharmacist, Nursing Assistant, Dental Assistant, Tech, Hygienist. Non Medical staff includes Driver, Chowkidar, Female Attendant, Peon, Safaiwala. 700 vacancies have been optimised as IT network Tech, Data Entry Operators and clerks, Receptionist and storekeeper 37 Medical Specialists employed as Medical Officers. 47 vacancies of Dental Officers not filled due to current low footfall. 84 vacancies of Medical Specialist, Gynecologist and Radiologist not filled due to non-availability in the area. 10 vacancies of drivers not filled due to non-availability of Mobile Medical unit and 6 vacancies retained for emergency allocation.”

6.9 The Ministry, in pursuance of the earlier recommendations of the Committee regarding filling up of vacancies of Radiologists, informed the Committee as under in a written submission:

“Directions of the Standing Committee on Defence have been conveyed to all Command HQ to undertake all necessary efforts to hire Radiologists and liaise with super specialty institutions to solicit interest of willing candidates. However, 57 vacancies of Radiologists still remained un-requisitioned.”

6.10 The Committee were also informed about enhancing the contractual manpower in ECHS Polyclinics by the Ministry that a proposal, among others, under the Pan India Proposal to enhance the contractual manpower from current 6814 to 12301 is under process.

ECHS dealing with Covid-19 Situation

6.11 On being asked about managing the increased number of beneficiaries at the time of hike in Covid-19 cases in the country in terms of manpower deployment, the Ministry submitted as under:

“As a special measure, MoD sanctioned 255 additional vacancies (over and above auth 6814 vacancies) of Medical Officers, Nursing Assistants, Pharmacists, Ambulance Drivers and Chowkidars for high pressure Polyclinics across India in the second wave of COVID Pandemic to address the increased footfall.

The augmented manpower was considered adequate to deal with COVID Pandemic.”

6.12 Regarding steps taken by the Ministry to deal with the third outbreak of Covid-19 in the country, the Ministry apprised the Committee as under:

“Certain pro-active measures taken by ECHS to beat the COVID-19 Pandemic are as under:-

- (i) Special sanction in view of COVID-19 for reimbursement of medicines Issued upto 30 Apr 2022.
- (ii) Home service of lab sample collection for investigation.
- (iii) Home isolation package and reimbursement during COVID-19.
- (iv) Guideline for COVID-19 vaccination of children between 15-18 years and precautionary dose for HCWs, FLWs and 60+ population with co-morbidities issued on 14 Jan 2022.
- (v) Additional oxygen concentrators have been issued to all Polyclinics.
- (vi) Facility of online uploading of individual claim for reimbursement has been introduced.
- (vii) Online referral to other stations has been made simpler and hassle free.

ECHS in far flung areas

6.13 On being asked about the steps taken by Ministry to increase the out reach of ECHS in far-flung areas, the Ministry forwarded the following information:

“Under the ECHS scheme, there is a provision for having 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) @ Rs 1000 per month has been granted to all ECHS beneficiaries who are residing in far flung areas where Polyclinics are not available.”

6.14 On the question of contemplating the facilities of mobile ECHS Polyclinics, the Ministry submitted as under:

“There are 17 Mobile Polyclinics existing in the country presently. Order for MMUs for these Mobile Polyclinics has already been placed by the MGS Branch. These Mobile Polyclinics offer Medical Services to all beneficiaries including women & children. Facility of online Tele-consultation is proposed to be commenced from Financial Year 2022-23.”

Other Relevant Issues

6.15 During the Course of evidence an issue was raised by the Committee regarding extension of Armed Forces Medical Services facilities to the ECHS beneficiaries. In this connection, the Committee were apprised that despite having empty beds and idle manpower of Doctor, Nurses and other paramedics, these hospitals are not willing to take ECHS patients due to non payment of ECHS.

6.16 Another issue was raised by the Committee related to appointment of non-medical officers too as Office-in-Charge (OIC) of ECHS Polyclinics during the course of evidence of the Ministry of Defence. A representative of the Ministry in this regard deposed before the Committee as under:

“In this regard, I would like to state that medical officers can be appointed as OIC, Polyclinics when all the vacancies of the medical officers have already been filled in all the polyclinics. If there are deficiencies in the medical

officers, first they are filled and thereafter, the vacancies are filled up by the OIC, Polyclinics.”

6.17 An issue regarding denial of treatment by Private Empanelled Hospitals in ECHS, was also raised by the Members of the Committee during the course of evidence. In this regard a representative of the Ministry apprised the Committee as under:-

“सर, अगर कोई भी प्राइवेट एम्पैनल्ड हॉस्पिटल कैसलेश ट्रीटमेंट नहीं करता है तो एक्स-सर्विसमेन वहां शिकायत कर सकते हैं। वहां इनका लोकल रीजनल ऑफिस भी है।”

He further elaborated the issue by submitting as under:

“... बेसिकली अगर बजट फ्रीली फ्लो जाता तो कोई प्रॉब्लम नहीं है, लेकिन एमाउण्ट में थोड़ा सा प्रॉब्लम होती है, इसलिए यह स्थिति है।”

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.

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 (in Rs Crore)	Budget Allocated/Utilised (in Rs Crore)
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	329.36
2021-22	Budget Projected under BE: 137.68 Revised Budget Projected under RE: 300.00	300.00
2022-23	170.87	To be allocated by DGFP

7.3 During examination of Demand for Grants 2022-23, the Ministry, through a Power Point presentation before the Committee submitted the following information::

“Budgets for the Sainik Schools are provided by the Central Government and States. This year, 2021, the Central Government share has been Rs.319 crore whereas the States have funded Rs.102 crore. The total being Rs.422 crore. It is observed that the funds provided by the States have slightly become irregular in the past few years and the Sainik School Society and the schools are engaging with the State Governments to improve the situation.

The RE for 2021-22 is on the slides. The total of Rs.280 crore, the break down is shown; scholarship – Rs.29crore; training grants Rs.4 crore; grant for infrastructure development and modernisation – Rs.15 crore; and one-time special infrastructure grant of Rs.128 crore which were identified by a Board of Officers which was specially created to identify special projects for modernisation, improvement in the facilities. Other components of the budget are – grant in aid for excellence in one sport. Each Sainik School has identified one sport to achieve excellence. There is plan to provide Rs.32 crore to schools for improvement of infrastructure.

The Central Government also provides additionality components due to the implementation of the sixth and seventh Central Pay Commission recommendation for the employees of the Sainik Schools. The additional component is being provided by the Ministry which turns out to be Rs.72 crore. The budget projection for the next few years 2022-23, scholarship, training grants, grant for infrastructure development and modernisation, grant in aid for excellence in one sport per school and additionality due to implementation of sixth and seventh CPC, the total being Rs.170 crore”.

7.4 In 2020-21, there is an increase in RE projection to Rs. 217.44 crore,while Rs. 329.36 crore was allocated. A representative of Ministry of Defence submitted as under during the oral evidence:

“In 2020-21, for the first time we could manage with the support of the Defence secretary. The budget was enhanced for the Sainik Schools for long-pending clearances of all schools and infrastructure development, etc. So, 2020-21, we could get Rs.329 crore around allocation, out of which we could spend Rs.319 crore, which included Rs.100 crore for development of girls’ hostels in all 33 SainikSchools, and to accommodate the freshly admitted girl cadets and to create dedicated facilities for them.”

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:-

“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 is as under:-

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

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 Role/Responsibilities of Central Government(Ministry of Defence):-

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.

7.6 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 Lakhs 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”.

7.7 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)

	2018-19	2019-20		2020-21
Central Govt. Share	8421.99	4039.93		31938.29
State Govt. Share	12620.83	11899.53		10270.99
Total	21042.82	15939.46		42209.28

Challenges and constraints faced by Sainik Schools

7.8 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 here under:

“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:** Prior to implement of revision of VIth CPC, most of the Sainik Schools were self sustaining. However, post implementation of VIth CPC and VIIth CPC pay scales, Sainik Schools were facing certain fund constraints especially related to payment of additionality. However, with the support from DGFP/Ministry of Defence(Fin) the Sainik Schools Society is able to overcome these limitations 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 also 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.
- (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.

- (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, there has no concomitant increase in Officers from AEC who tenate the post of Principal, Vice Principal and Admin Officer. 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.”

7.9 On the issue of complaints received regarding inadequate infrastructure, shortage of quality staff, etc., a representative of Ministry of Defence deposed as under::

“About the specific query on Kodagu and bijapur, Kodagu is much recent school compared to Bijapur. So, facilities at Kodagu are definitely better than what existed in Bijapur. We have made concerned effort. The Society the Ministry to improve as we have shown in few of the slides. With the type of budgetary support, we started getting in the last few years, 2020-21 and 2021-22 also, we have created projects, gone to various schools, sent officers to identify the needs like improvement to toilet blocks, academic buildings, mess facilities in a project and mission mode. We are trying to do whatever little bit of things are still remaining. I am sure we will be able to show results that the infrastructure is in place properly”.

He further added:

“सर, असम सरकार ने हमें वर्ष 2020-21 में तो फण्ड्स दिए हैं, मगर पिछले दो-तीन सालों में थोड़ा कम था। वर्ष 2020-21 में उन्होंने कुछ भरपाई करने की कोशिश की है और लगभग सात करोड़ रुपये पिछले कई सालों का ड्यू है। इसमें जो बेसिक समस्या आती है, वह थोड़ी इर्रैगुलैरिटीज़ की आती है। बहुत चेज़ करने के बाद वर्ष 2020-21 में हमें, सैनिक स्कूल, ग्वालपाड़ा को असम से 7 करोड़ 68 लाख रुपये मिले। ग्वालपाड़ा में सुधार का काम निरन्तर जारी है। एन.डी.ए. ट्रेनिंग के लिए रक्षा मंत्रालय की तरफ से लगभग एक करोड़ रुपये ग्रांट्स के साथ एस.एस.बी. ट्रेनिंग के लिए एक बड़ी अच्छी फैसिलिटी वहां बना दी गई है। वह 'ट्रेन द ट्रेनर' टाइट होगी और बाकी स्कूल भी वहां से उसे ले सकेंगे।“

7.10 On Augmentation and modernisation of infrastructure in Sainik Schools, a representative of Ministry of Defence, during oral evidence informed that Committee:

“Augmentation and modernisation of infrastructure in Sainik Schools is an ongoing process. The Ministry of Defence provides funds and financial assistance to schools, and by utilizing those funds the Sainik Schools continue to modernize their facilities. Here, in the pictures shown we can see the Cadets Hostel, which has been recently modernised and upgraded in Sainik School, Chittorgarh; Cadets Hostel in Sainik School, Korukonda; study room in Sainik School, Korukonda; general employees accommodation in Sainik School, Balachadi; improvement in the Cadets Mess and dining hall of Sainik School, Nagrota; dining hall of Sainik School, Ghorakhal; modernization and putting of modern cooking equipment in the kitchen of Sainik School, Chittorgarh and Sainik School of Kapurthala; and modernization of kitchen at Sainik School, Mainpuri. There has also been upgradation and augmentation of existing sports facilities like Swimming Pool at Sainik School of Amravathinagar; sports fields in Sainik Schools of Balachadi and Korukonda; and obstacle course at Sainik School of Korukonda.”

