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**STANDING COMMITTEE ON DEFENCE  
(2022-23)**

**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

**DEMANDS FOR GRANTS (2023-24)**

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

**(DEMAND NOS. 20 AND 21)**

**THIRTY-SIXTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2023 / Phalguna 1944 (Saka)**

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*Presented to Lok Sabha on 21.03.2023*

*Laid in Rajya Sabha on 21.03.2023*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2023 / Phalguna 1944 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2022-23)**

**SHRI JUAL ORAM**

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**CHAIRPERSON**

<b>Lok Sabha</b>	
2.	Shri Nitesh Ganga Deb
3.	Shri Rahul Gandhi
4.	Shri Devaragunda Venkappa Sadananda Gowda
5.	Shri Annasaheb Shankar Jolle
6.	Choudhary Mehboob Ali Kaiser
7.	Shri Suresh Kumar Kashyap
8.	Shri Rattan Lal Kataria
9.	Prof. (Dr.) Ram Shankar Katheria
10.@	Shri Durai Murugan Kathir Anand
11.	Kunwar Danish Ali
12.	Dr. Rajashree Mallick
13.★	Shri Reddeppa Nallakonda Gari
14.	Shri Uttam Kumar Nalamada Reddy
15.	Shri Anumula Revanth Reddy
16.	Shri Jugal Kishore Sharma
17.	Dr. Shrikant Eknath Shinde
18.	Shri Prathap Simha
19.	Shri Brijendra Singh
20.	Shri Mahabali Singh
21.	Shri Durga Das Uikey
<b>Rajya Sabha</b>	
22.	Dr. Ashok Bajpai
23.	Shri Prem Chand Gupta
24.	Shri Sushil Kumar Gupta
25.	Shri Venkataramana Rao Mopidevi
26.	Shri Kamakhya Prasad Tasa
27.	Dr. Sudhanshu Trivedi
28.	Smt. P.T. Usha
29.	Shri G.K. Vasani
30.	Lt. Gen. (Dr.) D. P. Vats (Retd.)
31.	Shri K.C. Venugopal

@ Nominated w.e.f 08.12.2022.

★ Nominated w.e.f 16.11.2022.

**Dr. T.R. Paarivendhar and Shri Kotagiri Sridhar, MPs, Lok Sabha ceased to be Members of the Standing Committee on Defence w.e.f 16.11.2022**

## SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

## INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2022-23), having been authorised by the Committee, present this Thirty-sixth Report (Seventeenth Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2023-24 on 'Army, Navy, Air Force, Joint Staff, 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 08 February, 2023 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 20, 22 and 24 February, 2023. The draft Report was considered and adopted by the Committee at their Sitting held on 16 March, 2023.

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;  
17 March, 2023  
26 Phalguna, 1944 (Saka)**

**JUAL ORAM  
Chairperson  
Standing Committee on Defence**

## REPORT

### CHAPTER – I

#### ARMY

The Committee are aware and it is well-understood fact that Army is the land component of the Armed Forces. Indian Army strengthens the idea of India and lives by national values. Army is dedicated to preserving national interests, safeguarding sovereignty, territorial integrity and unity of our Nation. The challenges before Army include thwarting proxy wars, arresting internal threats, assist the Government and the people of India during all needs and crises such as natural disasters etc. 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 2023-24, 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 2022-23, separately for Capital and Revenue segments along with projection and allocation in the BE 2023-24. The details submitted to the Committee are tabulated below:-

#### A. REVENUE

(Rs. in Crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	1,57,092.05
2022-23	1,74,038.35	1,63,713.69	1,80,526.71	1,73,335.62	1,27,935.76*
2023-24	1,84,989.60	1,81,371.97	-	-	-

(\$ - 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).

\*Figure upto December, 2022.

Note: RE 22-23 and BE 23-24 figures are subject to approval of the Parliament.

**B. CAPITAL**

(Rs. in Crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	25,130.94
2022-23	46,844.37	32,115.26	32,598.49	32,598.49	21,600.25*
2023-24	37,341.54	37,341.54	-	-	-

(\$ - 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).

\*Figure upto December, 2022.

Note: RE 22-23 and BE 23-24 figures are subject to the approval of the Parliament.

**Revenue Budget**

1.3 The Committee understand that the Revenue budget comprises of two main components, salary and non-salary. A 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 the Army. In Budget Estimates (BE) for FY 2023-24, against Revenue Head, projection of Army was Rs. 1,84,989.60 crore and allocation to be made is Rs. 1,81,371.97 crore, hence allocation lessened by Rs. 3617.65 crore. In case of Revised Estimates (RE) for FY 2022-23, under Revenue head, Army's projection was Rs. 1,80,526.71 crore and allocation made was Rs. 1,73,335.62 crore. The allocation is short of demand by Rs. 7191.09 crore, however, the expenditure incurred till December 2022 was Rs. 1,27,935.76 crore.

**Capital Budget**

1.4. Capital Budget cardinaly provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2023-24, Army's projection was Rs. 37,341.54 crore and the same amount was allocated to it. There is no deduction allocation *vis-a-vis* demand, though it is quite less than BE 2022-23 projection of Rs. 46,844.37 crore. In RE 2022-23, the projection of Army was Rs. 32,598.49 crore and there was no deduction in allocation. However, the expenditure in three quarters of FY 2022-23 *i.e.* upto December 2022 was only Rs. 21,600.25 crore.

1.5 During oral evidence, on under utilization of budget, the Chief of Defence Staff apprised the Committee as under:

“पिछले साल की जितनी कैपिटल बजट में हमारी रिक्वायरमेंट थी, हमने पूरा यूटिलाइजेशन किया है। Most of the things, at least on the revenue part, बीई स्टेज में भी जो भी आपकी रिक्वायरमेंट है, हमारी जो क्षमता है वह रेवेन्यू के हिसाब से भी है और कैपिटल के हिसाब से भी है। रेवेन्यू में इस बार सरकार ने, जो भी आपकी रिक्वायरमेंट्स थी, बीई स्टेज में दे दी, जो कि मेरे खयाल से ओवर ऑल देखा जाए तो 30-40 पर्सेंट जंप है। कैपिटल की रिक्वायरमेंट भी काफी हिसाब से मिलती है।”

Further, a representative of Army submitted as under:

सर, आपने जो तीस हजार करोड़ की बात कही, जो कैपिटल बजट इस साल के लिए है, यह है जो इस साल का करेंट एक्सपेंडीचर है कैपिटल हेड के अंदर और जो committed liabilities of the previous year प्रोक्योरमेंट के लिए एलाटमेंट किया है। अगली जो नई कैपिटल स्कीम्स हैं, वे 50 से 70 हजार करोड़ के अंदाज के अंदर अगले साल खर्च होगा।

On the question of whether this amount is sufficient, I would like to say that this is a function of our capacity to manufacture and produce. पहले सपोर्ट के ऊपर काफी निर्भर रहते थे, we are going in for domestic production. The capacity of the domestic industry is increasing by every month. जिसके बारे में हमने कल भी जिक्र किया था, जो लोकल डोमेस्टिक इंडस्ट्री के अंदर कैपिसिटी है, वह दिन प्रतिदिन बढ़ रहा है।

दूसरा, हमको यह भी मानना चाहिए कि अभी इंटरनेशनल बार्डर के अंदर जो हालात हैं, माउन्टेन टेरेन हैं, जितना ..... खर्च कर सकता है, उतना हम नहीं खर्च कर सकते हैं। It is a function of economy. Its GDP is higher. But having said that, हमारी रिक्वायरमेंट डिफेंस है, हम पहाड़ का इस्तेमाल करते हुए अपनी हिफाजत कारगर तरीके से कर सकते हैं। अगर वह हमला करना भी चाहता है तो हम माउन्टेन टेरेन का इस्तेमाल करेंगे। So, the amount of investment that we need to defend is much less than for his requirement to do an offensive. हम यह नहीं बता रहे हैं कि हमारे पास ऑफेंसिव करने की क्षमता नहीं है, हम वह क्षमता रखते हैं। हमारी प्राथमिकता है कि हम टेरिटोरियल इंटिग्रिटी को मेनटेन करें, Having said that, यह काम लगातार चलता रहता है, मॉर्डेनाइजेशन का सिलसिला भी चलता रहता है। हम आपको आश्वासन देना चाहते हैं कि हमारी कोशिश में कमी नहीं है। गवर्नमेंट की तरफ से भी पैसा देने में कोई कमी नहीं है। But definitely, in the coming years, you will see much more agility in domestic manufacturing and domestic procurement.”

1.6 As regards to need for modernisation and technological upgradation on a war footing the Chief of Defence Staff submitted as under:

“Sir, the hon. Member’s concern is about the Defence R&D budget. While the FA(DS) will be able to give you the correct figures and how we have increased this R&D budget, I would just like to draw the attention of the Committee on two things. One is the Defence R&D budget which has been given to the DRDO. That is one part of the budget. There are also DPSUs who have their own budgets for Defence R&D. I had recently gone to BEL. They have an innovation centre. They spend some part of their profits on R&D.

Similar thing is happening in private sector. It is not only us who are funding under iDEX and Technology Development Fund to private sector for R&D, but they themselves also spend a lot of money on R&D, etc. While all this is meagre as compared to expenditure incurred by developed countries, like America or China, but a big headway has been made. We should not consider the Budget which is only related to DRDO which has been given for Defence R&D but we should consider it in its entirety. Then, probably that will give you a better and a more holistic kind of a picture.”

Further, Financial Advisor (DS) clarified in this regard:

“I would just like to mention two things. The Budgetary allocations for Defence are a function of two aspects. One is the demands projected by the Army based on their requirements, and the other is the expenditure which they have been incurring in the past. It is the balance of the two. I would just like to mention that in the past five or six years, the expenditure of the Army as far as the capital is concerned, has been in the range of Rs. 25,000 crore to Rs. 28,000 crore. Despite that, during the last year the Budget which was based on their demand, has been Rs. 32,000 crore, including modernization. During the current year, it has been increased to Rs. 37,000 crore. It is based on the demand which the Army has projected. It has already been increased. This also includes the roads which we were talking about earlier. Apart from the money which has been given to us for roads in the Army Budget, Rs. 5,000 crore was also allocated for the Border Road Organisation. That also complements the Army. So, the actual spending is much more than what is reflected in the Army Budget. That Rs. 5,000 crore goes entirely for the Army.”

1.7 On the issue of huge gap between projection and the allocation, a representative briefed the Committee as under:

“Thank you Sir. This aspect of projection was brought out earlier also by the Committee during the MoD presentation. That projection is done around the time between July and September for the next financial year. So, when we do that projection, it is a rough estimate as to what we will require. As we come closer to the financial year, we become more accurate with our assessment. It is an iterative

process which we follow with Defence Finance in the Ministry of Defence Finance. Ahead of that, as FADS had explained, they have an iterative process with the Ministry of Finance.

Whatever we have been allocated at the beginning of the financial year, I agree with you that it is below the actual projections. However, it is much more this year, when we see the salary component it is exactly equal to the demand. The non-salary component is short only by about Rs. 3,600 crore.

This is an unprecedented jump. We have never had a 30 per cent increase at the BE stage. This year, we have got 30 per cent increase. What it will enable us to do is that we will be able to carry out better planning for the rest of the financial year. We will be able to from now itself have long lead schemes. Otherwise, what happens is that when we get money towards the end of the year, we cannot execute a long lead scheme at that stage.

Coming to the specifics of your question that if there is Rs. 6,000 crore short, hypothetically, how do we manage that? What we do is that I explained to you that there are these minor heads under which we utilised the NSR component, that is the Non-Salary Revenue component. Now, in that there are priority heads, which we cannot do without because they are operational related. They are our requirements of operational works; our requirements of transportation of troops from one place to the other; the AOC stores, which are the ammunition, the equipment for our jawans, these receive the highest priority and they are given the full allocation or the maximum allocation.

For the remaining, such as we have got Medical and Veterinary Stores as also works. Works is the one, which is a large chunk, but here normally we end up falling short of money, which is not the case this year. So, we manage it in this matter that we make the allocation less over here. Here, we can absorb later on when we get more money at the Supplementary Stage or at the RE stage. This is how we are able to manage our requirements.”

1.8 On the reduced projection of capital for the year 2023-24 in comparison to 2022-23, a representative submitted as under:

“Sir, firstly, the projections, as I explained, were done when we projected those Rs. 47,000 crore, that would have been somewhere in the middle of the previous financial year. As we moved along, the actual projections came down and we were able to get what we wanted from the Ministry of Defence.

The example, which I would like to share with you is that in the year prior, we were not able to expend money almost Rs. 10,500 crore because of the COVID pandemic, which were largely made-up during the current financial year. Now, for the coming financial year, that is 2023-2024, whether the money is adequate or not, the allocations are exactly equal to what we have asked for. This is the first time that we have got 100 per cent allocations.

But your query was that why have we reduced our requirements from Rs. 47,000 crore last year to Rs. 37,000 crore, the figure that we have given this year.

Regarding the process of estimation, earlier when we were not automated and when we did not have a full idea of how much the committed liabilities would be, we tended to ask for a little more and it was generally accepted that we got a little lesser than that. But, of late, in conjunction with the Ministry of Defence and the Ministry of Finance, we have got much more clarity on our committed liabilities and the new schemes which are coming up. We have a full assurance. If you see, we have got more money during the supplementary as well as the RE. Therefore, our estimates have become absolutely as per our requirement and more accurate. Because of that, we have brought it down. We already have an assurance from the Ministry of Finance that more money will be given in capital if required.”

Further, on the subject, Financial Advisor (DS) stated:

“Sir, I will try to address a part of your question. The first question was about whether there is some kind of a jugglery which has been done through the Budget. We would like to point out that right now the Government’s emphasis is on capital expenditure. Whatever we are asking, we are getting. The exact figure is because of that. Whatever army asked for was given. It was a rounded figure. It was Rs.1,62,000 crore that we asked for.

.....Not at all, Sir. I would like to bring to your notice that the expenditure which the Army makes, as I mentioned, is a function of what the demand and what they actually have been expecting. If you see, you yourself mentioned, it is ranging between Rs.29,000 crore and Rs.25,000 crore. Despite that, in the current year Rs.32,000 crore has been given to the Army and we are hopeful that they will expend that. We have increased it to Rs.37,000 crore. Though the trend of expenditure does not show in the past, yet taking into account that that is needed, we have done that.”

## Percentage Share of Army Budget

1.9 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:

“Percentage share of Revenue and Capital allocation for Army out of Defence Services Estimates (DSE) for the last five years is given below:

(Rs. in Crore)

Year	BE (Defence Service Estimates)#	Army (Revenue)	%age share	Army (Capital)	%age share	Army (Revenue + Capital)	%age share
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
2022-23	3,85,370.15	1,63,713.69	42.48	32,115.26	8.33	1,95,828.95	50.82

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

(\$ - 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)

1.10 There is an evident decrease in percentage share of revenue budget of Army out of Defence Services Estimates from **45.49** per cent in 2018-19 to **42.48** per cent in 2022-23 and in capital budget share from **9.60** percent in 2018-19 to **8.33** per cent in 2022-23.

## Budget for Modernization

1.11 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 2022-23, an amount of Rs. 25,908.85 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. 18,503.87 Crore (upto December, 2022) has been incurred in FY 2022-23. Keeping in view the pace of expenditure, additional funds to the amount of Rs. 1,142.15 Crore were allocated to the Army in RE 22-23 over BE 22-23. Surrender, if any, will be known at the time of finalization of Modified Appropriation of current financial year 2022-23.

1.12 The Committee were further apprised through a written submission as under:

“.....that Under Modernisation (Capital Acquisition) Head, Army had sought additional allocation of Rs. 16,293.19 Crore in first supplementary and Rs. 13,400.08 Crore in second and third supplementary stage in FY 2018-19 for meeting expenditure on account of: Committed Liabilities for HAL projects; cash outgo for Apache; vehicles being procured ex-trade by MGO; emergency power procurement and critical 10(i) and Committed Liabilities of existing contractual terms and liabilities including impact of CATSAA. However, the Ministry did not receive any additional allocations at the Supplementary stages.

In FY 2019-20, Army had sought additional allocation of Rs. 13,978.42 Crore in first supplementary and Rs. 8,118.00 Crore at second supplementary stage under Modernisation (Capital Acquisition) Head for meeting expenditure on account of: committed payments to HAL, foreign Committed Liabilities, DPSUs, Brahmos and Pvt. Vendors, and procurement of critical vehicles to meet the operational requirements. However, the Ministry did not receive any additional allocations at the Supplementary stages.

In FY 2020-21, Army had sought additional allocation of Rs. 7,300 Crore in first supplementary to cater for shortfall towards Committed Liabilities, emergency powers-2020 and requirement for construction of offices in connection with Central Vista Project. No additional funds were sought at second and final supplementary stage under Modernisation (Capital Acquisition) Head.

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

Army had sought no additional allocation at first stage in FY 2022-23 under Modernisation (Capital Acquisition) Head.

1.13 Details of additional requirements projected by Army under modernization (Capital Acquisition) at RE stage and the allocation made during the last five years are as under:-

<b>(Rs. in Crore)</b>				
<b>Year</b>	<b>BE Allocation</b>	<b>RE Projection</b>	<b>Additional funds projected at RE stage over BE allocations</b>	<b>RE Allocation</b>
<b>2018-19</b>	21,338.21	34,738.29	13,400.08	21,168.21
<b>2019-20</b>	23,000.63	36,979.05	13,978.42	23,517.31
<b>2020-21</b>	26,068.61	31,961.00	5,892.39	26,068.61
<b>2021-22</b>	30,636.90	30,636.90	0.00	19,485.09
<b>2022-23</b>	25,908.85	27,051.00	1,142.15	27,051.00

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

“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.”

1.14 The Committee desired to know whether there is any provision in the budget for drones, a representative of Army submitted as under:

“नार्थ ईस्ट में ड्रॉन्स का इस्तेमाल हो रहा है। तीन अलग-अलग किस्म के ड्रॉन्स होते हैं। एक हाई एल्टीट्यूड ड्रॉन है। एक मीडियम एल्टीट्यूड ड्रॉन है और एक लोअर एल्टीट्यूड टेक्टिकल/ऑपरेशनल ड्रॉन है। हमारे पास तीनों किस्म के ड्रॉन्स मौजूद हैं। खास तौर पर जो मीडियम एल्टीट्यूड लॉन्ग एंड्योरेंस जिसे बोलते हैं, वह एक बार उड़ता है तो 36 घंटे तक लगातार काम में जुड़ सकता है। उस टाइप के हमारे पास मल्टीपल्स प्लेटफॉर्मर्स हैं। स्पेशली 6 महीनों के अंदर हमने सेटेलाइट कंट्रोल ड्रॉन्स को भी उस इलाके में डेप्लॉय किया है, जो लॉन्ग रेंज में जाकर सर्विलांस कर सकते हैं। इसके अलावा हर यूनिट के अंदर जो छोटे ड्रॉन्स हैं, उनमें से कुछ इंडिजिनस भी हैं और एक स्विचब्लेड बोलकर एक कंपनी है, जिसे हाल ही में सप्लाय किया है। मैं मोटे तौर पर यह बताना चाहता हूँ कि जो सर्विलांस की जरूरत है, उसके लिए जितने भी प्लेटफॉर्मर्स की जरूरत है, वह मौजूद है और उसको इस्तेमाल करते हुए हम सर्विलांस कर रहे हैं।”

1.15 During the oral evidence, on the subject, through power point presentation, a representative of Indian Army submitted as under:

“The modernisation budget would be utilized to make delivery-based payments for weapons, ammunitions and other warlike equipment as also for payments against new acquisitions. A number of acquisition schemes are in advanced stages of approval, and we are hopeful of their fructification in Financial Year 2023-24. Emergency procurement powers assigned to the Indian Army in October 2022 are being fully exploited to meet emergent requirements of frontline troops deployed on the northern and western borders.”

### **Planning and Procurement**

1.16 On planning and procurement, the Ministry submitted as under:

“Defence Capital acquisition is carried out in accordance with the Defence Procurement Procedure (DPP)/Defence Acquisition Procedure(DAP) and undertaken through Ten years Integrated Capability Development Plan(ICDP), Five Years Defence Capability Acquisition Plan (DCAP) and Annual Acquisition Plan (AAP).The cases listed in the approved Annual Acquisition Plan (AAP) are

progressed as per the DPP/DAP provisions and funds allocated and budgeted under the capital Acquisitions heads of concerned Service for the given financial year.

Details of AoNs accorded for Army during last financial year 2021-22 and current Financial year 2022-23 (upto 31.12.2022) are given below :-

<b>2021-22</b>		<b>2022-23 (upto Dec,2022)</b>	
<b>No. of AoN</b>	<b>Value (Rs. in Cr.)</b>	<b>No. of AoN</b>	<b>Value (Rs. in Cr.)</b>
8	17,010.75	21	43,667.92

29 AoN worth about Rs. 60678.67 Cr. have been accorded during last Financial year 2021-22 and current financial year 2022-23 (upto Dec,2022) which are under various stages of the Acquisition process for induction of the equipment in the services in subsequent years.

1.17 During the oral evidence, on the subject, through power point presentation, a representative of Indian Army submitted as under:

“The emergency procurement powers were assigned to the Indian Army with effect from October 2022. Procurement under these delegated powers has enhanced the ISR and fighting capability of troops deployed in northern and western borders manifold. This was met with the positive response by the Indian industry.”

### **Indigenization**

1.18 The Committee wanted to know about 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 last five financial year (2017-18 to 2021-22) and current Financial year 2022-23 (upto December, 2022), total 90 capital acquisition contracts have been signed for capital procurement of defence equipment for Army, out of which 62 contracts worth about 84% of total contracts value, have been signed with Indian Vendors for capital procurement of defence equipment.

1.19 Details of capital expenditure incurred on Indigenous procurement for Defence Equipments by the Army for the last five year as intimated to the Committee are as under:-

<b>(Rs. in Crore)</b>	
<b>Financial Year</b>	<b>Indigenous Procurement</b>
2017-18	17,897.62
2018-19	17,690.47
2019-20	19,619.62
2020-21	17,446.83
2021-22	17,290.96

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

“The Atmanirbharta initiative of the Government of India is fully supported by the Indian Army through multiple initiatives and outreach to academy and industry through the Army Design Bureau, the Directorate of Indigenization, the Army Technology Board and a host of other establishments like Srijan Application, Department of Defence Production and the iDEX initiative.

Modernization through induction of indigenous weapons and platforms is being explored further. In the current Financial Year, AoNs worth Rs.99,569 crore have been accorded for procurement of new equipment and weapons from indigenous sources.”

Further on indigenisation, Chief of Defence staff submitted as under:

“Regarding indigenisation, you take it from 2014 onwards, there was Make In India followed by Atmanirbharta or Indigenisation, whatever we actually started has come true because of this Ukrainian crisis and now we realise that had we been producing things indigenously, we would not have been dependent on foreign sources. When we look at indigenisation of equipment and inventory which we hold, we should look at two parts. One is capital equipment which we are going to purchase like high quality and high-tech equipment which is rather difficult and the other one is the segment which deals with spares, MROs and things like that which is a large component like ammunition. This is the second portion in which the volumes are huge and there is a capacity. It is not that our nation is static. A large number of MSMEs etc. and a lot of people have showed talent including in the private sector and it is largely driven by the private sector. In the ordnance factories, we have carried it out because of the issues that you mentioned. They underwent some kind of reforms. We have corporatized those ordnance factories.

There are now seven kinds of DPSUs. They perform on a competitive basis as a tender. Earlier, they used to place indents on ordnance factories. They used to give the demand of 500 rifles and 5000 uniforms. Now, all that indent has been turned into a supply order which has conditions like they have to give it in time and the payments will be released accordingly. There is nothing for them other than to compete and diversify. But that is a separate subject. That does not come under my domain.

Are the costs of indigenisation competitive or not? When we start anything, the cost will obviously be high. You will not get two or three people even in the private sector to manufacture ammunition or rifles. There will be one vendor only and the investment in R&D will be initially high. So, for a foreign vendor who has been supplying, obviously, its cost will be slightly lesser. So, cost-wise, I think we are still not matching. But it is better to do it indigenously

even if it is a higher cost. That is what I would suggest so that we have a base. Once we start doing it which the Government is doing now, in a large number of things, we are doing only indigenously, probably, over a period of time, the cost will also come down. The quality will also improve in the private sector as well as the in the industry.”

Further CDS submitted:

.....सर, आत्मनिर्भरता के बारे में अगर हम बात करें, आपने वसुधैव कुटुम्बकम् की की बात कही, अगर आत्मनिर्भरता को देखें तो इसका पहला शब्द ही आत्म है, जो सेल्फ-रियलाइजेशन और सेल्फ-कांफिडेंस है। सेल्फ-रियलाइजेशन में भी पहला शब्द सेल्फ है। जब हम आत्मनिर्भरता की बात कर रहे हैं, तब हम केवल वेपन्स की ही बात नहीं कर रहे हैं या आर्म्स-एम्प्युनिशन की ही बात नहीं कर रहे हैं, इसमें हमारी थॉट प्रोसेस भी शामिल है। हम वेस्टर्न स्ट्रेटजी या वेस्टर्न टेक्टिक्स को क्यों इनकॉर्पोरेट करें? ऐसी हमारी जो चीजें हमारे लिए एप्लीकेबल हैं, क्यों न उनकी ही बात की जाए और उसी तरह की ट्रेनिंग हो। इसलिए इसमें हमें आर्म्स एंड एम्प्युनिशन के बैरिऑण्ड देखना पड़ेगा। इस चीज का फायदा हमें लॉग टर्म में मिलेगा, क्योंकि दुश्मन हमारी टेक्टिक्स और हमारी अंडरस्टैंडिंग को नहीं समझ पाएगा। इसी तरह हमारे यहां विकसित किए गए वेपन्स की कैपेबिलिटी के बारे में उनको पता नहीं रहेगा। आज अगर हम एक हवाई जहाज या मिसाइल खरीदते हैं तो उसकी रेंज, क्षमता, उसमें कौन सा सीकर है, कैसे वह जाम हो सकता है आदि सारी चीजें लोगों को पता होती है। इसलिए इंडिजिनिस डेवलपमेंट और इंडिजिनिस टेक्टिक्स में फायदा है।”

### **Vintage and other category of equipment**

1.21 During deliberations an issue regarding implementation status of the recommendation made by the Standing Committee on Defence in 2018 that modern armed force should have one-third of its equipment in the vintage category, one-third in the current category, and one-third in the state-of-the-art category was also raised. A representative of Army submitted as under:

“Sir, you are right. It was 30:40:30. 30 per cent was to be new generation equipment, 40 per cent was to be current equipment and 30 per cent could be the older generation equipment. Currently, the situation is, approximately, 15 per cent is new generation equipment, around 40 per cent is current equipment, and the balance is the older generation equipment. So, this is the transition that we have to go about. There is some time to go before we are able to reach the ideal state of 30:40:30.”

## 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 2022-23, separately for Capital and Revenue segments along with projection and allocation in the BE 2023-24. The details submitted to the Committee are as follows:-

#### A. REVENUE

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	34,375.46
2022-23	50,692.44	32,873.46	54,997.72	44,728.10	29,214.45*
2023-24	68,081.58	44,345.58	-	-	-

\*Figures are upto December, 2022.