Intake of Girl candidates

7.11 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:

“In academic session 2021-22, 312 girl students have been admitted in Class VI in all 33 Sainik Schools.

2. Funding of Rs. 109 Crore is provided by Ministry of Defence to Sainik Schools for infrastructure creation to create required facilities for Girl students from Academic Year 2021-22.

3. The following steps have been taken by Sainik Schools for smooth induction of the girl cadets:-

(a) A separate hostel with barbed wire fencing is 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 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 are provided to the girl cadets in the Hostel, sports fields, auditorium, mess and academic block for their convenience and ease.

(d) CCTV cameras are installed at various places for the safety of girl cadets.

4. 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.”

7.12 During their Power Point Presentation before the Committee, on the subject the Ministry of Defence submitted:—

“In line with the Government of India’s initiative of ‘*BetiBachaoBetiPadhao*’ and inclusion of ‘*narishakti*’ in the Armed Forces, admission of girls have commenced in all Sainik Schools, and 312 girl cadets were admitted in the year 2021-2022. Nearly, 100 girl cadets participated in the *RashtriyaRakshaSamarpanParv* and had the proud privilege of meeting the hon. Prime Minister during the event at Jhansi on 19 November, 2021”.

Opening of 100 Sainik Schools

7.13 On the issue of opening of 100 New Sainik Schools to be set up under public-private partnership will function in an exclusive vertical, distinct from the existing schools under the Ministry of Defence (MoD) and admissions are targeted for academic year 2022-23, the Ministry in its written replies furnished:

“Government has approved the initiative of setting up of 100 new Sainik Schools from class 6 onwards to class 12 to existing/upcoming schools affiliated to CBSE or any other Board under the aegis of Sainik Schools Society of Ministry of Defence. These schools will be established in partnership with NGO/private schools and states in order to develop ethos of national spirit, indomitable courage to face challenges, unfailing respect for commitment to values of the country and the society, imbibe the importance of physical fitness and who embody national pride . Based upon the approval, applications have been invited by Sainik Schools Society, Ministry of Defence through web portal <http://sainikschool.ncog.gov.in> from all willing partners. Schools will be shortlisted through a process of evaluation, subject to meeting of qualifying requirements framed for the purpose and willingness to agree to the approval by-laws and signing of the Memorandum of Agreement with the Sainik Schools Society.

The scheme for opening of 100 New Sainik Schools is open to all Private/NGOs/State Govt Schools in all states and union territories. Communication has been sent to government of all States/UTs, to sensitize and encourage any willing schools, within their jurisdictions, to apply through the web portal”.

7.14 Further when enquired about whether Ministry of Defence has exclusively made financial allocations for this purpose, the Ministry in its written replies stated as under:

“The scheme envisages to provide Annual Fee Support of 50% of fee (subject to an upper limit of Rs 40,000 per annum) for 50% of the class strength (subject to an upper limit of 50 students) per year from class 6th onwards to class 12, on Merit-cum-Means basis.

It is proposed to incentivize the affiliated schools with an amount of Rs. 10 Lakh as training grant to each such affiliated school annually based on annual academic performance of the students in class 12th”.

7.15 In a Power Point Presentation made before the Committee, the representatives of the Ministry of Defence briefed about new schools:

“The setting up of 100 new Sainik Schools in partnership with private sector, NGOs and State Governments was approved by the Cabinet on 12 October, 2021.

The decision was based on the vision defined in the National Education Policy, 2020 to provide holistic development opportunity to the students. The new Sainik Schools will be open to boarders as well as day-scholars.

The new Sainik Schools will follow merit-based admission criteria and also endeavour to achieve excellence in one sport in sync with regional aspirations.

A dedicated user-friendly web portal has been created for the registration of schools. Sir, 379 interested schools spread over 23 States and UTs have registered with Sainik School Society so far. The process involves filling up of vacancies by interested schools, on site evaluation by the evaluation committee, approval by the approval committee of the Ministry of Defence.

Society would provide annual fee support of 50 per cent subject to the upper limit of Rs.40,000 per school for 50 per cent of the class strength subject to the upper limit of 50 students also will be provided. NCC training will be compulsory in these schools and automatic allotment of NCC junior division or wing will be provided under fully self-finance scheme to private schools and from government quota to government schools. Teachers of the new Schools will be trained through a Centrally identified institution which will facilitate the teachers to teach the academic plus Sainik school curriculum in the schools.

On the subject, the Defence Secretary further supplemented as under:—

“सर, नई स्कीम के तहत स्टेट गवर्नमेंट का पूरा रोल है, एनजीओज़ का भी है, प्राइवेट स्कूल्स का भी है और स्टेट गवर्नमेंट का भी है। जो भी सामने आएगा, सभी को कंसीडर किया जाएगा। सर, जो **100** स्कूल्स हैं, उसके बारे में आपने पूछा है। स्टेट और यूटीज़ में डिस्ट्रिक्ट के प्रो-रेटा डिवाइड किए जा रहे हैं। अगर मुझे सही से याद है तो असम में **100** स्कूल्स में से **4** स्कूल्स प्रो-रेटा बेसिस पर है। **100** स्कूल्स में से चार स्कूल्स असम के लिए हैं। जिस स्टेट में जितने डिस्ट्रिक्ट्स हैं, उस हिसाब से उसको डिवाइड किया गया है, तो असम में चार स्कूल्स का बना है।”

Observations /Recommendations

Army

Budget

1. Army is the land component of Armed Forces and 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 Committee note that in BE, 2022-23, the projection of Army under Revenue head was Rs. 1,74,038.35 crore, and the allocation approved is Rs. 1,63,713.69 crore, with a shortfall of Rs.10,225.66 crore. Scrutinizing the Revenue budget further, the Committee found that in RE of financial year 2021-22, Army's projection under Revenue Head was Rs. 1,68,657.23 crore and allocation made was Rs. 1,57,619.06 crore, which was also short by Rs. 8,891.01 crore. However, the Army would not be able to fully utilize the amount, as expenditure incurred till December, 2021 is just Rs. 1,24,608.42 crore. The Committee note that during the previous year also, Army had not been able to spend its fund allocation completely. It is well known fact that major portion of Revenue budget primarily goes for salaries & allowances which is a fixed expenditure and the non-salary expenses constitute ration, stores, transportation, fuel, etc. These are also essential for regular training and operational preparedness of Army. In the light of these facts, the Committee observe that although the gap in BE allocation *vis-à-vis* projection has reduced compared to previous years the deficit of Rs. 10,000 crore should not be

allowed to exert any compromises in the operational preparedness of Army. Therefore, the Committee recommend that adequate budget may be provided to Army at supplementary, RE and modified appropriation stages of the financial year 2022-23 based on its operational and other requirements.

2. The Committee note that the Capital Budget cardinally provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2022-23, Army's projection was Rs. 46,844.37crore and allocation to be made is Rs. 32,115.26crore. There is a deduction of Rs. 14,729.11 crore in allocation vis-a-vis demand. In RE 2021-22, the projection of Army was Rs. 38,344.90crore against which an allocation of Rs.25,377.09 crore was made, which is Rs. 12967.81 crore short of demand. However, the expenditure in three quarters of FY 2021-22 *i.e.* upto December 2021 was only Rs. 14,569.08 crore. The Committee are of the view that with such a large border areas and with not so friendly nations around, boot on ground are essential for Army, nevertheless to equip them with modern day state of the art weapons is also vital as both machine and men behind the machine, together can win a war. The Committee opine that alongwith morally boosted troops, Army also need latest weapon systems. Therefore, they recommend that Army should be given allocation as per the projection made under the Capital Head from the next budget cycle and adequate budget for capital expenditure shall be earmarked to Army as and when the need arises during later stages of financial year 2022-23 *i.e.* at Supplementary, RE and modified appropriation stage. They also express hope that Army would utilize its remaining resources of

approximately Rs. 11,000 crore allocated at RE 2021-22 by the end of current financial year.

Indigenization

3. During the discussion on DFG, the Committee were given to understand that in past few years, Indian Army has taken a conscious & deliberate decision to focus on indigenization. A significant number of acquisition cases which were progressed as global cases are now being realigned as domestic and it takes a little protracted time as it involves production by the industry of new equipment, its trial, subsequent acceptance and fielding the product for exploitation in forward areas. The representatives of Army further added that in this perspective, the issue of reduction or re-appropriation in capital budget should be seen. The Committee appreciate the journey of Army towards self reliance and desire that taking a cue from the extant global conflict scenario, the Ministry should take requisite steps to make the Armed Forces optimally self-reliant and it should be given utmost priority.

4. The Committee were informed that during the year 2020-21 and 2021-22 (upto 31.12.2021), out of 29 contracts, 19 contracts were signed with Indian vendors for capital procurement of defence equipment such as Tanks, Missiles, Vehicle, Mine ploughs for Tanks, Pinaka System, Secure communication systems, Multimode Hand Grenade (MHHG), weapon locating radars and assault Rifles for Indian Army. The expenditure under capital acquisitions budget for

Army during 2020-21 and 2021-22 (upto Dec. 2021), on indigenous contracts was Rs. 17,446.83 crore and Rs. 9946 crore respectively. The Committee are pleased to find that nearly 80% of current year allocated amount has been assigned for domestic procurements and Army is aligning for encouraging domestic industry. The Committee earnestly desire that the outlay is prudently utilized for force augmentation and modernization of the Army in coming times.