#### B. CAPITAL

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	53,217.19
2022-23	85,322.60	56,851.55	56,264.54	53,871.17	27,631.50*
2023-24	58,808.48	58,268.71	-	-	-

\*Figures are upto December, 2022.

Note: RE 22-23 and BE 23-24 figures are subject to approval of the Parliament.

#### Revenue Budget

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 Financial Year 2023-24, against Revenue Head, projection of Air Force has been Rs. 68,081.58 crore and allocation to be made is Rs. 44,345.58 crore. In case of Revised Estimates (RE) for Financial Year 2022-23, under Revenue head, Air Force's projection was Rs. 54,997.72 crore and allocation made was Rs. 44,728.10 crore. The allocation is short of demand by Rs. 10,269.62 crore and the expenditure incurred till December 2022 was Rs. 29,214.45 crore.

## Capital Budget

Capital Budget chiefly provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in Budget Estimate for Financial Year 2023-24, Air Force's projection was Rs. 58,808.48 crore and allocation to be made is Rs. 58,268.71 crore. There is a deduction of Rs. 539.77 crore in allocation *vis-a-vis* demand. In RE, 2022-23 the projection of Air Force was Rs. 56,264.54 crore against which an allocation of Rs. 53,871.17 crore was made, hence, Rs. 2393.37 crore short of demand. However, the expenditure in three quarters of Financial Year 2022-23 i.e. upto December 2022 was only Rs. 27,631.50 crore.

2.3 During the deliberations on Demands for Grants 2023-24, a representative of Air Force deposed to the Committee as under:

“इसमें देखा जा सकता है कि सारा एलोकैटेड बजट एफिशिएंटली यूटिलाइज हुआ था। एयरफोर्स के लिए जैसे-जैसे पैसे की जरूरत पड़ी, एडीक्वेट बजट एलोकेशन से पूरी हो गयी। अगर इस बजट को कैपिटल और रेवेन्यू में ब्रेक डाउन करें तो रेवेन्यू में एलोकेशन एडीक्वेट रहा है और जिस परपज के लिए एलोकेशन हुआ था, उसे इस्तेमाल किया गया है। रेवेन्यू बजट का एलोकेशन सेलरी में जाता है और जो अदर दैन सेलरी कोडेड होता है, इससे ट्रेनिंग, इन्फ्रास्ट्रक्चर, मैन्टेनेंस और सस्टेनेंस किया जाता है। इस तरह से ऑलमोस्ट 40-50 परसेंट डिस्ट्रीब्यूशन सेलरी और अदर दैन सेलरी में किया जाता है। वायुसेना का अधिकतर रोल फ्लाइटिंग रिलेटिड ऑपरेशन में किया जाता है जो काफी महंगा पड़ता है, इसलिए 25 परसेंट ऑफ अदर दैन सेलरी का एक्सपेंडिचर फ्यूल में ही होता है।”

2.4 On a query regarding sharp decline in BE projection as compared to the last year's projection, a representative of Air Force replied:

“Sir, as far as projection is concerned, our projection last year was Rs. 85,000 crore and we finally got allocation of Rs. 57,000 crore which we consumed. This year, the projection itself has been less because of this Russia-Ukraine war as some of our deliveries are not taking place. So, we have already been told that those deliveries will not take place. So, we have taken that part of the component out. There is no point in projecting that. Otherwise, whatever we

have been requiring, when we are making payments, it is stage-wise payment, so we take into account any project that we get into, as to what is the stage payment that is likely to take place in that year and based on that we project and we do sometimes make changes even in that because certain things get delayed because of the other countries involved, especially, and till now we have not had any problem in terms of when we needed the money and we did not have. Both, Russia and Ukraine are delivering things to us”.

Further on reduced projection, a representative submitted as under:

“Sir, as far as reduced projection is concerned, some part of it covers spares, ..... But there is a major project ..... where the deliveries have been stopped because of the war going on. So, we had a major delivery in this year, which is not going to take place. They have given us in writing that they are not able to deliver it. That is why the major part of projection has been reduced”.

### **Percentage Share of Air Force Budget**

2.5 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
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
2022-23	3,85,370.15	32,873.46	8.53	56,851.55	14.75	89,725.01	23.28

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

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

2.6 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 10.32 per cent in 2018-19 to 8.53 per cent in 2022-23. At the same time, there is a increase in capital budget share from 12.81 percent in 2018-19 to 14.75 percent in 2022-23. It is quite less if compared to allocation made in the year 2021-22, which was 15.33 per cent. However, there is an increase in absolute terms under both revenue and capital heads during the same time period.

### **Budget for Modernization**

2.7 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 2022-23, an amount of Rs. 52,749.98 crore was allocated at BE stage under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). However, no additional funds were allocated to Air Force in RE 2022-23 over BE 2022-23. Against these allocations, an expenditure of Rs. 25,770.81 crore (upto December, 2022) has been incurred in FY 2022-23. Surrender, if any, will be known at the time of finalization of Modified Appropriation of current financial year 2022-23.

2.8 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 was received in First Supplementary. In second supplementary, an additional amount of Rs. 17,848.65 Crore had been sought to cater for Committed Liabilities, new schemes, and future operational capabilities of IAF, etc. No additional allocation was received in Second Supplementary. In Third and final batch of Supplementary, no additional funds had been sought by Air Force under Capital Acquisition (Modernisation) Head.

2.9 In First Supplementary 2022-23, no additional funds were sought by Air Force under Capital Acquisition (Modernisation) Head.

2.10 Details of additional requirements projected by Air Force under modernization (Capital Acquisition) at RE stage and the allocation made during the years 2021-22 and 2022-23 are as under:-

(Rs. in Crore)				
Year	BE Allocation	RE Projection	Additional projection at RE over BE	RE Allocation
2021-22	49,320.77	67,169.42	17,848.65	50,090.77
2022-23	52,749.98	52,750.00	0.02	50,621.76

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

2.11 It may be seen from the table given above that Air Force's allocation were increased at RE stage by Rs. 770 Crore over BE 2021-22. However, no additional funds were allocated to Air Force in RE 2022-23 over BE 2022-23 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.

### **Planning and Procurement**

2.12 When asked about details of the acquisitions planned for the years 2023-24 and 2024-25 including proposed dates of acquisition, revised schedules and funds expended on the projects, the Ministry, in a written submission, replied as under:

“Planned acquisitions for these years include Basic Trainer Aircraft (BTA) (HTT-40), Medium Power Radar (MPR) (Arudhra), Indoor Free Fall Simulator (Vertical Wind Tunnel), Close in Weapon System (CIWS), Additional Mirage 2000 Aircraft (Twin Seater), Ground Based System (Khoj), High Power Radar (Replacement), Design and development of Foldable Fiber glass Mat (FFM) for rapid Runaway Repair for IAF, Six Additional Dornier-228 Aircraft, AL-31 Aero Engine for Su-30, Wet Lease of Flight Refueling Aircraft (FRA), High Frequency (HF) Trans receiver Static, DR-118 RWR for Su-30 MKI Aircraft, RD-33 Aero Engines for MiG-29 Aircraft, Technical Position (TP) for BrahMos Missile at AF Station Thanjavur and Wind Profiler”.

### **Indigenization**

2.13 The Committee were briefed that Air Force is vigorously pursuing indigenisation and expenditure is being done as per committed liabilities and internal earmarking of budget for domestic capital acquisition. The Committee wished to be apprised about the details of the acquisitions made by Air Force from indigenous sources during the years 2021-22 and 2022-23. 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 source during the last five year i.e. FY 2018-19 to 2022-23 (upto 31 Jan 23) and expenditure made during the same period is mentioned below:

<b>FY</b>	<b>No of Contracts</b>	<b>Total Contract Value</b>	<b>Expenditure (Rs in Cr)</b>
2018-19	36	1,156.20	17.90
2019-20	34	5,855.05	823.87
2020-21	63	49,455.53	6,541.38
2021-22	35	4,135.70	1,524.90
2022-23	27	2,454.75	345.75 (upto 31 Jan 23)

- (b) Further, the expenditure incurred on Domestic Procurement from FY 2018-19 to 2022-23 (upto 31 Jan 23) under Capital Acquisition is as under:

<b>FY</b>	<b>Expenditure (Rs in Cr)</b>
2018-19	5,648.66
2019-20	16,461.54
2020-21	36,638.14
2021-22	29,911.37
2022-23	18,866.60 (upto 31 Jan 23)

2.14 On the issue of funds dedicated for acquisition from indigenous sources during the year 2023-24, the Ministry in its written replies submitted as under:

“Yes Planned cash outgo (Committed Liabilities) under Domestic Expenditure is Rs. 29,316.56 Cr out of total allocation BE 2023-24”.

2.15 During the deliberations on Demands for Grants 2023-24, on self-reliance and indigenisation, a representative of Air Force deposed to the Committee as under:

“आपने जो दूसरी बात कही है, जो इंपोर्ट वर्सेज आत्मनिर्भर भारत है, जैसा मैंने पहले भी कहा था कि अभी हमें एक बैलेंस स्ट्राइक करना है। हम अपनी इंडस्ट्री को भी मौका दें, लेकिन हमारी अपनी जो कैपेबिलिटी है, वह भी कम न हो। इसीलिए जरूरी है कि कुछ चीजें इंपोर्ट करनी पड़ेंगी। अगर किसी चीज में 19-20 का फर्क है, तो भारत की बनी हुई 19 को भी स्वीकार करना पड़ेगा, ताकि हम उसको भी बढ़ावा दे सकें। जो हैप्पी मिक्स है, अभी वही काम चल रहा है। जो 114 एयक्रॉफ्ट्स का कॉन्ट्रैक्ट है, वह हम बाहर से खरीद रहे हैं, लेकिन उसका मैनुफैक्चर भारत में होगा। जो एलसीए मार्क वन डिजाइन हो रहा है, मार्क वन का ऑलरेडी आर्डर दिया जा चुका है और मार्क टू का सीसीएस नोट अप्रूव हो चुका है। अमका का सीसीएस नोट मूव हो चुका है। जो प्रोसेस है, वह समानांतर चल रहा है।”

He further apprised the Committee:

.....to add to the indigenisation part, I would like to also submit that we have base repair depots in our country, which, for the last many years, have been working towards indigenising many of the components, especially, those that are required by us on a routine basis, like seals, washers in large numbers. We have been largely successful in this. There are certain BRDs which specialised in this process. HAL is already making the engine for the Su-30 in our country at Koraput. So, a lot of elements of this are already getting indigenised. Of course, to say that we will be 100 per cent independent, will never be possible. That is sure”.

“Sir, on the third point, which you brought out, about indigenisation of weapons, fortunately this is one area where we are on a very strong side. In the last two or three years, after the crisis happened, a lot of push has been given to indigenisation of weapons. A lot of our DRDO projects are now fructifying. We are very confident. In two or three projects, we are already in the process of integration. These are all long-range weapons with precision. So, we are looking at that.

At the same time, with the foreign OEMs having now understood the requirement of making in India, a lot of foreign companies are tying up with Indian partners and those weapons are getting made in India. We are in the process of placing orders on Indian firms for these weapons which are already integrated. I think, in terms of weapons, we should be much more comfortable. Hopefully, on the main cases of FRA and multi-role fighter aircraft, we should be moving ahead quickly”.



## **Force Level**

2.16 On the strength of the Indian Air Force, through power point presentation, a representative of Air Force submitted as under:

“अपनी काबिलियत की शुरुआत में फाइटर एयरक्राफ्ट से करता हूँ। वायुसेना की आथराइज्ड स्ट्रैन्थ 42 फाइटर स्क्वाड्रन की है, उसके मुकाबले अभी की संख्या 31 है, जो अगले दस सालों में भी बढ़ेगी नहीं बल्कि 2029 तक घट सकती है। दो स्क्वाड्रन नयी जेनरेशन के जहाज से लैस होगा, एलसीए और एमआरएफए रिडक्शन को अरेस्ट कर सकते हैं, हमारे एमआरएफए का डिजीजन इस रिडक्शन को संभालने के लिए जरूरी है। जब मालवाहक विमान को देखा जाए तो हमारी स्थिति काफी बेहतर है। आज सी-17, सी-130 और आईएल 76 से हमारी रीच और सामन ढोने की क्षमता में काफी इजाफा हो चुका है। अब हम पुराने जहाज को एव्रो को सी-295 से रिप्लेस कर रहे हैं। सी-295 विमान काफी क्षमता में बनेगा, वायु सेना का वर्क हॉस एन-32 की रिप्लेसमेंट की शुरुआत एक मिडियम ट्रांसपोर्ट एयरक्राफ्ट के इंडक्शन से होगी। ट्रांसपोर्ट फ्लीट के बारे में बताऊं, क्विक डिपलॉयमेंट एवं ग्लोबल लेवल पर रीच हो गई है और यह हमारी पाँवर प्रोजेक्शन में काफी इन्हान्समेंट करती है।

हेलीकॉप्टर फ्लीट में संख्या पर्याप्त है। अभी पिछले कुछ सालों में अपाचे और चिनुक को छोड़कर जितने भी हेलीकॉप्टर इंडक्ट हुए हैं, वह इसी देश में बने हुए हैं। लाइट यूटिलिटी हेलीकॉप्टर इंडियन मल्टी रोल हेलीकॉप्टर के इंडक्शन की तैयारी चल रही है। पुराने जहाज काफी संख्या में हैं, मीग-17 सीरीज के हैं, उनको भी अपग्रेड किया जा रहा है। इसमें अगर समराइज करें तो हेलीकॉप्टर लिफ्ट, अटैक कैपेबिलिटी, इंडक्शन और प्रजेंट स्ट्रैन्थ के हिसाब से ठीक है।

आकाश में मार करने वाली प्रक्षेपास्त्र की बात करें, यह काफी हेल्दी ट्रेंड दिखाता है और अगले दस साल में हमारा स्क्वाड्रन में काफी इजाफा होगा। अगर आप इंडेक्स को देखेंगे तो ये वेपन हर दूरी के हैं, शार्ट रेंज से लेकर मिडियम रेंज और लांग रेंज के हैं। इसमें भी अधिकांश वेपन इंडिजिनस डेवलप हो रहे हैं।

किसी भी वायु युद्ध में कुछ ऐसे विमान होते हैं जो युद्ध के लिए बहुत महत्वपूर्ण होते हैं। इनको हम कम्बैक्ट इनेबलर्स कहते हैं। इनकी क्वान्टिटी कम होती है लेकिन लड़ाई के आउटकम में बहुत ही महत्वपूर्ण रोल अदा करते हैं। इसमें फ्लाइट रिफ्यूल्स एयरक्राफ्ट हवा में दूसरे जहाज को रिफ्यूल करता है, अभी हमारे पास छह हैं और छह और को जरूरत को भी प्रोग्रेस किया जा रहा है। एयरब्रोन वार्निंग और कंट्रोल सिस्टम जिसको एडब्ल्यूएसीएस कहते हैं, अभी हमारे पास तीन एवैक्स हैं, दो एडिशनल एवैक्स को इंडक्ट करने का एक्सप्लोरेशन चल रहा है। तीन

एईडब्ल्यूसी जहाजों को डीआरडीओ ने बनाये हैं । इसके अलावा, छह और एईडब्ल्यूसी एयरक्राफ्ट को इंडक्ट करने का एक्सप्लोरेशन जारी है। छह एयरबस -321 जहाजों को डीआरडीओ की मदद से एईडब्ल्यूसी माक -II प्रोजेक्ट के तहत modify किया जा रहा है।

सिग्नल इंटेलिजेंस और कम्युनिकेशन इंटेलिजेंस के लिए जिसको इलेक्ट्रॉनिक इंटेलिजेंस कहा जाता है, दो बोइंग 737 जहाज हैं और अभी ए-319 जहाज को भी डिफेंस मिनिस्ट्री ने खरीदा है, जिसको हम इस रोल में मोडिफाई करेंगे। अगर शांतिकाल में हमारा टास्क देखा जाए तो उसमें एयर डिफेंस युद्धकाल की तरह निरंतर उतना ही महत्वपूर्ण रहता है। इस प्रोजेक्शन को अगर आप देखेंगे तो एयर स्पेस में ट्रैफिक दिखाता है, इस ट्रैफिक को निरंतर मोनिटर करना एक नेटवर्क ऑफ एयर डिफेंस रडार से किया जाता है। इसमें मध्यम रेंज और ऊची रेंज की रडार हमारे पास लगभग गैप-फ्री कवरेज देती है। यह रडार का सारा नेटवर्क एक इंडीग्रेटेड एयर कमांड एंड कंट्रोल सिस्टम से कराया जाता है जोकि भारत में बनाया गया इंडिजिनस नेटवर्क है। इस सारे नेटवर्क में अगर कोई घुसपैठिए पाया जाता है तो उसको चैलेंज करने के लिए किसी भी समय चौबीस घंटे जहाज स्टैंड बाई पर रहते हैं। पिछले साल 41 वार स्क्रेम्बल किए गए थे जोकि एयर स्पेस वायलेशन होने पर किए गए थे । इन स्क्रेम्बल का उद्देश्य ये डिटरमिन्ड किया जाता है कि घुसपैठिए का कर्मिश्यल जहाज है या कोई दुश्मन का जहाज है।”

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

“जो 31 स्क्वाड्रन्स को 42 स्क्वाड्रन्स तक करने की बात है, मैं नहीं बता पाऊंगा कि यह कब तक होगा। हम पिछले बहुत सालों से कोशिश कर रहे हैं आगे बढ़ने की, लेकिन कुछ प्रोसीजर्स होते हैं, जिनको फॉलो करना होता है। दूसरा, जैसे हमें एचएएल से किसी रेट पर कुछ जहाज मिलने हैं, हमें जो 40 एलसीए चाहिए थे, वे काफी समय पहले मिल जाने चाहिए थे। वे अब मिल रहे हैं, अभी भी हमारे पास 40 से दो जहाज कम ही हैं।”

Further, a representative of Air Force added:

“सर, यह कह पाना मुश्किल है कि यह कब तक पूरा होगा, लेकिन अभी हम जिस रेट पर चल रहे हैं, हमने प्रोक्योरमेंट में जो ऑर्डर्स दे रखे हैं, अगर वे मिलेंगे और अगर इन 114 जहाजों का केस प्रोग्रेस होता है, हम 2030 तक 29 से 31 स्क्वाड्रन के बीच रह सकते हैं। हम उससे नीचे नहीं जाएंगे। हमारे मिग 21 जहाजों को फेज-आउट करना जरूरी है।”

2.18 Further on the subject, the Ministry was asked on the LCA induction in squadrons and is Air Force is comfortable with this, a representative of Air Force submitted as under:

“As far as LCA and other type of aircrafts are concerned, in every Air Force, we will have to have a mix of all types of aircrafts because every aircraft has a certain role. You cannot have all aircrafts of one class. As far as LCA is concerned, it does fit in. We have to remember that it was designed as a replacement for MIG-21. The aircraft has come up quite well. It is meeting those requirements quite well. Yes, if you ask, everybody would like to have all Fifth-Generation aircrafts. But we have to see what we can get, what is available in the market. We also have to see what will happen tomorrow. If we keep buying them from the open market in the world, we will never become self-reliant. So, we need to give a push to our own industry also. We need to hold their hands and Air Force is committed towards that. We will make a happy mix and that is why we are going in for MRFA contract for 114 aircrafts. It was, actually, 8 squadron of LCA and MRFA”.

2.19 About the delay in LCA project, a representative of Air Force deposed to the Committee as follows:

“It is not in Air Force’s domain to conduct this study. But, as users or as the people who needed it, what I can say is, we had made an aircraft before this. The last aircraft that we designed was Marut. So, after a gap of 30 years plus, we are now trying to make a fighter aircraft inhouse. We took a giant leap. We had to take a call. We could have gone for some middle level or one generation below aircraft. LCA is the four plus generation aircraft. We could have gone for a third-generation aircraft with the conventional controls and with all rudimentary dials in old avionics but we had to catch up with technology. I think it was a very good step taken, though we have taken much longer than what we should have.

We were learning our lesson. We cannot call them failures but there are a lot of road blocks. Then, the sanctions came in after our nuclear test. That caused a lot of drawbacks. That is where we started thinking of that we should have most of the technologies inhouse. But the flyby wire system of that aircraft and the entire control law has been written by Indians inhouse. In the avionics, the entire architecture is Indian, and it has been revised once fully. That means what we conceived in the beginning and what we are flying today are two different architectures. The one we are flying today is called federated architecture. If I can use the word, it is, plug and fly. You can integrate any new weapon or any new system much easily now.

So, as far as avionics is concerned, we are very close to where the world is. But, yes, in engine technology, we need a lot to catch up. As far as airframe and other parts are concerned, I think there again we are very close to where the world is, except for some technologies like the actuators and all that, which we are now doing flight testing at the moment. The flight testing is on. By the way, most of us, all three of us, sitting here have been test pilots in LCA programme. So, we know it. It is very close to our hearts. I think he will add on to it.

Further, a representative of Air Force submitted as under:

“I will add on to it because this was related to my previous job. I was heading the flight testing. I just cleared the LCA’s final operational clearance. So, I can tell you that while you are right that it was conceived in the 90s’, but what we are flying today is very different from what was actually conceived at that point of time. We have kept pace with technology because lot of the avionics have changed over the time. The squadrons, which are flying today, are flying the latest avionics which is available with us in the rest of the fleet, which is also good. That is one part of it.

Like he mentioned about the flyby wire, a lot of other countries were not willing to share some of the critical technologies. So, these are some things on which we have to learn on our own, and, of course, learning takes its own time. But today we are much better prepared. Hopefully, in the next aircraft, we will not take as much time as today”.

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

2.20 On a query regarding the budgetary allocation made and actual expenditure incurred for modernizing airfields during the last five years, the Ministry in its written reply stated as under:

“The details regarding the budgetary allocation made and actual expenditure incurred for modernizing airfields during the last five years is appended below:

(Rs. in crore)

SI No.	Project Name	Contracted Amount	Amount paid
1.	Project Modernisation of Air Field Infrastructure (MAFI) Phase -I	1215.35	1215.35
2.	Project MAFI Phase -II	1187.17#	565.7
<b>Total</b>		<b>2402.52</b>	<b>1781.05</b>

# Contract value reduced from 1189.44 Crore to 1187.17 Crore after contract amendment No.03 dated 30 Sept 21”.

2.21 On the issue of future plans of modernisation of airfields, the Ministry in its written reply submitted as under:

“The contract for modernization of 24 airfields [including Ojhar (HAL) and Vadodara (AAI) where Navigation aids required for military aviation are being installed], nine airfields of Indian Navy and two airfields each of Indian Coast Guard, and Aviation Research Centre (ARC) as a part of Project MAFI II has been sanctioned by Govt of India. The project is expected to be completed in October, 2024”.

2.22 The Ministry in its written replies informed that MAFI Project has already been completed modernisation at 35 airfields and on 18 airfields modernisation planned. In the North-Eastern part of India modernisation of 7 airfield completed in phase I & II and 3 airfields planned in phase II

### **Manpower**

2.23 The Committee desired to be apprised about the shortage of manpower in Air Force. On the issue, a representative of Air Force submitted as under:

“Sir, the shortage of officers is around 600 against the authorised establishment of around 12,606. The shortage of men as of today is 3 per cent of the authorised cadre, and it would increase around 10 per cent of the authorised in 2026 if we take the proposed accretions into account. About 9500 posts are lying with the Ministry of Finance for approval. If those come in, the shortage will remain between 3 to 5 per cent. So, effectively, that much is the training reserve also which we already keep. So, there would not be a major shortage”.

## CHAPTER – III

### NAVY

The Committee find that Navy is prime manifestation of India's maritime power which shapes maritime domain and safeguards national maritime interests. To safeguard our national maritime interests, continuous Mission Based Deployments are being undertaken by the Indian Navy. Indian Ocean Region (IOR) has multiple security challenges as it contains major shipping lines and nearly 1,20,000 vessels transit through various choke points. Almost 13000 vessels 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 Indian Navy.

3.2 For examination of the Demands for Grants of Navy for the year 2023-24, 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 2022-23, separately for Capital and Revenue segments alongwith projection and allocation in the BE 2023-24. The details submitted to the Committee are as follows:-

#### A. REVENUE

(Rs. in Crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	23,834.99
2022-23	34,701.66	25,406.42	34,441.48	30,734.58	19,840.03*
2023-24	36,605.04	32,284.20	-	-	-

\*Figures are upto December, 2022.

#### B. CAPITAL

(Rs. in Crore)

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	45,028.64
2022-23	67,622.96	47,590.99	47,727.03	47,727.03	24,206.45*
2023-24	52,804.75	52,804.75	-	-	-

\*Figures are upto December, 2022.

Note: RE 22-23 and BE 23-24 figures are subject to approval of the Parliament.

## **Revenue Budget**

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 2023-24, against Revenue Head, projection of Navy was Rs. 36,605.04 crore and allocation to be made is Rs. 32,284.20 crore, with a reduction of Rs. 4320.84 crore. In case of Revised Estimates (RE) for FY 2022-23, under Revenue head, Navy's projection was Rs. 34,441.48 crore and allocation made was Rs. 30,734.58 crore. The allocation is short of demand by Rs. 3706.9 crore, However, the expenditure incurred till December 2022 was merely Rs. 19,840.03 crore.

## **Capital Budget**

The Committee are also aware that Capital budget cardinaly provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc. Under Capital Head, in BE for FY 2023-24, Navy's projection was Rs. 52,804.75 crore and the same has been allocated. In RE 2022-23, the projection of Navy was Rs. 47,727.03 crore and the same has been allocated. However, the expenditure in three quarters of FY 2022-23 i.e. upto December 2022 was only Rs. 24,206.45 crore.