Modernization Budget

5. The Committee were apprised that in financial year 2021-22, an amount of Rs. 30,636.90 crore was allocated to Army at BE Stage under Capital Acquisition (Modernisation) Head. Against these allocations, an expenditure of Rs. 11,760.68 crore (upto December, 2021) has been incurred. It was further apprised that keeping in view the pace of expenditure, additional funds were not allocated to Army in RE 2021-22 under modernization and surrender, if any, will be known at the time of finalization of Modified appropriation of FY 2021-22. After appropriation at RE Stage, the allocation was Rs. 19485.09 crore. Army had sought no additional allocation in first and second supplementary stages in FY 2021-22. The Committee observe that there is relatively lesser spending for modernization activities of Army. Taking into account the reason for indigenization thrust as mentioned earlier, the Committee reiterate that utmost care should be taken and as far as possible modern weapon systems should be procured which are manufactured by Indian Companies. Such decisions should be based on a current threat perceptions and any compromises are not desirable.

The Committee express hope that the money left to be spent in current FY 2021-22 under modernization would be optimally and judiciously utilized in full. Due care should be taken to ensure that no wasteful expenditure is incurred in the rush to spend in the last hour.

Bullet Proof Jackets (BPJs)

6. From the written replies submitted by the Ministry the Committee note that Government is issuing licenses to private companies for manufacturing of Bullet Proof Jackets/Body Armour/Body Protector to have indigenous capabilities of said defence stores. The Committee further noted that presently, in private sector, 21 companies have been issued licences for manufacturing of Bullet Proof Jackets and 07 companies namely M/s Anjani Technoplast Noida, M/s SMPP Pvt. Ltd. Delhi, M/s Indian Armour Systems Pvt. Ltd. Haryana, M/s Star Wire India Ltd. Haryana, M/s Bharij Fabricators Pvt. Ltd. Punjab, M/s A&T Medical Equipment Co. Pvt. Ltd., Ghaziabad and M/s Tata Advanced Material Limited, Bengaluru have commenced production. Further, M/s SMPP Pvt. Ltd. has successfully executed a contract of MoD to supply 1, 86,138 quantity of Bullet Proof Jackets (BPJs). The Committee also note that in Government sector, Troops Comfort Ltd. has developed Bullet Resistance Jackets (BRJ) and successfully supplied a small order quantity of 172 nos. to Tamil Nadu Police. Another DPSU, MIDHANI has also started manufacturing different variants of BRJs as per user requirements and supplied to security and defence forces. Further, MIDHANI has set up a captive production unit at Industrial Modern Township (IMT), Rohtak to produce BRJs including Bhabha Kavach. During oral

evidence, a representative apprised the Committee that bulletproof jackets consist of two/three critical parts and out of various layers, one is the essential plates of polymer design. The certain layers of the polymers were not being made in our country and the industries were doing some imports but all of them are 100 per cent designed, made and manufactured in our country now. The Committee are happy to note that after years of perennial wait our soldiers will get protection through the indigenously made BPJs to save their precious lives. The Committee express the hope that 1,86,138 quantity of BPJs would be procured urgently and by the year end, rest of the authorised quantity should also be ordered.

Manpower

7. The Committee note that in Officer's cadre, there is a shortfall in strength by approximately 15% and the deficiency has been there for over a period of time. The Ministry has informed that the Ajay Vikram Singh Committee (AVSC) Committee had decided for maintaining a ratio of 1.1:1 between the permanent cadre and support cadre which is largely short service commission. The representative of Ministry of Defence also submitted before the Committee that measures are being taken for optimization of manpower in accordance with recommendation of Shekdar Committee Report. The Committee suggested that a comprehensive cadre review exercise could be undertaken at higher level in order to augment the sanctioned strength of Army otherwise, the deficiencies in manpower will affect the combat capabilities of the Army on ground. The

Committee would like to be apprised of the measures taken in this regard of the time of furnishing their Action Taken Replies.

Air Force

8. While examining the Demand Nos. 20 & 21 in respect of Air Force for the year 2022-23, the Committee found that in Revenue Section, Air Force had made a projection of Rs. 50,692.44 crore against which an allocation of Rs. 32,873.46 crore has been made. From the difference of Rs. 17,818.98 crore, it can be evidently seen that the allocations are significantly lower than the projections which is merely two-third of the projection. Going through the data furnished by Ministry of Defence, the Committee find that in 2021-22, the final allocations made to Air Force at RE Stage was Rs. 34,283.02 crore whilst the expenditure incurred till Dec, 2021, was Rs. 27,307.22 crore. The Committee observe that last year's spending by Air Force has been very optimum as more than three fourth of the funds was spent in the three quarters of the financial year. Based on the past trend, the Committee recommend for adequate resource allocation to the organization of Air Force at RE Stage. Since revenue expenses in general indicates any time operational preparedness of the Force, therefore inadequacies therein is not desirable.

9. In the case of Capital segment also, the Committee found a considerable gap in projection and allocations. In BE 2022-23, the projection was Rs. 85,322.60 crore, whereas the allocation made is Rs. 56,851.55 crore only and evident by a gap of approximately Rs. 30,000 crore is witnessed. Since Capital budget

primarily cater to expenses on modernization and augmentation of Force level, a deficit in allocation *vis-à-vis* projection made to the tune of Rs. 30,000 crore merits attention. In course of discussions of DFG, the representatives of Air Force candidly admitted that the existing fighter squadron strength needs to be augmented. The Committee are of the view that procurement of long-range weapons are also need of the hour in order to ensure utilization of present platforms. Keeping in mind, two-front threat perception, enhancement of Air Power is of paramount importance. The procurements of Air Force being largely capital intensive, therefore, the Committee recommend for additional allocation to Air Force under Capital Head at RE or supplementary grant's stage. The Committee further note that the BE projection during 2021-22 was Rs. 77,140.56 crore, whereas projection at RE stage was pegged at was Rs. 71, 176.39 crore. However, the final allocations made at RE stage was Rs. 53,214.77 crore. Against this an expenditure of Rs. 36,820.15 crore have been incurred till Dec, 2021. The Committee observe that more than 25% of amount remains to be spent in the last quarter of the financial year 2021-22. They urge upon the Department that all steps be taken so that the allocated resources are fruitfully & judiciously utilized in full by Air Force so that modernization trajectory of Air Force is not adversely affected.

10. As regards the capital acquisition through indigenised sources, the Committee note that during financial year 2021-22, the total allocation for domestic acquisition was Rs. 29,684 crore, out of which, Rs. 21,631 crore was spent i.e. 72.87 per cent. Nearly 27% amount remains to be spent till March, 2022.

The Committee desire that the balance funds should be optimally and fully utilized for indigenous procurements. Further, the Committee were intimated that for the year 2022-23, domestic & foreign procurements allocation stand at 62.34% & 37.66%, respectively. The Committee appreciate that major thrust is given towards indigenous procurements by Air Force. They desire that Air Force should make constant endeavours for indigenous procurement so that self-reliance shall continue to be the motive of Air Force.

Force Level

11. The Committee are of the considered opinion that Air Force should have two front deterrence capabilities which is of utmost priority, as the threat on both sides of Indian neighborhood is a reality which cannot be ignored. Accordingly, equipping our Armed Forces with all possible combat capabilities is the need of the hour. The firepower of Air Force is proportionate to the fighter squadrons in its kitty. During evidence, the representatives of Air Force submitted that the present authorized strength of squadron is 42. It was further stated that the total technical life of most of the existing squadron is expiring and consequently the squadron strength is progressively depleting. The Committee were apprised that LCA Mark-I and MRFA will be helpful in assisting the draw down. The Committee emphasizes for a time bound procurement of these aircraft, so as to replenish the Air Force squadron. The Committee also urge that Air Force should ensure that the new aircraft are procured in the near future so as to enhance the combat capabilities of the Force. The Committee are of the view that Fighter squadron

strength cannot be counted merely on the number of aircraft but also their weapon carrying ability, lethality and range to fly and strike. Therefore, no compromises in terms of fire power and technology should be made while inducting fighter jets in Air Force.

12. In respect of transport aircraft also, the Committee note that the number of aircraft is depleting. The Committee were informed that AN-32, is the main transport Aircraft presently available with Air Force and by 2032, AVRO aircraft will be almost completing its technical lifespan. It has been informed by the Ministry that Air Force has contracted C-295 planes in September, 2021 as a substitute for AVRO aircraft. The Committee recommend that the requirement of transport aircraft and air-to-air refuelling aircraft be assessed and a comprehensive plan be chalked out for their procurement. The Committee would like to be apprised about the measures taken in this regard.

13. As far as helicopters are concerned, the Committee were given to understand that medium lift main helicopters Mi-17 will be completely depleted by 2032. Cheeta, Cheetal and Chetak helicopters are currently being utilized in forward areas including Siachin and Northeast, which will be lessened by 2032. These shortfalls are planned to be replenished by induction of Light Utility Helicopter (LUH). It was further informed that delivery of LUH will commence soon and 12 of them will be delivered this year. The Committee recommend that the Ministry keeping in view the depleting strength should ensure that the pace of induction shall be commensurate to de-induction, so that there is no gap in our existing capabilities.

Manpower

14. The Committee found that the established and existing strength of officers in Air Force is 12714 and 12142 respectively. As regards airmen, the sanctioned and existing strength is 1,43,964 and 1,37,740 respectively, with a shortage of 6,224 airmen. The Committee were apprised that 8422 airmen trainees are under going training at various institutions. In case of officers, the Committee are given to understand that shortage of 574 is a variable figure depending upon commissioning cycle etc. The Ministry has assured that with proper cadre management planning and implementation, the shortfall is likely to be bridged in due course. The Committee while taking note of the assurance by the Ministry urge upon the Department to make concerted efforts to fill up all the vacancies in a time bound manner so that operational requirements of Air Force are fully met.

Trainer Aircraft

15. The Committee note that there is a shortage of trainer aircraft in the Air Force, thereby affecting the training requirements of Air Force personnel. During evidence, a representative of the Ministry while candidly admitting that there is shortage of trainer aircraft, however, he was hopeful that till the such time HTT-40 are inducted in the force, the Kirans will cater to the training requirements. The Committee understand that training at every stage is very crucial for pilots as any lacunae could result into fatalities. Therefore, they recommend that the Ministry of Defence should explore the alternate Mid-level trainer aircraft for

Pilots in Air Force till such time, if HTT-40 are not reaching the Indian Air Force (IAF).