3.3 During examination of Demand for Grants 2023-24, a representative of Indian Navy, through a Power Point presentation before the Committee on budget submitted the following information:

“नेवी का टोटल बजट वर्ष 2018-19 से कंटीन्यूअसली बढ़ रहा है। Indian Navy's share of defence budget at BE 2023-24 stage has increased from 17.78 per cent in financial year 2022-23 to 18.26 per cent in financial year 2023-24. पिछले कई वर्षों से भारतीय नौसेना ने कैपिटल टू रेवेन्यु रेशियो हेल्दी स्टेट में बरकरार रखा है। फाइनेंशियल ईयर 2022-23 में कैपिटल टू रेवेन्यु रेशियो 68:32 है, जो हमारे नेवी के मॉडर्नाइजेशन प्लान्स को और जोर देता है। नौसेना के मॉडर्नाइजेशन के प्रति कैपिटल बजट के बी स्टेज में सन् 2018-19 से सालाना 21 परसेंट बढ़ोतरी देखी गई है। ऐसी बढ़ोतरी हमारे कमिटेड लाइबिलिटी और मॉडर्नाइजेशन के प्रति नए कॉन्ट्रैक्ट को कन्क्लूड करने में प्रोत्साहन देते आ रही है। इन मॉडर्नाइजेशन प्लान्स में इन्फ्रास्ट्रक्चर भी शामिल है, जो बढ़ती नौसेना की बढ़ती डिमाण्ड के प्रति है। यहां पर मैं हाइलाइट करना चाहूंगा कि नौसेना के प्रोजेक्ट लंबी अवधि के होते हैं, चाहे वह वारशिप कंसट्रक्शन हो या इन्फ्रास्ट्रक्चर की जरूरत हो। इसी कारण निरंतर बढ़ते बजटरी एलोकेशन और सपोर्ट हमारे बढ़ते नेवी के लिए बहुत अनिवार्य है।

हम रेवेन्यु बजट में ध्यान दें तो सन् 2018-19 से तकरीबन 12 परसेंट सालाना ग्रोथ देखी गई है। इसमें सेलरी और नॉन सेलरी एलोकेशन भी शामिल है। नॉन सेलरी या अदर दैन पे एंड अलाउंसेस ओटीपीए सेगमेंट को देखें तो एवरेज ईयर ऑन ईयर ग्रोथ तकरीबन 14 परसेंट की बढ़त हुई है। इस बजट एलोकेशन को हम नेवी के ऑपरेशन्स, ट्रेनिंग, मेन्टेनेंस और रोज की गतिविधियों को जारी रखने के लिए इस्तेमाल करते हैं। The allocation for next financial year has grown by 55 per cent with respect to BE 2022-23, जो हमारी नौसेना के संचालन और जीवन आधार के लिए बहुत ही लाभदायक होंगे।”

3.4 In line with the discussion, the Committee desired clarification on RE and the projected requirements. In this regard, the Financial Advisor (Defence Services) informed the Committee as under:

“As I mentioned earlier, the revenue budget caters for salary as well as non-salary. You are concerned with non-salary. They had an allocation of around Rs. 9000 crore there. They needed around 14,000 crore. They got the entire amount. That is why you will not see much difference between the increase over the last year and the BE. They got exactly what they wanted. The reason why they wanted this was on account of fuel. The fuel prices have really gone up. So, they wanted money on that account which was given to them.

They were given around Rs.1000 crore only for that. Then, they were given money for ration. They wanted around Rs.115 crore. They got that money. Then, they wanted around Rs.4386 crore on account of emergency procurement. That was also given to the Navy. I have the details of all the requirement which totals up to Rs.13,000 crore”.

It was supplemented as under:

“Sir, their projected requirement was exactly the same. The requirement which they have got is what they had projected. I mean in fact इसका रिक्वायरमेंट 28 हजार करोड़ रुपए था what they wanted for revenue. They have got that. They wanted around Rs.51,000 crore for capital. They have got that. The total amount which they needed was Rs.79,000 crore. We did a complete review. That is the money which they wanted for the current BE. That is what they have been given.”

3.5 On the issue of projection, Financial Advisor (Defence Services) submitted as under:

“The projection initially when they had done last year, it was slightly higher because of the preliminary thing which they had. But in the RE, we managed to get money which met their committed liabilities and other things. That is why the

figures now what we have got is more than sufficient to meet their current requirements”.

### **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 2022-23, an amount of Rs. 45,749.81 Crore was allocated at BE stage. However, no additional funds were allocated to Navy (including Jt. Staff) in RE 22-23 over BE 22-23 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 HQs based on prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 22,746.31 Crore (upto December, 2022) has been incurred in FY 2022-23. Surrender, if any, will be known at the time of finalization of Modified Appropriation of current financial year 2022-23.

i) **Supplementary FY 2021-22:-** Under Modernisation (Capital Acquisition) Head, Navy had sought additional allocation of Rs. 13,500 Crore in First supplementary and Rs. 16,383.31 Crore in Second supplementary stage in FY 2021-22 for meeting expenditure on account of: P8I, MRH and other Aviation Committed Liabilities; Weapon equipment/ systems, missiles, torpedoes; Emergency procurements, custom duty payments; shipping projects, submarine cases; shipbuilding/ submarine projects viz. Indigenous Aircraft Carrier, P75 Submarines, P17A frigates, P15B Destroyers, ASW Shallow Water Craft Varsha and Strategic Infrastructure Projects, etc. No additional allocation was received in First Supplementary. However, in second supplementary, an additional allocation of Rs. 1,125.18 Crore had been received. In Third and final batch of Supplementary, no additional funds had been sought by Navy.

ii) **Supplementary FY 2022-23:-** No additional funds have been sought by Navy in First Supplementary under Capital Acquisition (Modernisation) Head in FY 2022-23.

iii) Details of additional requirements projected by Navy (including Jt. Staff) under modernization (Capital Acquisition) at RE stage and the allocation made during the financial years 2021-22 and 2022-23 are as under:-

(Rs. in Crore)

Year	BE Allocation	RE Projection	Additional projection made in RE over BE	RE Allocation
2021-22	31,505.54	47,820.04	16,314.50	44,141.73
2022-23	45,749.81	45,018.22	-	45,018.22

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

iv) It may be seen from the table given above that Navy's allocation were increased at RE stage by Rs. 12,636.19 Crore in 2021-22. These additional allocations 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. However, no additional funds were sought by Navy in RE 2022-23 over BE 2022-23.

### **Indigenisation**

3.7 When asked about acquisitions made by the Navy from indigenous sources during the last five years and the status of the outlay spent on indigenous acquisitions during the same period, the Ministry in their written reply stated as under:

“During the last five years 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22, total 78 capital acquisition contracts for the Indian Navy worth ₹ 57156.82 Crs. were signed with the Indian vendors. List of the Acquisition made by the Navy from Indigenous sources during the last five years as tabulated below:-

<b>Years</b>	<b>Contract Value ( In Crs)</b>
2017-18	1742.43
2018-19	27809.58
2019-20	18231.81
2020-21	4845.09
2021-22	4527.91

The details of **Financial outgo** on **Indigenous acquisitions** is as tabulated below:-

<b>FY</b>	<b>Financial Outgo (Rs in Crs)</b>
2017-18	12,991.76
2018-19	15,182.49
2019-20	17,401.50
2020-21	23,047.51
2021-22	27,823.41
<b>Total</b>	<b>96,446.67</b>

3.8 On the issue of funds dedicated for acquisition from indigenous sources during the year 2023-24, the Ministry in its written replies stated as under:

“70:30 percent ratio has been earmarked towards procurement from Indigenous and Foreign sources during FR 23-24”.

3.9 During oral evidence, on indigenisation, a representative of Indian Army through power point presentation submitted as under:

“भारतीय नौसेना सरकार के आत्मनिर्भर भारत अभियान में सदैव आगे रही है। हम इंडिजिनिस शिप बिल्डिंग प्रोग्राम की तरफ पूरी तरह कमिटेड हैं और हमने अब तक

132 शिप्स भारतीय शिपयार्ड्स में बनाए हैं। भारतीय नौसेना आत्मनिर्भर होने की तरफ तत्पर है और हमें विश्वास है कि वर्ष 2047 तक हम पूरी तरह आत्मनिर्भर हो जाएंगे। इकोनॉमिक सर्वे ऑफ इंडिया, 2022-2023, जो हाल ही में मिनिस्ट्री ऑफ फाइनेंस ने पब्लिश किया है, उसमें शिपबिल्डिंग इंडस्ट्री के महत्व और नौसेना के राष्ट्र निर्माण के प्रति योगदान के बारे में हाईलाइट किया गया है। शिपबिल्डिंग द्वारा नौसेना आत्मनिर्भरता को काफी प्रोत्साहन देती आ रही है। केवल नौसेना के शिपबिल्डिंग प्रोजेक्ट्स में 65 प्रतिशत योगदान एंसेलरी इंडस्ट्री और एमएसएमई का रहा है। केवल आईएनएस विक्रांत के प्रोजेक्ट में शिपयार्ड के 2 हजार इम्प्लाइज के अलावा, 500 एमएसएमई और 12 हजार एंसेलरी इम्प्लाइज को लाभ मिला है। पी17 अल्फा प्रोजेक्ट्स में लगभग तीन-चौथाई इनवेस्टमेंट वापस इंडियन इकोनॉमी में आया है।

भारतीय नौसेना ने पिछले साल 2 सितम्बर को आईएनएस विक्रांत, जो हमारे देश का पहला इंडिजिन एयरक्राफ्ट कैरियर है, को कमीशन किया। दो हफ्ते पहले हमने विक्रांत पर मिंग-29के और एलसीए नेवी लड़ाकू विमानों की लैण्डिंग और टेक-ऑफ भी हासिल कर लिया। हम दुनिया के उन चुनिन्दा देशों में शामिल हुए हैं, जिन्होंने इंडिजिनिस एयरक्राफ्ट कैरियर पर इंडिजिनिस फाइटर एयरक्राफ्ट को ऑपरेट किया हो। आईएनएस विक्रांत के कमीशन के अवसर पर इंडियन नेवी ने अपना नया ध्वज भी अपनाया है। आईएनएस विक्रांत के अलावा वर्ष 2022 में इंडियन नेवी ने दो अन्य जहाज - आईएनएस मर्मागोव और आईएनएस अन्वेष को कमीशन किया।“

### **Planning and Procurement**

3.10 When asked about details of the acquisitions planned for the years 2023-24 and 2024-25 including proposed dates of acquisition, revised schedules and funds expended on the projects, the Ministry, in a written submission, replied as under:

- a. **35** Schemes worth ₹ **1,20,797.31 Crs** have been accorded AoN for acquisition. Out of these, **32** worth **Rs 1,16,382.10Crs** are planned through Indian vendor and only **03** Schemes worth **Rs 4415.21 Crs** are planned through Global vendor. The contract for the schemes are likely to be signed during FY 2023 -24 and FY 2024-25.

b. Details of Schemes accorded AoN/CNC Negotiated Cost for contracting are as follows:-

		(Rs in Crs)
S. No.	Scheme	Anticipated Cost
1.	Fleet Support Ships/Fleet Tanker (FSS) - Sec A	17,000.00
2.	Cadet Training Ship - Sec B	3065.14
3.	Procurement of Upgraded SRGM (R/o)	2,346.88
4.	Next Generation Offshore Patrol Vessels (NGOPVs))- Sec B	8,934.00
5.	Procurement of High Data Rate VLF-HF Receivers	257.05
6.	Lynx U-2 for 11 NGOPV & two WWR (R/O)	1918.77
7.	SDR (Portables) Version -1 - MP Version -2- FP Version - 3- HH	265.50
8.	Modernisation of Naval Aircraft Yards (NAY)-Kochi and Goa on 'Turnkey' Basis	365.27
9.	Special Maintenance Tools and Special Test Equipment (SMT/STE) for shore based Repair Facility at NSRY(PB)and Shore Based Training Facility at INS Shivaji for Integrated Platform Management System(IPMS) Fitted Onboard LCU MK IV Ships	40.26
10.	Setting up of Naval Aircraft and Ship Instrumentation Including Telemetry (NASI)	247.00
11.	Upper Air Sounding System (UASS) - Make II	16.00
12.	Procurement of Bottom Opening Dumb Barges	55.31
13.	Implementation of ERP solution (AIIMS) for NAI organization	89.68
14.	Procurement of Integrated Platform Management System with Motion Control (IPMS-MC) Simulator in-house developed By WESEE For Project – 75 Submarines	110.21
15.	Universal Proximity and DA Fuze (with electronics adaptable to 76 mm to 127 mm ammunition) for 76/62 Gun Ammunition	22.50
16.	Digital Beam forming Based Satellite TV (DB2ST) - Make II	64.90
17.	Three Phase Static Inverter for ELTA MPR - Make II	8.44
18.	Next Generation Corvettes (NGC)	36430.00
19.	Procurement of 500 Ton Self Propelled Water Barges (Karwar and Mumbai)	65.71
20.	500 Ton Fuel Barge	170.1
21.	Procurement of Six Integrated Bridge System (IBS)	29.15
22.	AI in SCM & Logistics	2.15
23.	Procurement of Infantry Weapon Training Simulator (IWTS)	57.77
24.	Dornier MLU	2200.27
25.	Procurement of Expendable Aerial Targets (EATs)	165.03
26.	DPR, Consultation for Contract Conclusion and Project Monitoring for Strategic Special Assets Facility (SSAF)	9.42
27.	Other Schemes (9 Nos)*	18419.27

\* Details of these schemes are sensitive in nature.

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

- i) **Vessels**. The present Force level of *IN* includes more than **130** ships and submarines. To augment the surface force levels, **43** ships/ submarines are under construction at various shipyards. Further, AoN also exists for indigenous construction of **51** ships and **06** submarines and **111** Naval Utility Helicopters (SP Model) to be built indigenously. The capacity and capability development/ modernisation of the Indian Navy is being undertaken in accordance with the Long Term Integrated Perspective Plan (LTIPP).
- ii) **Planes and Helicopters**. The number of assets required of various types of aircraft, is calculated based on *IN's* envisaged tasks and missions, available surface assets, areas of interest and other factors, as promulgated in LTIPP 2012-27. The existing number of planes and helicopters is **273** (Fixed wing aircraft – **143**, Helicopters – **130**). Presently, there is a shortfall of planes and helicopters for reconnaissance and transport, which is being mitigated through progressive procurement.