Air Fields infrastructure

16. The Committee note that modernization of airfields is taking place in a phased manner. They were informed by the Ministry that currently implementation MAFI, Phase-II is going on and the stipulated time of its completion is October 2024, that besides airfields are being developed at an unprecedented pace. The Committee cannot but emphasis the importance of airfields in military operations as it is now publically known that our adversaries are developing airfields all over the borderline. In such a scenario, it becomes imperative that our airfields are modernized and maintained efficiently. The Committee recommend that essential budget and technological capabilities requirements should be made available to Air Force for developing state-of-art airfields suiting modern warfare.

Indian Navy

17. Indian Navy carries the herculean task of national defence as Indian Ocean Region have multiple security challenges and nearly 1,70,000 ships transit through various choke points and almost 13000 Ships are in IOR at any given point of time. The Committee on examination of the Demands for Grants of Navy for the year 2022-23, found that in BE under capital head, Navy projected Rs. 67,622.96 crore as its annual expenditure. Against this projection, Ministry of Defence (MoD) actually allocated Rs. 47,590.99 crore, leading to a considerable

gap of Rs. 20,031.97 crore. The Committee are of the considered view that continued endeavour for modernization is the quintessence of modern warfare and it goes without saying that newer technologies are substituting conventional war exercises. Therefore, Capital funding should be adequate enough to ensure that Navy embarks on an unhindered modernization drive.

18. The Committee note that under Reveue Sector Navy projected Rs. 34701.66 crore in BE 2022-23, however, it was allocated only Rs. 25406.42 crore, resulting a huge gap of Rs. 9295.24 crore *vis-a-vis* projection made. During evidence, the representatives of the Navy stated that shortfall is mitigated through rationalization and prioritization. The Committee observe that Revenue Budget is used for operation, training, maintenance, repairs and day-to-day functioning of Navy, which are extremely crucial for the 'Preparedness' of the Service and any inadequacies on this front may lead to accidents and casualties besides, growth in Revenue Budget also needs to factor for inflationary trends. The Committee are of the view that a shortfall to the tune of Rs. 9295.24 crore may affect day to day functioning and hence anytime operationability of Navy. Therefore the Committee are of the view that there is a need to review Navy's requirements for essential funds under Revenue Head so that operational preparedness is not affected.

19. In addition to projection and allocation, there is another dimension of budget i.e. spending. On this aspect, the Committee took a serious note of the fact that in case of Capital Head, in 2021-22, the projection made by Navy in B.E. was Rs. 70,920.78 crore, the final allocation at RE Stage was Rs. 46,021.54 crore

and the expenditure incurred till the end of 3 quarters i.e. Dec. 2021 was Rs. 29,616.00 crore. The Committee failed to understand when the actual expenditure incurred had been very low, why Navy would make a huge projection of Rs. 70,920.78 crore at BE stage. The Committee are of the view that Revenue expenditure can largely be estimated properly and realistic calling well in advance and there is not much scope for wide difference between Projection made and actual utilization. The Committee urge that Navy shall judiciously make its projections and optimally utilize its resources allocation. The representative of Ministry of Defence during evidence stated that Navy had managed with lesser allocations by rationalizing their expenditure and the projects were prioritized so as to reduce avoidable expenses. It was further added that the balance amount left with Navy should be utilized in the next one and a half months. The Committee while taking into consideration the facts mentioned above, comment that Navy shall present a more rational projection at the time of making budget, otherwise it would lead to irrelevant phenomena of making huge projections and making up with far less amount in hand..

Indigenisation

20. in the course of the examination of DFG, the Committee came to know about efforts made by the Navy towards indigenization. The representatives of Navy deposed that out of 39 ships & submarines presently under construction, 37 are being constructed at various shipyards within the country, and 41 more vessels are planned to be constructed within country. The Committee are pleased to note that naval vessels are largely being manufactured in the country.

However, they would like to stress that the combat capabilities of Ships including weapon systems and sensors shall be given more emphasis while constructing the ships. The Committee are happy to note that Navy had shared its weapon and sensor systems requirements with private Indian Industries, including FICCI & CII, thus instead of import, the indigenization through our own industry is getting priority. The Committee express the hope that with the help of private sector, Navy would be able to obtain various modern state of the art systems, which were available to only few developed nations to protect country's waters. The Committee earnestly recommend that utmost care shall be exercised while sharing Navy's defence capabilities and scientific roadmap so that adversaries do not use the same in any manner to the detriment of national maritime interests.

Modernisation Budget

21. The Committee note with concern that there is considerable underspending in the modernization budget. In this regard, the representative of Ministry submitted that certain contracts are pending and the remaining amount will be utilized for the same. It was added that such contracts were delayed due to Covid impact. The Committee recommend for judicious and optimum utilization of remaining resources by Navy for modernization purposes during the current financial year so that no balance are left at the end of the financial year. The Committee understand that several modernization and capability building projects of Navy are in the pipeline in consonance with LTTIPP 2012-27. They expect that with the newer scientific roadmap based on the latest unmanned

systems and technologies, Navy shall constantly keep this modernization drive on move. They express the hope that adequate budgetary provisions shall be continued to support Naval projects/ programmes.

22. With regard to budget allocation specifically for modernization, the Committee were apprised that Navy has been allocated Rs. 45,250 crore under BE (Modernisation) in financial year 2022-23. Further, it was stated that the present total committed liabilities stood at Rs. 1,20,890 crore. Modernization schemes for Rs. 1,99,252 crore and Rs. 2,50,571 crore are being progressed for contract conclusion over the next five years. The Committee note with concern that the current outstanding committed liabilities are far more than allocation, therefore, the government has to take care of existing liabilities while making allocations and ensure that uncleared liabilities may not create hindrances in future contract negotiations.

Force Level

23. The Committee learnt that many ships, submarines, aircraft etc are in the process of manufacturing /acquisition by the Navy. Acceptance of Necessity (AoN) has been accorded for 43 ships and 111 naval utility helicopters to be built indigenously and RFP for the construction of six conventional submarines has also been issued. Contract for delivery of 36 aircraft, including Dornier & Chetak have also been concluded by Navy and 24 MRH are scheduled for delivery from 2022. Case for procurement of 10 Naval shipborne unmanned Aerial systems is also under contract conclusion stage and 10 HALERPAs is

being progressed for Acceptance of Necessity (AoN). The Committee desire that all the procurements should progress well within the contractual timelines, and it shall be ensured that unnecessary delays do not occur, resulting in loss of national resources.

Manpower

24. The Committee found that the sanctioned strength of officers in the Navy (excluding medical & dental officers) is 11726 whilst the actual strength is 10169 leading to a shortage of 1557 personnel in this regard, the representatives of Navy submitted to the Committee that Navy is continuously recruiting and making inductions so that the shortfall is being reduced progressively. The Committee further note that in the case of sailors, the sanctioned strength was 75409, while the borne strength was 63700, leading to a shortage of 15.53%. The Committee were apprised that ample publicity is being made through publications such as 'Joint Indian Navy' & 'Ocean of opportunities' and the response has been remarkably good and as the newer platforms get commissioned, vacancies shall also be fulfilled. Considering the importance of technically trained manpower in the Navy, the Committee recommend that the Ministry of Defence should take all necessary steps towards up-gradation of training programmes based on latest technological developments and extenuating the deficiencies of manpower.

Joint Staff

Budget

25. The Committee note that in the Budget Estimates for 2022-23, Joint Staff has made a projection of Rs. 5473.28 crore against which an allocation of Rs.4462.35 crore has been provided leading to a shortfall of Rs. 1010.93 crore. Considering the ever expanding role and responsibilities of Joint Staff which has a tacit aim of modernization of our Defence Forces, the Committee urge upon the Ministry that adequate budgetary support should be provided to Joint Staff so that operational needs of the organization are satisfactorily met. As the deficit to the tune of almost 20% is likely to hamper the well conceived goals, the Committee, therefore, recommend that the Ministry may ensure that requisite budgetary allocation to Joint Staff is secured during the year at RE or supplementary budget stage.

26. The Committee are of the firm opinion that the allocation of Rs. 4462.35 crore at Budgetary Estimates stage during 2022-23 is less than BE allocation for 2021-22 which was Rs. 4543.04 crore. During evidence, the representative of Ministry of Defence, while responding to the concerns of the Committee, stated that there had been marginally lesser expenditure during the previous year. However, as the spending progresses during the financial year 2022-23, any kind of budgetary need would be fulfilled through additional grants at Revise Estimate stage/supplementary stage. The Committee at this stage can only recommend that the Ministry should take up the issue in the right earnest with the Ministry of

Finance so that all requisite functional requirements/activities of Joint Staff are fully met and not compromised due to lack of financial support.

27. The Committee further note that during the financial year 2021-22, Joint Staff was allocated an amount of Rs. 4543.04 crore at BE Stage against a projected amount of Rs. 6251.11 crore. Later, in RE Stage, allocation of Rs. 4146.26 crore was made. It can be seen that the allocation in RE is Rs. 396.78 crore less than BE allocation of that year. The Committee have every reason to believe that once the annual expenditure is planned and firmed up, it would become difficult for the organization to run its expenses with reduced allocation of funds. Therefore, they recommend that the Ministry must impress upon concerned Ministry that an allocation committed during BE exercise is not reduced at RE Stage. Otherwise, this would lead to ad-hocism in budgetary exercise of the organization thereby affecting the overall preparedness of the Forces.

28. Another aspect which has come to the knowledge of the Committee relates to underspending. In the last financial year i.e. 2021-22, it is evident that the organization of Joint Staff had been able to utilize only Rs. 2,504.49 crore till December 2021, as a result nearly Rs. 1700 crore still remained to be spent in the fourth quarter of the financial year. The spending slated for last quarter stands at approximately 40% of the allocation at RE stage of Rs. 4146.26 crore. The Committee are constrained to state that this pattern of bulk spending in the last quarter is not a healthy sign and is against the canon of Financial Expenditure

Management Principles. Therefore, the Committee recommend that proper expenditure planning should be devised and implemented during entire financial year, so that funds are utilized within the stipulated time and in the prescribed limits, so that huge unspent balances do not lie in the last quarter of the financial year.

Military Engineer Services (MES)

Budget

29. The Committee note that under Military Engineer Service (MES), Engineer-in-Chief's Branch is responsible for monitoring of budget allocated 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 find that under capital head in 2020-21, the budgetary requirement for MES was projected at Rs. 10,462.71 crore, whereas the actual allocations made was Rs. 8833.13 crore and the utilized amount was only Rs. 6604.51 crore. The reason for low utilization was stated to be due to the delays on account of Covid-19 pandemic. In 2021-22, MES got Rs. 9137 crore out of which only Rs. 5876 crore could be utilized till 31st January, 2022. During evidence the Committee were informed that the entire budgetary allocations would be utilized by the end of this Financial Year i.e. 2021-22. The Committee are not oblivious of the fact that previous year, the allocated amount was not optimally utilized due to prevailing pandemic situation and this year also funds to the tune of Rs. 3261 crore are yet to be utilized. The Committee recommend that

concerted efforts should be made by the Ministry in order to utilize the entire allocated funds in the current FY without fail. The Committee also take note of the fact that six works worth Rs. 484.42 crore and 25 CCS works of 11th Plan amounting to Rs. 2397.14 crore were reprioritized for Army and 57 works worth Rs. 2263.71 crore were reprioritized for Air Force this year also. The Committee note with concern that on one hand, works worth crores of rupees are getting reprioritized and on the other, funds are left un-utilized and eventually surrendered. The Committee recommend that the Ministry should devise a suitable expenditure management mechanism so as to arrest this trend and improve the utilization of capital budget in a scrupulous manner and also strictly adhere to the prescribed timelines and limits of expenditure, within the three quarters and the last quarter of Financial Year, so that the unutilized funds are not surrendered at the end of Financial Year and that the sanctioned works pertaining to the three forces worth crores of rupees do not get reprioritized.

30. The Committee are dismayed to find that after gleaning through all the material and information provided to them by the Ministry, the figures of Projection and Allocation made for the year 2022-23 under Capital and Revenue Heads (separately and combined) in respect of MES were not provided to them. Needless to say the reasons for the non-submission of this crucial figure be intimated to them, along with the figures relating to the projection made and budget allocation made for MES for financial year 2022-23, at the earliest.

Financial Liabilities

31. The Committee note with concern that financial liabilities of MES in respect of works undertaken by them during the last three years are increasing. Till 1st April, 2021, it was to the tune of Rs. 30244 crore and are pending with Military Engineer Service. The Committee can apparently see that serious efforts were not made by MES for clearance of the financial liabilities in the last few years. The Committee note that the MES has introduced Engineering, Procurement and Construction (EPC) Methodology this year for carrying out the projects in an expeditious manner. They express the hope that the MES will streamline their procedures and functions in a well organized manner so as to bring down the liabilities this year with the adoption of EPC methodology. The Committee would like to be apprised of the figures of financial liabilities as on 1 April, 2022 at the time of furnishing action taken replies to the Committee by the Ministry.

32. The Committee learn that recently Military Engineer Services has introduced several initiatives for improvement in the execution of works and functioning of the Services. The Committee also note that several initiatives have been taken by MES for cutting down the electricity costs and tariffs for the Defence Personnel in all State/UTs. In this regard, it was stated that a drive was taken by the Ministry with the Ministry of Power to get a special electricity slab for the Armed Forces. However, the Committee are skeptical owing to the fact that electricity being a State subject arriving at any fruitful or logical conclusion in this regard would be tardy and onerous. Pursuing the matter with all the States

and UTs to implement low tariff rates for the Defence Personnel may also have several legal implications as well. The Committee, therefore, recommend that the Solar Photovoltaic (SPV) Projects which are already under implementation by the Ministry of Defence, should be introduced on large scale in every State/UTs which would be very cost effective and eventually fulfill the desired purpose. These SPV projects should be installed at remote locations also so that maximum benefit is passed on to Defence Personal. The Committee would like to be apprised of the action taken by the Ministry in this regard, within three months of presentation of this Report.

Ex-Servicemen Contributory Health Scheme (ECHS)

Budget

33. The Committee note that in 2020-21, ECHS was allocated Rs. 5321.28 crore at Modified Appropriation stage, but the actual utilization was only Rs. 4579.63 crore. The Committee are dismayed to find that despite rise in the number of patients due to the COVID pandemic and pendency of bills, the allocated funds could not be fully utilized and had to be surrendered at the end of the financial year 2020-21. The Committee further note that in 2021-22 after RE allocation of Rs. 4412.51 crore, the Ministry had put forth demand for additional funds to the tune of Rs. 550 crore taking the total projected demand to Rs. 4962.51 crore. However, the total utilization of funds up to 31st January, 2022 stood at Rs. 3882.20 crore. Taking into account the huge pendency of bills with ECHS pertaining to ECHS empanelled hospitals as well as ECHS beneficiaries, the Committee urge the Ministry that the additional allocated funds in 2021-22 should

be judiciously and fully utilized to clear all the pending bills. The Committee are very perturbed to note that huge pendency of bills is stated to be the reason for big and multispecialty hospitals for opting out from providing services under ECHS Scheme thereby depriving the ECHS beneficiaries of the super specialist medical facilities. The Committee recommend that the Ministry should streamline and simplify their procedures so as to ensure full utilization of funds in 2021-22 as the scheme is related with the Welfare of Ex-Servicemen of our country and it should unflinchingly serve this purpose. The Committee would like to be apprised of the total outstanding dues towards empanelled and ECHS private hospital and beneficiaries and the steps taken to liquidate the arrears.

34. The Committee note that at present, ECHS facilities are available in 353 out of 748 districts in the country, leaving out the rest of the districts from the ambit of scheme thereby depriving ECHS facilities to the Ex-Servicemen living in those districts. The Committee further note that at some places Armed Forces Service Hospitals which are well equipped with doctors, nurses, beds and other facilities, are not being utilized optimally. The Committee, therefore, recommend that the Ministry should consider relaxing procedures/rules so that the services of the Armed Forces Hospitals should also be opened to ECHS beneficiaries who are in need of urgent medical care, in the best possible way.

35. The Committee have come to know that the vacancies for the posts of Office-in-Charge (OIC) of the ECHS Polyclinics are essentially filled by Non-Medical Officers by the Ministry and that Retired Medical Officers are not being

considered for the posts, which is paradoxical as professionally qualified Medical Officers are more suitable and qualified for the job. The Committee, therefore, recommend that the Ministry should take steps for filling the vacancies for the position of OIC, ECHS Polyclinics with the available Ex-Servicemen AMC/General Duty Medical Officer (GDMO), etc. The action taken in this regard should be apprised to the Committee within three months of presentation of this Report.

36. The Committee have come to notice several instances where the ECHS beneficiaries have been denied services by the private empanelled hospitals on one pretext or other. The Committee would like the Ministry to enquire into such complaints and find out the reasons for this shortcoming and apprise the Committee of the same. The Committee would also like the Ministry to address this problem in the right earnest and mitigate the same in the near future. The Committee would like the Ministry to consider the feasibility of having dedicated and non-lapsable budget exclusively for clearing all pending bills claims at the beginning of the financial year, which should strictly be used for this purpose. If need be, the Ministry should pursue the matter with the Ministry of Finance for additional budgetary allocation at the time of approving Supplementary Grants. The Committee further recommend that the Ministry should issue a stringent advisory to all the Private Empanelled Hospitals to serve the ECHS beneficiaries in all circumstances as per the guidelines and on their part they would settle the bills expeditiously.

Sainik School

Budget

37. Sainik School Organisation has been expanding since the announcement of the opening of 100 more schools by Finance Minister in her budget speech of 2021-22. Sainik Schools budget was revised to Rs. 300.00 crore, which was Rs. 137.68 crore at BE stage. Considering the expansion of Sainik School, the Committee are of the firm view that the organization of Sainik Schools should be provided with requisite funds in consonance with the envisaged development plan. However, to the surprise of the Committee in budget for the year 2022-23, the Committee found that the projection by the Sainik School itself is just Rs. 170.87 crore while the allocation was yet to be made. The Committee observe that alongwith opening of new schools it is also equally important to maintain infrastructure and appropriate facilities. Therefore, adequate budgetary inflow should be ensured by the Ministry of Defence for the smooth running of Sainik Schools.

38. The Committee are given to understand that the budget for Sainik Schools are provided by both Central Government and State Governments. It was submitted by a representative of the Ministry of Defence that funding by State Governments have not only become irregular in the past few years, but their share also plummeted. In 2018-19, the share was Rs. 12620.83 crore, in 2019-20 it was Rs. 11899.53 crore, and in 2020-21, it further declined to Rs. 10270.99 crore. The Committee can well understand the plight of Sainik Schools coming under state, where State Government doest not provide timely and necessary funds. In

light of this, the Committee would like to recommend that at the time of receiving a request from the State Government, the Ministry of Defence should strictly take up the matter of ensuring provision of predetermined financial share of the State Government and also that the State concerned shall be able to submit its long term funding plan.

39. In the course of examination of Demand for Grants (DFG), the Committee were apprised that post implementation of Sixth CPC and Seventh CPC pay scales, Sainik Schools, faced certain financial constraints especially related to payment of additional funds due enhanced salary/allowances. However, with the support of the Ministry of Defence, the Sainik Schools Society was able to prevail over those limitations to a substantial extent. The Committee appreciate the financial support extended by Ministry of Defence to the Sainik School Society and desire that the remaining budget for settlement of additional funds shall also be expeditiously channelized.

Infrastructure

40. The Committee note with concern that one of the gross deficiencies noted relates to inadequate infrastructure arrangement in some of the Sainik Schools, specifically in respective cases of Sainik Schools at Rewari, Sainik School Gopalganj, Sainik School East Siang and Sainik School Sujapur Tira. It has been stated by the Ministry that the maintenance of the infrastructure is also the subject of the State Government, however Committee note that the allocation of

grants for this purpose also does not meet the actual demand in some of the cases. The Committee while expressing their displeasure desire that a comprehensive plan should be chalked out in this respect. As the number of Sainik Schools would be rising in near future, provision of essential, modern and uniform infrastructure at level of each and every school should be the norm. Therefore, the Committee recommend that the Ministry of Defence should vigorously come up with a suitable plan after thorough discussions with all stakeholders on the issue of maintenance and creation of adequate infrastructure at all Sainik Schools. The Committee would like to be informed about the developments in this regard.

41. The Committee came to know that as some Sainik Schools are located in far flung areas, therefor making it difficult to attract and retain the best talent of teachers. As the sufficient talent is available across the length and breadth of the country, Sainik Schools should introduce financial incentive to draw the talented people. Further, the Committee opine that Sainik Schools Society can also learn from experience of Kendriya Vidyalayas, where the staff/teachers are rotated on regular basis.