## **MANPOWER**

3.12 The Committee desired to be apprised about the gap between the required and the existing manpower (officers and PBOR) in Navy. The details shared with the Committee are as under:

Manpower status of officers (excluding Medical & Dental) and sailors as on **30 Nov 22** vis-à-vis the shortages is as follows:-

<b>Category</b>	<b>Sanctioned Strength</b>	<b>Borne Strength</b>	<b>Shortages</b>	<b>% Short</b>
Officers	11911	10344	1567	13.2
Sailors	76243	65153	11090	14.55

## **Operational Preparedness and threat perception**

3.13 During the oral evidence, on the issue of preparedness as well as the threat perception through power point presentation, a representative of Indian Navy submitted as under:

“हमारे थ्रेट्स और चैलेंजेज की तरफ लाना चाहूंगा। हमारे थ्रेट परसेप्शन के तहत .... और .... ही हमारे पोर्टेंशियल मल्टिप्लि थ्रेट्स हैं। ... अपनी मेरिटाइम कैपेबिलिटी को काफी तेजी से बढ़ा रहा है। In just over a decade, .... has grown from 250 to more than 350 navy

ships which is the largest navy in the world. पिछले साल .... में 7 बड़े जहाज और एक पनडुब्बी कमीशन किया। इसके अलावा, .... ने अपने थर्ड एयरक्राफ्ट कैरियर को भी लांच किया है। ..... नेवी की ग्रोथ के साथ-साथ उनके ऑपरेशन्स भी बढ़ चुके हैं और किसी भी समय .... के पांच से नौ जहाज इंडियन ओशियन रीजन में ऑपरेट करते हैं और .... के रिसर्च वेसल्स भी ऑपरेट करते हैं, जो हमारी सिक्योरिटी को प्रभावित कर सकते हैं। भारत के खिलाफ .... और ..... की मिलीभगत संभव है। अगर आप ..... नेवी को आज से वर्ष 2030 तक तुलना करें तो फोर्स लेवल्स में 50 तक वृद्धि का प्रोजेक्शन है। इस वृद्धि में .... का सबसे बड़ा योगदान रहेगा, इसलिए भारतीय नौसेना को अपनी कैपेबिलिटी एनहांस करना बहुत अनिवार्य है।

इनके अलावा हमारे मेरिटाइम डोमेन में काफी सारी अलग-अलग चुनौतियां हैं, जो आप स्क्रीन पर देख सकते हैं। इन नॉन-ट्रेडिशनल थ्रेट्स को रोकने के लिए भी नेवी हमेशा तैनात रहती है। कोस्टल सिक्योरिटी मैकेनिजिम्स को बढ़ावा देने के लिए नेशनल कमांड, कंट्रोल, कम्यूनिकेशन, इंटेलिजेंस नेटवर्क 51 इंडियन नेवी और कोस्ट गार्ड स्टेशन्स को कनेक्ट करती है और सारे इन्फार्मेशन को बखूबी इंटीग्रेट करती है। ज्वाइंट ऑपरेशन सेंटर, जो मुंबई, कोच्चि, विशाखापट्टनम और पोर्ट ब्लेयर में हैं, वे पूरी तरह से इंटीग्रेट होकर 24X7 काम कर रहे हैं। हाल ही में भारतीय नौसेना ने कोस्टल डिफेंस एक्सरसाइज – सी वजिल का तीसरा एडीशन संचालित किया। इस एक्सरसाइज में नौ कोस्टल स्टेट्स और चार यूनियन टेरिटरीज से 17 गवर्नमेंट एजेंसीज ने भाग लिया। कुल मिलाकर इसमें 18 हजार लोगों ने पार्टिसिपेट किया, जिनमें 800 एनसीसी कैडेट्स भी शामिल थे। मार्च, 2021 से अब तक नौसेना ने 6 एंटी नार्कोटिक्स ऑपरेशन्स कंडक्ट किए हैं, जिनसे समुद्र पर से गुजरते हुए नार्कोटिक्स ट्रेड पर भारी प्रभाव पड़ा है। I am certain the Hon. Committee would agree that considering the ever-growing threats and challenges in the region as I have updated, capability building by the Indian Navy to meet its mandated roles is essential. To counter emerging threats, a balanced built-up of the Navy is required whether it is ships, submarines or aircrafts which can only be enabled by sustainably assured funding.”

3.14 In line with the discussion, it was further submitted by Chief of Defence Staff & Secretary (DMA) as under:

“मैं नेवी की तरफ थ्रेट को एनालाइज करने की कोशिश करूंगा। यदि कहीं पर थोड़ा-बहुत एड करना चाहेंगे, तो मैं नेवी की मदद लूंगा।

यदि हम .... नेवी को देखें, तो आज की तारीख में, उनकी स्ट्रेंथ लगभग 355 शिप्स की है। शिप्स की संख्या के हिसाब से, आज की तारीख में भी वह दुनिया की सबसे बड़ी

नेवी है। उन्होंने ..... को ओवरटेक कर लिया है। आज से चार-पाँच साल बाद उनके शिप्स की स्ट्रेंथ लगभग 555 होगा। उसके मुकाबले देखें, तो आज इंडियन नेवी की जो स्ट्रेंथ है, वह लगभग 131 शिप्स है। जितने शिप्स के ऑर्डर दिए गए हैं, जितने कंस्ट्रक्शन में हैं, वे लगभग 160 के आसपास हैं। हमारी योजना लगभग 200 नेवी शिप्स को बनाने की है। लेकिन हम जिस हिसाब से चल रहे हैं, उसके अनुसार लगभग 155 से 160 शिप्स के आसपास होगा। अभी नेवी में 131 शिप्स हैं। यदि सिर्फ नम्बर के हिसाब से देखा जाए, तो ये नम्बर्स काफी कम हैं। लेकिन हमें दो-तीन बातों को ध्यान में रखना चाहिए क्योंकि ये सारी चीजें ज्योग्रेफी के ऊपर निर्भर करती हैं। .....

The Committee drew attention to the fact that an aircraft carrier is highly capital intensive in nature and the current scenario have been witnessed in the ongoing war that with the use of the new technology it may be easy to destroy the large ships which may result into the waste of huge amounts of money. Accordingly they wanted to know the actual need for the third aircraft carrier keeping in view the operational efficacy and with the deterrence angle. The Committee also took note of the fact that the need for the third aircraft has persistently been raised by the Navy in the past also.

3.15 In this regard, the Defence Secretary candidly stated as under:

"..... I would like to explain one important thing which all the hon. Members are aware of, and in fact, the hon. Committee has been promoting this aspect very much. The manufacturing of a submarine ship and an aircraft carrier is a momentous thing. In fact, it boosts the economy in such a fashion that it brings about transformation in the entire industry. If Cochin Shipyard is involved in the manufacturing of an aircraft carrier, it spins-off the steel industry or avionic industry. So, we have acquired these skills with great effort. The Shipyard Indian Industry has acquired these skills with great effort because of the emphasis laid on Make-in-India. So, when we do the planning, we must also plan for the skills, which include, manufacturing skills, design skills, and integration skills. These have to be kept in mind."

## CHAPTER – IV

### JOINT STAFF

The Committee found that Joint Staff act as single point organization for joint manship 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 inception in the year 2001.

4.2 For examination of the Demands for Grants of Joint Staff for the year 2023-24, 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 2022-23, along with projection and allocation in the BE 2023-24. The details submitted to the Committee are as follows:-

**(Rs. in Crore)**

Year	BE		RE		Expenditure
	Projection	Allocation	Projection	Allocation	
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	3,715.26
2022-23	5,473.28	4,462.35	6,014.25	5,498.39	2,958.76*
2023-24	6,543.78	6,060.45	-	-	-

\*Figures are upto December, 2022.

Note: RE 22-23 and BE 23-24 figures are subject to approval of the Parliament.

4.3 During examination of Demands for Grants 2023-24, a representative of Joint Staff through a Power Point Presentation before the Committee submitted the following information:

“HQ IDS also manages and supports the entire financial aspects and capability building of more than 120 units placed under the Joint Staff organisation. HQ IDS undertakes net assessment of potential adversaries. The Chief of IDS, as the Chairman of Defence Crisis Management Group, coordinates response of armed forces during crisis situation warranting humanitarian assistance and disaster relief operations within and outside India.....

.....HQ IDS, manages prestigious training institutions like National Defence Academy, Staff College, and College of Defence Management which impart training not only to officers of Indian armed forces but also officers from friendly foreign countries. Whilst doing so, highest standards of training in professional, intellectual, physical and moral leadership using proven and

innovative concepts, technologies, and modern practices is ensured with a view to produce competent potential future leaders for the armed forces.

.....Towards enhancing the future war fighting capabilities,तीन नई ऑर्गनाइजेशंस – Armed Forces Special Operation Division, Defence Cyber Agency and Defence Space Agency का गठन किया गया था। The activities of these organizations over the years have progressively increased both in scope and substance. Their sustenance and capability development also devolves on Joint Staff Budget.”

He further stated:

“अब मैं ज्वाइंट स्टाफ एलोकेशन पर बात करना चाहूंगा और संयुक्त स्टाफ बजट का विवरण प्रस्तुत करूंगा। डेटा में एसएफसी शामिल नहीं है। आईडीएस, मुख्यालय ने वित्तीय वर्ष 2023-24 के लिए कुल 5,670.46 करोड़ रुपए प्राप्त किए हैं, जो हमारे सटिसफैक्शन लेवल को 92 प्रतिशत तक ले जाता है। इसमें 3,843.31 करोड़ रुपए रेवेन्यु तथा 1827 करोड़ रुपए कैपिटल के हैं। Of the total revenue allocations, Rs. 1497.03 crore has been allocated for operational sustenance and maintenance requirements of the various Joint Staff organizations. कम्पैरेटिव डेटा स्क्रीन पर दिखाया गया है। यहां मैं स्पेशल मेनशन करना चाहूंगा कि वर्ष 2023-24 के लिए हमें बीई दोगुना ज्यादा दिया गया है, जो सराहनीय है। This enhancement at the BE stage itself would benefit the Joint Staff organization which are growing not only in stature, size but the overall responsibility in undertaking their planned training, operational and other functional activities smoothly since the very beginning of the Financial Year. The capital allocations for the Financial year 2023-24 as displayed in the slide is considered adequate. The entire funds as projected by the Headquarter (IDS) had been allotted thereby supporting us in our endeavours”

4.4 The Committee took note of the details of additional requirements projected under Revenue and Capital Heads in respect of Joint Staff at RE 22-23 stage which is as under:-

(Rs. in Crore)			
	Revenue	Capital	Total
<b>BE Allocation</b>	3,194.67	1,267.68	4,462.35
<b>RE Projection</b>	4,610.53	1,403.72	6,014.25
<b>Additional amount sought in RE</b>	1,415.86	136.04	1,551.90
<b>RE Allocation</b>	4,094.67	1,403.72	5,498.39

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

- i) The Committee found that Joint Staff had been allocated Rs. 386 Crore in the First supplementary against projection of Rs. 586 Crore under Revenue

Head in the FY 2022-23. However, no additional funds were sought by Jt. Staff in the First Supplementary under Capital Head in FY 2022-23.

- ii) 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.

### **Theaterisation of Armed Forces**

4.5 During oral evidence, when enquired about the theaterisation of Armed Forces, Chief of Defence Staff stated as under:

“We have tried to get the three Services on board on this issue of theaterisation which is a fundamental issue. When we look at theaterisation, I should say that there are three things closely interlinked with this: theaterisation, integration and jointness. When we say theaterisation, it is creating organisational structures which will do joint kind of a planning, execution of operation and its monitoring, etc. This can only come about when there is sufficient amount of integration among the three Services. When we say integration, it is information flow, intelligence, communications, joint logistics, etc. If we integrate that then obviously this will help creating of theatre commands. Lastly, something on a jointness which is intangible in the sense that we should be able to communicate with each other freely which means even where we meet actually rather than looking at each Service in an adversarial kind of manner. This is brought about by number of institutions which get trained together. We do staff college together. This creates a bonding between us. That will help in the process of integration and theaterisation. Regarding where have we reached till now, as far as creation of joint theatre command is concerned, we have a number of meetings between the three Service chiefs and myself. .... We should be able to create theatre commands”.

## CHAPTER – V

### EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)

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

5.2 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. The scheme was launched on 1<sup>st</sup> April, 2003. There are 30 Regional Centres, 427 ECHS Polyclinics and 3097 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.

5.3 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.

5.4 In reply to a question about the categorization of ECHS Polyclinics, the Ministry appraised the Committee through a written reply as under:

“(a) Polyclinics are categorized as either Military or Non-Military, depending on whether a Military hospital is co-located or not and are further categorized into five types, i.e. Type A to E, based on the number of Ex-servicemen residing in that area. They are :-

Ser No.	Category of Polyclinic	No. of Ex-Servicemen
(i)	Type A	Above 20,000
(ii)	Type B	Above 10,000
(iii)	Type C	Above 5,000
(iv)	Type D	Above 2,500
(v)	Type E (Mobile)	Above 1,500 (for remote areas)

(b) Approximately 55 lakh beneficiaries including ESM and their dependents are presently availing ECHS benefits.

(c) The requirement of new Polyclinics as also dependency of ESM on various Polyclinics is reviewed from time to time for opening new Polyclinics or upgrading /downgrading existing polyclinics.”

## Budget

5.5 The details of projections, allocation and expenditure by ECHS for the last five years along with projections for 2023-24 are as follows:

FY	Projection (Rs. in crore)	Allocation (Rs. in crore)	Expenditure (Rs. in crore)
2018-19	4686.00	3198.02	3258.00
2019-20	5733.00	5199.21	5193.60
2020-21	6892.00	5321.28	4579.63
2021-22	5643.61	4870.75	4864.66
2022-23	5777.51	5143.51	4347.74 (as on 11.01.2023)
2023-24	5780.00	-	-

5.6 The Ministry furnished the following information to the Committee about additional funds provided at the supplementary stage during FY 2022-23:

“The following supplementary/additional funds have been provided in CFY 2022-23:-

- (i) Rs 1000.00 Cr was allotted from Major Head 8000 (Contingency Fund of India) on 14 Sep 2022 towards payment of MTRE which is now recouped with the Major Head 2076, Minor Head 107, Sub Head E and Code Head 365/00 **Medical Treatment Related Expenditure (MTRE)**.
- (ii) Rs 11.00 Cr was allotted under Code Head 363/01 (Medical Store) on 19 Oct 2022.
- (iii) Rs 250.00 Cr was allotted under Code Head 363/01 (Medical Store) on 16 Nov 2022.
- (iv) Rs 300.00 Cr was allotted under Code Head 365/00 (MTRE) on 21 Nov 2022.