42. The Committee were apprised that the number of Sainik Schools has steadily grown over the years because of their ever-increasing demand, but there has been no concomitant increase in Officers from the Army Education Corps who tenate the post of Principal, Vice Principal and Admin Officer. 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. Considering the importance of high-quality educators in Sainik Schools, the Committee recommend for reviewing and suitably increasing the strength of officers from Army Education Corps and apprise them of the difficulties being faced in this regard.

43. As regards, Sainik School, Bijapur, the representative of the Ministry of Defence, candidly admitted that the said school being relatively older, needs infrastructural improvements. However, it was assured that with a significant increase in budgetary support in the past few years, all sorts of infrastructural requirements shall be addressed. The Committee hope that an integrated approach towards holistic infrastructure maintenance and augmentation of all Sainik Schools, including older ones may be undertaken at the Central level. In respect of Sainik School, Gwalpada, the Committee were informed by the representatives of the Ministry of Defence, that there had been some delay due to the non-provision of funds from the State of Assam. However, with the grant of Rs. 7 crore and 68 lakh in 2020-21, the developmental work is progressing and the training facilities for NDA & SSB are being developed at the place. The Committee desire that wherever feasible such facilities may also be created in other Sainik Schools and work does not suffer due to lack of funds.

Intake of Girl Candidates

44. The Committee, in their earlier Reports, recommended for intake of girl students in Sainik Schools. As per the data furnished by the Committee in academic session 2021-22, 312 girl students had been admitted in class VI in all 33 Sainik Schools. It was found that the government had provided Rs. 109 crore for creating facilities like a separate hostel with barbed wire fencing, appointment of female employees, separate washrooms in the Hostel, sports fields, auditorium, mess and academic block, installation of CCTV cameras etc. The Committee while taking note of the numerous steps taken by the Ministry of Defence to create the required infrastructure for girl students, desire that central level visits shall be conducted on a regular basis to monitor the augmentation and sustenance of infrastructural and other facilities incorporated at school levels.

45. The Committee also recommend devising a grievance redressal mechanism so that female students/staff can freely register their grievances so as to resolve them objectively. The Committee would like to be apprised about the steps taken in this regard.

46. The Sainik School Society had been “only Boys school” for a very long time. Since induction of girl students had been started recently, therefore the Committee feel that regular orientation/training programme should be conducted for the faculty/officials and students so that they can be sensitized towards

accommodating and respecting girls in the school. The Committee also desire that such exercises shall be conducted on a regular basis.

Opening of New Sainik Schools

47. Subsequent to announcement of opening of 100 New Sainik Schools in budget speech of 2021-22, Cabinet approved the same on 12 October 2021. Further, it was informed that 379 interested schools spread over 23 States and UTs have registered with Sainik Schools Society so far. The Committee were also apprised by representatives of Ministry of Defence that the New Scheme involves role of State Governments also and the districts across States & UTs are being divided on a pro-rata basis. The Committee desire that more emphasis should be given to the States, especially in North-East States that have no Sainik Schools and also desire that all measures should be taken by the Ministry so that the scheme shall progress within the stipulated time frame. A detailed progress report in this regard may be furnished to the Committee within three months of the presentation of the report.

48. While glancing through the documents furnished by the Ministry, the Committee note that Society would provide annual fee support of 50% subject to upper limit of Rs. 40,000 per school. The Committee emphasise that the Ministry of Defence shall endeavour to bring uniformity in the fee structure of various Sainik Schools to the extent possible. Certainly though, allowances etc. cannot

be the same, education fee should be similar amongst schools working under the aegis of Sainik School Society.

**New Delhi;
14 March, 2022
23 Phalguna, 1943 (Saka)**

**JUAL ORAM
Chairperson
Standing Committee on Defence**

STANDING COMMITTEE ON DEFENCE (2021-22)

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2021-22)**

The Committee sat on Wednesday, the 16th February, 2022 from 1100 hrs to 1745 hrs in Committee Room C, Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Lt. Gen. Dr. D. P. Vats (Retd.) – Acting Chairperson

MEMBERS

Lok Sabha

2. Kunwar Danish Ali
3. Shri D.V. Sadananda Gowda
4. Shri Rattan Lal Kataria
5. Dr. T.R. Paarivendhar
6. Shri Prathap Simha
7. Shri Brijendra Singh
8. Shri Mahabali Singh

Rajya Sabha

9. Dr. Ashok Bajpai
10. Shri Sharad Pawar
11. Shri Kamakhya Prasad Tasa
12. Dr. Sudhanshu Trivedi
13. Shri K.C. Venugopal

SECRETARIAT

- | | | |
|-------------------------|---|------------------|
| 1. Shri M.K. Madhusudan | - | Joint 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	Lt Gen Anil Puri, Addl Secretary, DMA
3	Smt Nivedita Shukla Verma, Addl Secretary
4	Shri Sanjiv Mittal, Financial Advisor Defence Services
5	Shri Sanjay Jaju, Addl Secretary, DP
6	Radm Kapil Mohan Dhir, JS(Navy)
7	Maj Gen K Narayanan, JS(Army)
8	AVM H Bains, JS(Air)
9	Shri Rajesh Sharma, Addl. FA(RS) & JS
10	Shri Anurag Bajpai, JS(P&C)
11	Shri Surendra Prasad, JS(NS)
12	Shri Chandraker Bharti, JS(Aero)
13	Cmde Siddharth Mishra, Chairman & Managing Director (CMD), BDL
14	Shri R. Madhavan, CMD, HAL
15	Mrs. Anandi Ramalingam, CMD, BEL
16	Cmde Hemant Khatri, CMD, HSL
17	Shri Amit Banerjee, CMS, BEML
18	Cmde B.B. Nagpal, CMD, GSL
19	Radm VK Saxena, CMD, GRSE
20	Dr. Sanjay Kumar Jha, CMD, MIDHANI
21	Vadm Narayan Prasad, CMD, MDL
22	Shri Rakesh Mittal, JS(Lands)
23	Shri Ajay Kumar Sharma, DGDE
24	Lt Gen SS Mishra, Quarter Master General (QMG)
25	Maj Gen Sumit Talwar, ADG Land, Works & Environment
26	Smt. Meena B. Sharma, Sr. Addl. DG
27	Shri Valeti Premchand, Addl. DG
28	Shri Ravi Shankar, Addl. DG
29	Smt. Sonam Yangdol, Addl. DG
30	Smt. Vibha Sharma, Addl. DG
31	Maj Gen Ravi Murugan, ADG, MO(B)
32	Shri Dinesh Kumar, JS(AF)
33	Maj Gen YP Khanduri, GM & Chairman, BOA
34	Lt Gen Shantanu Dayal, DCOAS(CD&S)
35	Shri Satish Singh, JS(BR)
36	Lt Gen Rajeev Chaudhary, DGBR
37	DG VS Pathania, DGICG
38	ADG Rakesh Pal, ADGCG
39	DIG Manoj Bhatia, PD(Budget)
40	V Adm SN Ghormade, VCNS

41	R Adm CR Praveen Nair, ACNS(P&P)
42	Air Mshl BR Krishna, CISC
43	R Adm Manish Sharma, ACIDS(FP&Adm)
44	Lt Gen Samir Gupta, DG, FP
45	Maj Gen H Dharmarajan, ADG, FP
46	Maj Sunil Kumar Sharma, GSO-1, FP-4
47	Maj Gen Rajendra Bana, ADG, OS(B)
48	Lt. Gen Rakesh Kapoor, DG CD
49	Maj Gen Sandeep Jain, ADG CD (A)

2. At the outset, the Joint Secretary informed the Committee that Hon'ble Chairperson would not be able to attend the Sittings in connection with examination of Demands for Grants of the Ministry of Defence for the year 2022-23. He further stated that as per Rule 258, if the Chairperson is absent from any sitting, the Committee shall choose another Member to act as Chairperson for the sitting. In this connection, the Members requested Lt. Gen. (Dr.) D. P. Vats (Retd.) to Chair the Sittings.

3. Thereafter, the Acting Chairperson welcomed the Defence Secretary, General Officers, Senior Bureaucrats and other officers of the Ministry of Defence to the Sitting of the Committee convened to deliberate on various aspects relating to Demands for Grants of the Ministry of Defence for the year 2022-23. Before proceeding further, all present observed a minute's silence to honour General Bipin Rawat, 13 Defence officials and Ms. Madulika Rawat who died in a chopper crash in December 2021 and seven Defence personnel who died in a recent tragedy of avalanche near LAC.

4. The Chairperson informed all 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 2022-23 on the subjects 'General Defence Budget, Capital Outlay on Defence Services, Department of Military Affairs (DMA), Ministry of Defence (Civil), Defence Public Sector Undertakings (DPSUs), Directorate General Defence Estate (DGDE), Canteen Stores Department (CSD), Border Roads Organization (BRO), Coast Guard Organisation (CGO), Navy and Joint Staff' and requested the representatives of the Ministry of Defence 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 stipulating that the discussions in the Sitting are to be treated as confidential and are not to be made public till the Report of the Committee on the subject is presented to Parliament.

5. 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 2022-23. The highlights of the brief given by the Defence Secretary are as under:

- i. Increase of approximately 12.82 percent over the Financial Year 2021-22 in capital allocations pertaining to modernisation in infrastructure development of Armed Forces;
- ii. Enhancement of share of domestic capital procurement, which was earmarked at 58 per cent and 64 per cent in 2020-21 and 2021-22, respectively, to 68 per cent of the capital acquisition Budget of the Defence Services for the year 2022-23 which would roughly amount to Rs. 84,598 crore;
- iii. Earmarking of 25 per cent of the Defence Research and Development Budget for private industries, start-ups and academia;
- iv. Allocation of Rs. 60 crore and Rs. 23 crore, respectively, for Innovation for Defence Excellence (IDEX) and Defence Testing Infrastructure scheme in the Financial Year 2022-23 for enabling the Defence industrial eco-system in the country;
- v. Jump of 55.60 percent in capital segment of the MoD (Civil) Budget catering to organisations like Coast Guard, Border Roads Organisation, Directorate General of Defence Estates etc.;
- vi. Increase of 40 per cent in capital Budget of Border Roads Organisation in Financial Year 2022-23 *vis-à-vis* Financial Year 2021-22;
- vii. Enhancement of 60.24 percent in the capital Budget of Indian Coast Guard to Rs. 4,246. 37 crore in FY 2022-23, *vis-à-vis* Rs. 2,650 crore in FY 2021-22;

- viii. Earmarking of Rs. 1,643 crore in Revised Estimates (RE) of 2021-22 and Rs. 1310 crore in Budget Estimates (BE) of 2022-23 for planned modernization of seven newly created Defence Public Sector Undertakings (DPSUs). Additional earmarking of Rs. 2500 crore in BE of 2022-23 and also in RE of 2021-22 as Emergency Authorisation Fund for these DPSUs; and
- ix. Implementation of SPARSH, an integrated system for automated sanction and disbursement of Defence pension, by the Ministry of Defence since July, 2021.