5.7 On the issue whether expenditure on medicine included in the ECHS budget, a representative of ECHS submitted as under:

“सर्विस हॉस्पिटल्स में इनके इलाज के लिए मेडिसिन्स वगैरह का जो बजट है, तो हम डीजीएफएमएस को देते हैं, वही मेडिसिन्स का इस्तेमाल वहां किया जाता है।

डॉक्टर्स की सैलरी नॉर्मल सर्विस बजट से होती है, मगर जो दवाईयां हैं, वे ईसीएचएस के बजट से ही ली जाती हैं और वही दवाईयां उनको वहां दी जाती हैं।”

5.8 On the issue of budgetary allocations and expenditure, a representative of ECHS submitted as under:

“सर, वर्ष 2022-23 में अभी तक हम लोगों को 5,429 करोड़ रुपये का एलोकेशन हो चुका है। अगर आप पिछले साल के मुताबिक देखें तो यह तकरीबन 600 करोड़ रुपये ज्यादा हुआ है। इसका जो एक्सपेंडिचर है, उसमें करीब 88 परसेंट एक्सपेंडिचर हुआ है। अभी 31 मार्च तक हमारा एक्सपेंडिचर पूरा हो जाएगा। वास्तव में, कुछ ज्यादा एक्सपेंडिचर होने की भी उम्मीद है। हम उसके लिए भी बातचीत कर रहे हैं।”

#### **Authorized and actual manpower for ECHS Polyclinics**

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

(a) Details of authorised and actual manpower at ECHS Polyclinics are as under:-

<b>Ser No</b>	<b>Appointment</b>	<b>Auth Manpower</b>	<b>Actual Manpower</b>
(i)	Medical Officer	955	955
(ii)	Medical Specialist	200	182
(iii)	Radiologist	61	04
(iv)	Gynecologist	61	57
(v)	Dental Officer	471	425
(vi)	OIC Polyclinic	410	410
(vii)	Para Medical	2528	2528
(viii)	Driver	488	488
(ix)	Non Medical Staff	1640	1640
	<b>Total</b>	<b>6814</b>	<b>6689</b>

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

5.10. The Committee desired to know about proposal for enhancing the contractual manpower in ECHS clinics/ polyclinics, in a written statement, the Ministry submitted as under:

“A case for De-Novo review of ECHS Polyclinics has already been carried out which would include establishment of 17 new Polyclinics, upgradation of 42 ECHS Polyclinics, re-location of 19 Polyclinics with placement of 91 new & conversion of 20 existing Type ‘E’ Polyclinics to MMUs. The establishment of new polyclinics, upgradation of polyclinics will enhance the authorised number of contractual employees by around 2000. The proposal is under consideration with MoD.”

5.11 During the oral evidence of the Committee, on the issue of shortage of specialists, a representative of ECHS submitted as under:

“महोदय, ईसीएचएस पॉली क्लीनिक्स में जो स्पेशलिस्ट्स होते हैं, वे टाइप-ए और बी पॉली क्लीनिक्स में काम करने के लिए अधिकृत होते हैं। मेडिकल स्पेशलिस्ट, गाइनाकोलॉजिस्ट और रेडियोलॉजिस्ट, ये तीन तरह के स्पेशलिस्ट्स अधिकृत होते हैं। एक लाख रुपये प्रति महीने के हिसाब से इन्हें रिन्युमरेशन दिया गया है। जैसा कि आप जानते हैं कि बाहर इन सब विशेषज्ञों की जो सैलरी है, वे ज्यादा हैं। यहां यह कम होने की वजह से उनकी इम्प्लॉयमेंट यहां उतनी नहीं होती है। लेकिन, जो प्रावधान दिया गया है, जिसमें एक्स सर्विसमेन की ट्रीटमेंट एम्पैनेल्ड हॉस्पिटल्स में करवा सकते हैं तो जब वे ऐसे पॉली क्लीनिक्स में जाते हैं, जहां स्पेशलिस्ट्स नहीं हैं तो फिर ओपीडी के लिए भी वे एम्पैनेल्ड हॉस्पिटल्स में जा सकते हैं और ट्रीटमेंट करा सकते हैं।”

### **Payment of pending bills by ECHS to empanelled private hospitals**

5.12 When asked regarding the steps the Ministry is taking to redress the problem of unsettled ECHS medical bills of the private recognized hospitals pending for payment, the Ministry, in a written submission, stated as under:

“Steps taken to redress the problem of unsettled ECHS medical bills of private recognized hospitals are as under:-

- (i) Continuous monitoring of Turn Around Time (TAT) with Bill Processing Agencies (BPA).
- (ii) Monitoring of response to ‘Need More Information (NMI)’ cases with empanelled hospitals for early processing.
- (iii) Demand for allocation of additional funds. In FY 2022-23, Rs 1000 Cr were allotted from Contingency Fund in Sep 22 and Rs 300 Cr were allotted in Nov 2022 under Medical Treatment Related Expenditure

(MTRE). More allotment is expected at RE State to clear the unsettled medical bills.”

5.13 During oral evidence of the Committee, a representative of ECHS further clarified on the subject:

“सर, हर साल करीब पन्द्रह सौ करोड़ रुपये से दो हजार करोड़ रुपये के बिल इन प्रोसेस होते हैं। बजटरी प्रोसेस बीई और आरई स्टेज पर आखिरी फाइनेन्शियल ईयर में होता है, उस हिसाब से पेमेंट किया जाता है। अभी हमें आरई स्टेज तक के पैसे मिल चुके हैं, उसका पेमेंट अभी तक किया गया है। पैसा दोबारा रिप्रोप्रिएट होकर अगर कुछ मिलेगा तो हम लोग उसका पेमेंट करेंगे।”

5.14 During discussion on Demands for Grants 2023-24, the Committee enquired about fake bills raised by the empanelled hospitals and action taken in this regard, a representative stated as under:

“महोदय, सबसे पहले तो एम्पैनेल्ड हॉस्पिटल्स में ट्रीटमेंट तभी हो सकता है जब उसे एक वैलिड रेफरल के तौर पर दिया जाता है। यह रेफरल ईसीएचएस पॉली क्लीनिक में ही कराया जाता है। उसका एक खास नम्बर होता है और इसमें आई.टी. का एक पूरा सिस्टम बनाया गया है। वहां जाने के बाद उस नम्बर की जांच होती है। उनके डेटा हमारे डेटाबेस से लाया जाता है। हॉस्पिटल्स के अन्दर भी उनके कार्ड स्वाइप करने के लिए सिस्टम बनाए गए हैं, जिसमें उनकी फोटो से पहचान हो सकती है। ये सारी सुविधाएं की गयी हैं। पिछले चार सालों में इनके ऊपर काफी काम किया गया है। आप जो यह कह रहे हैं तो इन सबको पूरा चेक करने के लिए ये सारी चीजें कराई जाती हैं ताकि फर्जी बिल न बने”

### **Integrated complex at ECHS polyclinics for Ex-servicemen during the treatment**

5.15 On being asked about providing accommodation at ECHS polyclinics for ex-servicemen during the treatment, a representative of ECHS submitted as:

“सर, इसको ध्यान में रखते हुए एक नये कांसेप्ट पर काम शुरू किया है। वह यह है कि एक्स सर्विसमैन कांप्लेक्स के तौर पर डेवलप करने का काम कर रहे हैं। दफ्तर, रेस्ट हाउस, पॉलीक्लीनिक सब एक ही जगह आ जाएं, इसकी कोशिश कर रहे हैं।”

.....सर, पॉलीक्लीनिक में कई बार दूर से लोग आते हैं, उनको दवाई नहीं मिलती है, लेट हो जाता है तो उनको रुकना पड़ता है। छोटी-छोटी जगहों में यह कंप्लेंट आ रही है। इंटीग्रेटेड

कांप्लेक्स की तरफ हम बढ़ने की कोशिश कर रहे हैं। इसे कुछ जगह सैंक्शन किया है। इसमें स्टेट गवर्नमेंट को भी कुछ पैसे देने पड़ते हैं, जमीन भी देनी पड़ती है। जहां पुराने बन चुके हैं, वहां तो लाना मुश्किल हो रहा है। अल्टीमेटली हमें ईसीएचएस पॉलीक्लीनिक के आसपास कुछ न कुछ बनाना पड़ेगा।

### **ECHS in far flung areas**

5.16 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:

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

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

The Performance Bank Guarantee (PBG) rates were reduced in non-CGHS areas/cities to facilitate more hospitals to empanel with the ECHS.

A proposal for establishment of 111 Mobile Medical Units (MMUs) including the existing 20 Type ‘E’ (Mobile) Polyclinics is under consideration to increase the reach of ECHS to remote locations and hilly/mountainous terrain.”

5.17 Further on the subject, if there is no polyclinic is there any substitute, a representative submitted before the Committee as under:

“There is a fixed medical allowance given if somebody is not interest in taking this benefit. They get fixed medical allowance of Rs.1,000 per month.”

5.18 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 - establishing a ECHS polyclinic at Vatakara taluk, Kozhikode, Kerala**

5.19 During the course of evidence following issue came before the Committee regarding establishing a ECHS polyclinic at Vatakara Taluk, Kozhikode, Kerala.

“It is a long-standing demand of thousands of ex-servicemen residing in this vast area. There are more than 6000 ex-servicemen in this taluk in an area spreading from the foothills of Western Ghats to the sea shore of the Arabian Sea. Most of the hamlets and villages in the east of the tehsil are inaccessible by public transport. Some of the ex-servicemen who are sick have to make it on foot to reach a road only accessible by road to reach the bus station and proceed to the District headquarters at Kozhikode or Kannur. Travelling straight three hours to reach ECHS polyclinic causes unspeakable hardship to 70-plus year old veterans. Consequent to this hardship and difficulty, many of the ex-servicemen living in the area are fleeced by civil clinics.”

## CHAPTER – VI

### SAINIK SCHOOLS

The Committee found that the scheme of Sainik Schools was conceived during 1961 as a collaborative effort between the Central Government and State Government so that the parts of the country, which did not have this kind of facility, should have Sainik Schools. The first aim of the Sainik Schools is to prepare cadets for entry into the National Defence Academy and Indian Naval Academy. The next aim is to remove regional imbalance in the officers cadre in the Armed Forces. It is for this purpose that the scheme envisages 67% reservation for students domiciled in the State where the Sainik School is located. Another important role is to provide training to develop body, mind and character so that young cadets become good and responsible citizens of the country. There are 33 Sainik Schools in 23 States and one in UT with about 16000 cadets, three schools are in U.P, two schools each in seven States and one school each in 15 States and one UT.

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

<b>Financial year</b>	<b>Budget Projected (in Rs Crore)</b>	<b>Budget Allocated (in Rs. Crore)</b>
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	Budget Projected under BE: 170.87 Revised Budget Projected under RE: 235.08	200.00
2023-24	Budget Projected under BE: 175.87	To be allocated by DGFP

6.3 Details of budget provided to Sainik Schools by the State and Central Government in the last three years is as given below.

**(Rs. in Lakhs)**

	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>Central Govt. Share</b>	4039.93	31938.29	11950.98
<b>State Govt. Share</b>	11899.53	10270.99	22598.10
<b>Total</b>	<b>15939.46</b>	<b>42209.28</b>	<b>34549.08</b>

## **Challenges and constraints faced by Sainik Schools**

6.4 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 in this regard was furnished to the Committee which states:

“The following are a few major problems faced by these schools and the measures taken by the Ministry to resolve the problems:-

**(a) Pay & Pension to the Staff:** Prior to implementation of revision of VI<sup>th</sup> CPC, most of the Sainik Schools were self-sustaining. However, post implementation of VI<sup>th</sup> CPC and VII<sup>th</sup> CPC pay scales, Sainik Schools were facing funds constraints especially related to payment of Pay and Pension to their Staff. The Government allocates additionally grant for paying 100% additionality of pay and allowances, pension and family pension arising out of difference between V<sup>th</sup> & VII<sup>th</sup> Central Pay Commission to the Staff of Sainik Schools.

**(b) Inadequate Infrastructure:** Sainik Schools are well endowed in the matter of land, buildings and infrastructure, however, few schools being more than 60 years old, their infrastructure have depleted over a period of time. In order to maintain the existing infrastructure, the Ministry provides Grant in aid to the tune of Rs. 1 Crore to each School every year as per their demand. In addition, the Ministry provides grant in aid to these Sainik Schools from time to time for augmentation/ modernisation of their infrastructure. Towards this, the Ministry provided one time grant in aid of Rs. 109 crore in 2020-21 to these Sainik Schools for construction of girls hostel. Further, the Ministry has also taken steps to persuade States to provide their share of infrastructure development of the Schools. This has borne fruit wherein the States have provided Rs. 225 crore to the Schools during 2021-22 for augmentation/ maintenance/ construction of their infrastructure.

**(C) Demand for New Sainik Schools:** The Ministry received various proposals from the State Government(s) for opening of Sainik Schools in their State(s). To address this, the Government has introduced and approved an initiative to set up 100 new Sainik Schools across the country in partnership mode with NGOs/Private/State Government Schools. As on date, Sainik Schools Society has signed Memorandum of Agreement with 18 such New Sainik Schools in various States/UTs across the Country. This has paved the way for outreach of Sainik School pattern of education to a considerable extent in all parts of the Country. Further, process to approve more New Sainik Schools is underway.”