6. 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. Growth of Defence Budget *vis-à-vis* inflation and Central Government Expenditure;
- ii. Static expenditure on Research & Development for the past few years;
- iii. Plans for coping with Defence modernization plans in view of the budgetary allocation for 2022-23;
- iv. Decrease in Pension Bill;
- v. Monitoring of quality of products/equipment manufactured under '*Aatmanirbhar Bharat*' initiative;
- vi. Major increase in allocation for Border Roads Organisation;
- vii. Scope of revenue generation in opening up of Defence Research and Development to private industry and academia;
- viii. Huge mismatch between projection and allocation in Defence Budget for the Financial Year 2022-23 and its effect on operational preparedness of the Forces, Modernisation plans and '*Aatmanirbhar Bharat*' initiative;
- ix. Progress of Defence Industrial Corridors in UP and Tamil Nadu and funds allotted to each corridor;
- x. Use of jamming technology in electronic warfare;
- xi. Maintenance of airports controlled by Defence Forces;

- xii. Utilization of funds under Capital Outlay on Defence Forces in FY 2021-22;
- xiii. Utilization of funds by the Services in FY 2022-23;
- xiv. Integrated Theater Commands;
- xv. Enhanced delegated financial powers to Armed Forces at field and headquarters level; and
- xvi. 'Ease of doing business' for entrepreneurs/suppliers willing to enter Defence sector.

7. After tea break, the representatives of the Ministry of Defence and the Defence Public Sector Undertakings (DPSUs) 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. Steps taken by the Ministry for upgrading production and manufacturing in DPSUs, which was hit by COVID pandemic for the last two years;
- ii. Percentage of indigenous content in products/equipment being manufactured by the DPSUs;
- iii. Profit accrued due to exports in the last two years;
- iv. Profitability of BEML and plan for its disinvestment;
- v. Steps being taken for protection of DPSUs' future; and
- vi. Construction of submarines by DPSUs.

8. 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. A case where a 102 year old Government school in Hebbal, Bengaluru is locked in ownership of land dispute with Defence authorities/establishment;
- ii. Demands/requests of the State/ local Government for transfer of land from the Defence authorities to them for infrastructural development;
- iii. Elections of Cantonment Boards; and

iv. Salient features of draft Cantonment Bill, 2021.

9. Thereafter, a presentation was given by Canteen Stores Department (CSD) followed by discussion *inter alia* on Goods and Service Tax (GST) on products in CSD and provision/supply of new stitched combat uniforms for officers in the Army through CSD.

10. Followed by CSD, a Power Point presentation on Border Roads Organization (BRO) was made. The deliberations were held on the subject on following points:

- i. Appreciation of role of BRO;
- ii. Requirement of critical equipment by BRO; and
- iii. Raising of all women Road Construction Company (RCC).

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 on following points:

- i. Use of drones by Coast Guard Organisation;
- ii. Steps taken for helping the fishermen who stray into waters of other countries;
- iii. Manpower in the Coast Guard Organisation;
- iv. Utilization of allocated amount for FY 2021-22; and
- v. Training of marine police personnel.

12. Thereafter, 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. Allocation of funds *vis-à-vis* projections and plans on meeting the requirements as per the allocation;
- ii. Operational preparedness of Navy to counter threat perception;
- iii. Modernisation of Navy;
- iv. Percentage of import content which is unavoidable for modernization;

- v. Future roadmap to defend the Indian Ocean; and
- vi. Manpower strength in Navy.

13. Thereafter, a presentation on Joint Staff was made which was followed by discussion *inter alia* on following points:

- i. Special Operations Division;
- ii. Pace of expenditure and milestone payments in FY 2021-22; and
- iii. Air Defence Command and Maritime Theater Command.

14. The Chairperson, at the end, thanked the Defence Secretary, General Officers, Flag Officers, Senior Bureaucrats and Defence Officers for extensive discussion on the Demands for Grants and for responding to the queries of the Members. The Chairperson also requested the representatives to furnish information which was not readily available to the Secretariat expeditiously.

The witness then withdrew.

The Committee then adjourned.

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

STANDING COMMITTEE ON DEFENCE (2021-22)

**MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2021-22)**

The Committee sat on Thursday, the 17 February, 2022 from 1100 hrs. to 1820 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Lt. Gen. Dr. D. P. Vats (Retd.) – **IN CHAIR**

MEMBERS

LOK SABHA

- 2 Kunwar Danish Ali
- 3 Shri Rahul Gandhi
- 4 Shri D.V. Sadananda Gowda
- 5 Shri Annasaheb Shankar Jolle
- 6 Shri Rattan Lal Kataria
- 7 Shri Uttam Kumar Reddy Nalamada
- 8 Shri Prathap Simha
- 9 Shri Brijendra Singh
- 10 Shri Mahabali Singh

RAJYA SABHA

- 11 Dr. Ashok Bajpai
- 12 Shri Sharad Pawar
- 13 Shri Kamakhya Prasad Tasa
- 14 Dr. Sudhanshu Trivedi

SECRETARIAT

1. Shri M. K. Madhusudan - Joint 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	Dr. G. Satheesh Reddy, Secretary, DDR&D
3	Lt Gen Manoj Pande, VCOAS
4	Lt Gen Anil Puri, Addl Secy, DMA
5	Smt Nivedita Shukla Verma, Addl Secy
6	Shri Sanjiv Mittal, FADS
7	Shri Rajesh Sharma, Addl. FA&JS
8	Shri Sanjay Jaju, Addl Secy, DP
9	Lt Gen SK Sharma, DCOAS (Start)
10	Lt Gen Shantanu Dayal, DCOAS(CD&S)
11	Lt. Gen CP Cariappa, MGS
12	Lt Gen Samir Gupta, DG, FP
13	Maj Gen K Narayanan JS (Army) & TA
14	Maj Gen Atul Rawat, Offg DG SP
15	Maj Gen H Dharmarajan, ADG, FP
16	Maj Gen S K Vidyarthi, ADG EM
17	Maj Gen K V Jauhar, ADG ADB
18	Lt. Gen Rakesh Kapoor, DG CD
19	Maj Gen Sandeep Jain, ADG CD
20	Lt Gen. Harpal Singh, E-in-C
21	Lt. Gen. S S Mishra, QMG
22	Maj Gen Ashok Kumar, DG Works
23	Shri Rakesh Mittal, JS(Lands)
24	Lt. Gen RK Malhotra, DG DGQA

25	Sh Rajeev Ranjan, ADG (Adm.)
26	Shri Mayank Tewari, JS (Med./ Trg.)
27	Lt. Gen Gurbirpal Singh, DG NCC
28	Shri Satish Singh, JS(BR)
29	Cmde Sandeep Chakravarti, Inspecting Officer, Sainik School Society
30	Air Mshl Sandeep Singh, VCAS
31	Air Mshl N Tiwari, DCAS
32	AVM N M Desai, Fin (P)
33	AVM H Bains, JS(Air)
34	AVM Arun Malik, ACAS (Proj)
35	Sh. K.S. Varaprasad, DS & DG(HR)
36	Sh. Hari Babu Srivastava, OS & DG (TM)
37	Ms Suma Varughese, OS & DG (MED & CoS)
38	Sh. G N Rao, OS & DG (PC &SI)
39	Dr. U K Singh, OS & DG (LS)
40	Shri Sangam Sinha, OS & DG (R&M)
41	Shri A D Rane OS & DG (BrahMos)
42	Shri Purusottam Bej, OS & Director, DFMM
43	Shri Vedveer Arya, Addl FA & JS
44	Dr. Ravindra Singh, Dir. DPARO&M
45	Dr. Sumit Goswami, Dir. DP&C
46	Shri Surendra Prasad Yadav, JS(NS)
47	Shri E R Sheikh, DG, DOO (C&S)
48	Shri Vijay Mittal, DDG
49	Shri N I Laskar, DDG
50	Shri Sanjeev Kishore, CMD (AVNL)
51	Shri Rajeev Puri, CMD (YIL)
52	Shri Sanjeev Kumar, CMD (IOL)
53	Shri Ravi Kant, CMD (MIL)
54	Shri Rajesh Choudhary, CMD (AWEIL)
55	Shri S. K. Sinha, CMD (TCL)
56	Shri V. K. Tiwari, CMD (GIL)

2. As the Chairperson of the Committee was not able to attend the Sitting, Lt. Gen Dr. D P Vats (Retd.) was chosen as the Acting Chairperson for the Sitting by the Members of the Committee present during the Sitting under the Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Acting Chairperson then 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 them 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.

4. 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:

- I. Budgetary allocation to Army;
- II. Efforts being made towards indigenisation by Indian Army
- III. Requirements for drones and soldiers
- IV. Shortage of Manpower
- V. Low Capital Allocation
- VI. Female Cadets in NDA
- VII. Need large allocation
- VIII. Contactless war
- IX. Indigenisation of Bullet Proof Jackets

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

- I. Under utilization of Revenue and Capital budget due to Covid-19
- II. New Defence works procedure has been started from 1 April 2021
- III. Special electricity slab for the Armed Forces
- IV. Implementation of green building norms in all the Defence Projects.
- V. Issues related to environment clearance
- VI. Need of high-end consultants for the big projects
- VII. Use of solar energy.

6. 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:

- i. Investigation of defects and remedial measures
- ii. Dip in inspection of Stores due to Corona
- iii. Un utilization in Capital Expenditure
- iv. Private Industry partnership
- v. Utilization of proof ranges by private industry
- vi. Use of digital means to cut down processing time.
- vii. Technical Training programme of DGQA personnel
- viii. Self Certification and Fit to Military Use certificates

7. 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:

- i. Simulator based training to NCC cadets especially
- ii. Waiting list of institutions
- iii. Expansion of NCC in schools, colleges and in Coastal and Border Areas
- iv. Employment opportunities of NCC cadets in private Industries
- v. Preference to NCC Cadets in various schemes of state governments
- vi. Implementation of Self Financing Scheme(SFS) in schools and colleges
- vii. Issues related to recruitment of permanent Trainers
- viii. Issues related to low selection rate of NCC cadets as officers in Armed Forces

8. 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:

- i. Introduction of girls Cadets in Sainik Schools

- ii. Opening of 100 new schools in partnership with private sector
- iii. Dedicated user-friendly web portal created for registration of Sainik Schools
- iv. Irregular supply of funds by the state Governments
- v. Need for additional funds for improvement of infrastructure in Sainik Schools
- vi. Shortage of quality staff in Sainik Schools

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:

- i. Mismatch in Projected and allocated budget
- ii. Accidents of MiG-21
- iii. Medical facilities to the injured trainee pilots after the accident
- iv. Modernisation of Air Force
- v. Gestation period LCA
- vi. Very severe Shortage of Trainer Aircraft
- vii. Authorized strength of Squadron
- viii. Infrastructure issue in North Eastern States
- ix. Dependency on HAL and BEL for maintenance and repair of different type of Aircraft.

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

- i. Export of Brahmos Missiles to Phillipines
- ii. Coordination and technology transfer to private industries
- iii. Use of test facilities of DRDO by Private Industry.
- iv. Projects developed by DRDO with Academic Institutes and their funding
- v. Opening of 10 Centre of Excellence Institute
- vi. Ballistic Missile Defence (BMD) programme

- vii. Indigenisation of products by DRDO
- viii. Shortage of Scientists in DRDO

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

- i. Corporatization of Ordnance Factories
- ii. Order Book position of new DPSUs
- iii. Issue related to Employees of new DPSUS
- iv. Research and Development activities in new DPSUs
- v. Indigenisation programmes of new DPSUs
- vi. Steps taken by DPSUs for Export of their products
- vii. Issues related Challenges faced by all new DPSUs after corporatization
- viii. Future planning by new DPSUs

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 witnesses then withdrew

The Committee then adjourned.

13. A copy of verbatim proceedings has been kept on record.

STANDING COMMITTEE ON DEFENCE (2021-22)

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON DEFENCE (2021-22)

The Committee sat on Friday, the 18 February, 2022 from 1100 hrs. to 1345 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Lt. Gen. Dr. D. P. Vats (Retd.) **–** **IN CHAIR**

MEMBERS

LOK SABHA

2. Kunwar Danish Ali
3. Shri Annasaheb Shankar Jolle
4. Shri Pratap Simha
5. Shri Brijendra Singh
6. Shri Mahabali Singh

RAJYA SABHA

7. Dr. Ashok Bajpai
8. Shri Prem Chand Gupta
9. Shri Sharad Pawar
10. Shri Kamakhya Prasad Tasa

SECRETARIAT

1. Shri M. K. Madhusudan - Joint 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	Shri B Anand, Secretary, ESW
3	Lt Gen Anil Puri, Addl Secy, DMA
4	Lt Gen Harsha Gupta, AG
5	Lt Gen Rakesh Kapoor, DGCD
6	Smt Nivedita Shukla Verma, Addl Secy
7	Shri Sanjiv Mittal, FADS
8	Maj Gen Sandeep Jain, ADG CD(A)
9	Maj Gen Raju Singh, DGMAP
10	Lt Gen SS Mishra, QMG
11	Lt Gen Adosh Kumar, DG LW&E
12	Shri Rajesh Sharma, Addl. FA(RS)&JS
13	VAdm SN Ghormade, VCNS
14	Shri Pankaj Agarwal, DG(Acq)
15	Shri Sanjay Jaju, Addl Secy(DP)
16	Air Mshl N Tiwari, DCAS
17	Lt Gen Atulya Solankey, DCIDS(PP&FD)
18	DG VS Pathania, DGICG
19	Smt Dipti Mohil Chawla, JS&AM(LS)
20	Shri Dinesh Kumar, JS&AM(MS)
21	Shri Sanjai Singh, JS&AM(Air)

22	Shri Chandraker Bharti, JS(Aero & DOMW)
23	RAdm R Sreenivas, ADG AT (M&S)
24	Maj Gen PK Saini, ADG AT (Army)
25	Dr. Pudi Hari Prasad, JS(ESW)
26	VAdm Dinesh K Tripathi, COP, Navy HQ
27	RAdm Arjun Dev Nair, ACOP(AC)
28	Maj Gen N R Indurkar, MD ECHS
29	Maj Gen Sharad Kapoor, DG(Resettlement)
30	Shri Rajnish Kumar, CGDA, New Delhi
31	Shri Praveen Kumar, Addl CGDA, New Delhi
32	Shri Himanshu Tripathi, DCDA(P), Prayagraj
33	Lt Gen Manoj Pande, VCOAS
34	Lt Gen SK Sharma, DCOAS(Strat)
35	Maj Gen Atul Rawat, Offg DG SP
36	Lt Gen Samir Gupta, DGFP
37	Maj Gen H Dharmarajan, ADG, FP
38	Maj Gen VK Sharma, ADG Proc(A)
39	Maj Gen K Narayanan, JS(Army & TA)
40	Shri R K Karna, Addl. FA & JS

2. As the Chairperson of the Committee was not able to attend the Sitting, Lt. Gen Dr. D P Vats (Retd.) was appointed as the Acting Chairperson for the Sitting, by the Members of the Committee present during the Sitting, citing Rule No. 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha on Parliamentary Committees.

3. The Acting Chairperson then 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 them 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.

4. 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 provisions for MAP.
- ii Status of construction of Dwelling Units under Phase II and Phase III of MAP.
- iii Completion of Phase III of MAP through Annual Major Works Programme (AMWP).
- iv Proposal for increasing dwelling units under MAP in Kashmir Valley.
- v Accommodation for female officers in the Defence Forces.

5. Thereafter, the representatives of the Ministry of Defence commenced their briefing through a Power Point presentation on Defence Procurement Policy. This was followed by extensive discussion on following points:

- i Emphasis on Indigenisation of the Defence equipment and self reliance in Defence.
- ii Reduction in the time - line of the Procurement cycle from 5 years to 2-3 years.
- iii Decrease in the procurement of defence equipment from foreign industries and promotion of domestic industries.
- iv Revision of the Defence Acquisition Procedure.
- v Inclusion of more private industries under DAP 2020.

6. 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. Budgetary grants for the Department of Welfare of Ex-Servicemen;
- ii. Status of pending bills of the private empanelled hospitals with the Department of Ex-Servicemen Welfare under Contributory Health Scheme (ECHS);
- iii. Placement opportunities and the process of resettlement for Ex-Servicemen.
- iv. Filling up of vacancies in Group B and Group C Non-Gazetted posts which are reserved for Ex-Servicemen;
- v. Lack of uniformity in the States/UTs regarding ex-gratia monetary benefits/compensation to the martyrs in the country;
- vi. Exemption to serving defence personnel from payment of toll tax at various toll plazas in the country.

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

- i. Budgetary grants and the utilization of funds under Ex-Servicemen Contributory Health Scheme (ECHS);
- ii. Provision for opening up of the services of the Armed Forces Hospitals to ECHS beneficiaries who are in need of urgent medical care;
- iii. Filling up the vacancies for the position of OIC, ECHS Polyclinics with the available Ex-Servicemen AMC/General Duty Medical Officer (GDMO);
- iv. Denial of services by the private empanelled hospitals to the ECHS beneficiaries.

8. 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. Various components of the Defence Pension;
- ii Implementation of SPARSH for defence pensioners;
- iii Issues related with One Rank One Pension (OROP);
- iv Redressal of grievances through online portal CPGRAMS-6 AND CPGRAMS-7;
- v. Issues related with Military Service Pay.
- vi. Issues relating to disabled cadets who are boarded out of Defence academics.

9. The Chairperson thanked the Defence Secretary, General Officers and other Officers for extensive discussion and directed the representatives of the Ministry of Defence and other organizations to furnish written replies to all the queries at the earliest.

The witnesses then withdrew.

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2021-22)

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2021-22)**

The Committee sat on Monday, the 14 March, 2022 from 1500 hrs. to 1515 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

Lt. Gen. Dr. D. P. Vats (Retd.) - Acting Chairperson

MEMBERS

LOK SABHA

2. Kunwar Danish Ali
3. Shri Nitesh Ganga Deb
4. Shri Rahul Gandhi
5. Shri D.V. Sadananda Gowda
6. Shri Rattan Lal Kataria
7. Shri Sridhar Kotagiri
8. Smt. (Dr.) Rajashree Mallick
9. Shri Uttam Kumar Reddy Nalamada
10. Shri Jugal Kishore Sharma
11. Dr. Shrikant Eknath Shinde
12. Shri Prathap Simha
13. Shri Brijendra Singh
14. Shri Durga Das Uikey

Rajya Sabha

15. Dr. Ashok Bajpai
16. Shri Prem Chand Gupta
17. Shri Venkataramana Rao Mopidevi
18. Shri V. Lakshmi Kantha Rao
19. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Shri M.K. Madhusudan - Joint Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

2. At the outset, the Joint Secretary informed the Committee that Hon'ble Chairperson would not be able to attend the Sitting for consideration and adoption of the draft Reports on Demands for Grants of the Ministry of Defence for the year 2022-23. He further stated that as per Rule 258, if the Chairperson is absent from any sitting, the Committee shall choose another Member to act as Chairperson for the sitting. In this connection, the Members requested Lt. Gen. (Dr.) D. P. Vats (Retd.) to Chair the Sitting.

3. Thereafter, the Acting 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 2022-23 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. 19 and 22)';**
- (ii) **Demands for Grants of the Ministry of Defence for the year 2022-23 on 'Army, Navy, Air Force, Joint Staff, Military Engineer Services, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 20 and 21)';**
- (iii) **Demands for Grants of the Ministry of Defence for the year 2022-23 on 'Capital Outlay on Defence Services, Procurement Policy, Defence Planning and Married Accommodation Project (Demand No. 21)'; and**
- (iv) **Demands for Grants of the Ministry of Defence for the year 2022-23 on 'Directorate of Ordnance (Coordination & Services)-New DPSUs, Defence Research and Development Organisation, Directorate General of Quality Assurance and National Cadet Corps (Demand Nos. 20 and 21)'.**

3. After some deliberations, the Committee adopted the above Reports without any modifications. 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.