## **Infrastructure for girl students in the Sainik Schools**

6.5 The Ministry was asked to provide the details regarding existing and required infrastructure for girl students in the Sainik Schools in the country and steps being taken to expedite admission of girl students in Sainik Schools. The Ministry in its reply stated as under:

“Funding of Rs. 109 Crore was set aside by Ministry of Defence during 2020-21 for Sainik Schools for infrastructure creation of required facilities for Girl students from Academic Year 2021-22. 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. 3. The girl cadets are to be trained along with the boy cadets in the same training pattern which involves Academics, PT, Games, Drill and other Co-curricular activities for their overall growth. They are to be given equal opportunities in the School to develop as cadets and join the Defence Forces in future.”

6.6 In this regard, during presentation before the Committee, a representative of the Ministry stated as under:

“.. 10 per cent of the total seats in class VI are reserved for girls, ensuring a minimum number of 10 girls in each school. The number of girls will cross 1,000 during this academic year after the admission process is over. Whilst more and more girls are being admitted in Sainik Schools, the efforts to improve the infrastructure of each Sainik School is also going on. Towards this, Rs.3.3 crore have been provided to 28 Sainik Schools by the Ministry of Defence for construction of girls’ hostel with all allied facilities and security measures. Construction of girls’ hostel is in progress in each school.”

## **Opening of 100 Sainik Schools under Public-private partnership**

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

“The salient features of the New Sainik School Scheme are, in accordance with the Government of India’s decision, 100 Sainik Schools under PPP mode will be set up in the first phase. These schools will be located in all the States of the country. Online applications were invited from desirous schools, and 18 new

Sainik Schools have been approved by the MoD till date. These 18 new Sainik Schools are already functioning.

The Ministry of Defence has not laid any restriction on the new Sainik Schools to run only Sainik School pattern of education. New Sainik Schools can have separate vertical for Sainik Schools pattern as well as non-Sainik Schools pattern. These new schools can be day schools or residential schools.

The criteria for merit-based admission in the new Sainik Schools will be same as the existing 33 Sainik Schools wherein students will be given admission based on merit obtained in all-India level Common Admission Test conducted by the National Testing Agency.

A need was felt to orient teachers of new Sainik Schools so that they can conduct the specified curriculum more effectively. Accordingly, the teachers of new Sainik Schools have undergone a centralised training at IITE, that is, Indian Institute of Teachers Education at Gandhinagar.

The Government has also decided to provide annual fees support of 50 per cent of the fee, subject to upper limit of Rs.40,000 per annum for 50 per cent of the classes, again subject to upper limit of 50 students on merit-cum-means basis”.

6.8 On the subject, a representative of the Sainik Schools further supplemented as under:—

“पीपीपी मोड पर नए सैनिक स्कूल खोले जा रहे हैं, जब हम इनके नॉर्म्स तय कर रहे थे तो हमने ध्यान रखा कि पुराने 33 स्कूल, जो भारत सरकार चला रही है, इनको उसी हिसाब से एलाइन किया जाए। जमीन की बात छोड़ दें, क्योंकि यही एक ऐसी चीज थी जिसके कारण नए स्कूल खुलने में दिक्कत आ सकती थी। पुराने सैनिक स्कूलों में जमीन काफी थी, इसलिए हमने जमीन का नार्म आवश्यकता के हिसाब से डाइल्यूट किया, लेकिन इतना तब भी रखा है कि सैनिक स्कूल में बच्चों को जो भी गतिविधियां करानी हैं, वे अच्छे से हो सकें। इनमें पुराने स्कूलों के करिकुलम के हिसाब से ही रखा है। यहां तक कि हमने इतनी यूनिफार्मिटी रखने की कोशिश की है ताकि बच्चों की यूनिफार्म, कुरिकुलम, सिलेबस एक हो।

इसके अलावा एस्टाबलिश सैनिक स्कूलों को देखकर भी वे सीखें कि किस तरह से कोर्स संचालित किया जा रहा है। इसके लिए यह व्यवस्था बनाई गई है कि जो नए सैनिक स्कूल हैं, वहां के बच्चे और टीचर्स को पुराने सैनिक स्कूल में भेजें ताकि वे देख सकें कि किस तरह से सब कुछ किया जा रहा है। नए सैनिक स्कूल के टीचर्स की

कैपिसिटी सही तरीके से डेवलप हो, इसके लिए उनको एक यूनिफार्म ट्रेनिंग दे रहे हैं जो पुराने टीचर्स को देते थे। उसी इंस्टीट्यूट से उनके लिए ट्रेनिंग मॉड्यूल बनाया है और इसे हमने कम्पलसरी किया है।

इसके अलावा विचार किया जा रहा है कि इंटेन्सिव इंस्पेक्शन और करैक्शन का रिजिम रखें ताकि बार-बार जाकर देखा जाए और अगर कहीं लगता है कि सुधार की आवश्यकता है और वे पीछे रह रहे हैं, वहां उनको सलाह देकर सुधार करवाया जाए। अब दिक्कत यह है कि जो नए स्कूल शुरू हुए हैं, उनका यह पहला सेशन है और वहां केवल छठी क्लास चल रही है। 50 बच्चे सैनिक स्कूल मोड पर चल रहे हैं। जैसे-जैसे इनकी संख्या बढ़ेगी, हमें उम्मीद है कि उनके कल्चर में काफी चेंज होगा। बच्चों के एडमिशन के लिए कॉमन एग्जाम रखा गया है। ऐसा नहीं है कि पीपीपी मोड वाले बच्चों का किसी दूसरे सोर्स से सलैक्शन कर रहे हैं। जो लोकल बच्चे उस स्कूल के हैं, जिनके लिए 60 प्रतिशत सीट्स रखी हैं, उनको भी एनटीए एग्जाम के थ्रू ही आना होता है। हमारी कोशिश है कि स्टैंडर्ड कहीं भी डाइल्यूट न हों, हम जिस तरीके से पुराने स्कूल चलाते थे, वही कल्चर, वही सिलेबस और उसी तरह काम का माहौल नए स्कूलों में हो। यह हमारे विशेष टार्गेट पर रहेगा क्योंकि हमें भी इसकी चिंता है कि अगर यह स्कीम आई है तो इसे सही तरीके से चलना चाहिए। हमारी पूरी कोशिश है कि इस पर ज्यादा ध्यान दें और सुधार लाते रहें।”

6.9 When enquired whether Ministry of Defence has exclusively made financial allocations for this purpose, the Ministry in its written replies stated as under:

“An Annual Fee assistance 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 6<sup>th</sup> onwards to class 12, on Merit-cum-Means basis shall be provided under the scheme.

The approved schools will be incentivized with an amount of Rs. 10 Lakh as training grant to each such school annually based on annual academic performance of the students in class 12<sup>th</sup>”

6.10 On the provision of appointment of Retired Army Officers as Principals, if regular serving Army officials are not available, a representative of Sainik Schools submitted as under:

“किसी आर्मी अधिकारी को नए स्कूल में पोस्ट करना फिजीबल नहीं होगा। हमने ऐसा किया है कि पीपीपी मोड के हर नए स्कूल के पास जो सैनिक स्कूल होगा, उसे मेन्टोर बनाया गया है। वहां का जो प्रिंसिपल होगा, उसका सुपरविजन इस स्कूल पर रहेगा।

उसकी गाइडेंस रहेगी और उनके हिसाब से सारा करिकुलम भी चलेगा। वे पूरा सुपरविजन भी करेंगे। इस तरह की एक मोडालिटी क्रिएट की गई है, ताकि जो सैनिक स्कूल के आर्मी ऑफिसर्स हैं, जो प्रिंसिपल्स हैं, वे एक सुपरविजन इन नये स्कूल्स के ऊपर रख सकें।”

He further stated:

“सर, उसमें हमारी ओर से कोई रोक नहीं है, क्योंकि ये प्राइवेट स्कूल्स हैं, वे अपने प्रिंसिपल वगैरह की नियुक्ति खुद ही करते हैं। लेकिन, हम लोगों ने एनकरेज तो किया है, जैसे फिजिकल ट्रेनिंग के लिए उनके पास टीचर्स नहीं हैं तो वे रिटायर्ड सर्विस मैन की तरफ देख सकते हैं और उसको रख सकते हैं।”

6.11 To a specific query of the Committee regarding services of JCOs and NCOs as Principals and instructors in the schools due to acute shortage of teachers in Sainik schools, a representative of Sainik Schools submitted as under:

Firstly, thanks for recognizing the potential of the KCOs, NCOs of the Army Educational Corps. I am sure we have the same kind of potential with the Air Force and the Navy counterparts as well.

जहां तक इनके यूटिलाइजेशन का सवाल है, ये बहुत काबिल लोग हैं। अगर सैनिक स्कूल चाहता है कि हम इनका एक पैनल दें या इनको कंसीडरेशन में लेना चाहती है, तो मेरे खयाल से इसमें कोई दिक्कत नहीं होनी चाहिए। ये एक पॉलिसी डिसिजन है। मैं इसको सैनिक स्कूल सोसाइटी के ऊपर छोड़ देता हूं। जहां तक सेना शिक्षा कोर का सवाल है, अगर ये प्रपोजल आता है, तो हम इस पर विचार कर सकते हैं।

## OBSERVATIONS/RECOMMENDATIONS

### ARMY

#### Budget

1. The Committee note that the Army is the land component of the Armed Forces. Indian Army strengthens the idea of India and lives by national values. Dedicated to preserving national interests, safeguarding sovereignty, territorial integrity and unity of our Nation. The challenges before the Army include thwarting proxy wars, defeating/arresting internal threats, assist the Government and the people of India during all needs and crises including natural and manmade disasters. To perform all the duties with perfection, the Army needs Revenue as well as Capital Budget as per the projection. For the financial year 2023-24, the Army projected for Rs. 1,84,989.60 crore and surprisingly very close to the projection, allocated Rs. 1,81,371.97 crore, just Rs. 3,617.63 crore less than the projection. During the financial year 2022-23, against the projection of Rs 1,74,038.35 crore, it was allocated only Rs. 1,63,713.69 crore, which was reduced by Rs. 10,324.66 crore. In the RE same year, the Army made a projection of Rs.1,80,526.71 crore but the allocation was Rs 1,73,335.62 crore. The Committee find that until December, 2022, the Army is able to spend only Rs 1,27,935.76 crore and Rs 45,399.86 crore is to be spent in the coming three months. This in the opinion of the Committee, would require prudent fiscal planning and concerted efforts. The Committee would like to know the final outcome in this regard from the Ministry consequent to the end of Financial Year while furnishing the Action Taken Notes. The Committee understand that a 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 the Army, therefore, the Committee recommend that the trend which has been introduced with favourable allocation this year under the Revenue Head should be continued in the coming years also. It is needless to state here that regular interactions may be held with the Ministry of Finance as soon as the proposals for the subsequent budget are formed.

2. Under Capital Head, in BE for the financial year 2023-24, Army's projection was Rs. 37,341.54 crore and to the surprise of the Committee, the same amount has been allocated to it. There is no deduction allocation *vis-a-vis* demand, though it is quite less than BE 2022-23 projection of Rs. 46,844.37 crore. In RE 2022-23, the projection of the Army was Rs. 32,598.49 crore and there was no deduction in allocation. However, the expenditure in three quarters of FY 2022-23 *i.e.* upto December 2022 was only Rs. 21,600.25 crore. The Committee understand that Capital Budget cardinally provides for expenditure on modernisation, enhancement of force level, infrastructure development, etc, which are essential not only for the modernization of the Army but also to safeguard territorial integrity. The Committee feel that Capital Projection should be incremental in nature, invariably consistent and it should not be less than that of a previous year so to absorb the inflationary trends. During deliberations, the issue of increased defence spending of hostile neighbours was discussed and a parallel was drawn. In this regard, the Committee opine that though the expenditure on salaries of manpower deployed is fixed and an essential component, the budget should cater as to induct state-of-the-art weapon systems

and development of other infrastructure at the borders which at any cost can not be compromised. Our expenditure should be in proportion to the increase in defence spending of our neighbours, therefore, the Committee recommend that the Capital Budget of the Army should be increased to have a deterrent capacity to ward off at least two hostile neighbours. The issue of standardised three percent spending on Defence Budget out of the GDP, as discussed during the sittings and brought out in other portions of the Reports on DFG must be seen as a guiding principle.

### **Percentage Share of Army Budget**

3. From the data supplied by the Ministry, the Committee note that there has been a constant decline in the percentage share of the Army in the Defence Budget. The Army was given 45.49 per cent of the Defence Revenue budget in the year 2018-19, which declined to 42.48 per cent in the year 2022-23. In the capital budget segment, the share declined from 9.60 per cent in 2018-19 to 8.33 per cent in 2022-23. The overall percentage also declined from 55.09 per cent in the year 2018-19 to 50.82 in 2022-23. The Committee are aware of the fact that the Army is responsible for the security of vast land borders and operating as an agency for counter-insurgency, therefore, the Committee recommend that the share of the Army in the total Defence Budget should not decline.

### **Budget for Modernization**

4. The Committee note from the replies submitted that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the Financial Year 2022-23, an amount of Rs.

25,908.85 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 a prioritization among the projects/schemes and the progress of contractual milestones. Against these allocations, an expenditure of Rs. 18,503.87 crore (upto December, 2022) has been incurred in Financial Year 2022-23. The Committee further note that keeping in view the pace of expenditure, additional funds to the amount of Rs. 1,142.15 crore were allocated to the Army in RE 2022-23 over BE 2022-23.

5. The Committee also note that under Modernisation (Capital Acquisition) Head, Army had sought additional allocation of Rs. 16,293.19 crore in the first supplementary and Rs. 13,400.08 crore in the second and third supplementary stages in Financial Year 2018-19. However, the Army did not receive any additional allocations at the Supplementary stages. During the Financial Years 2019-20, 2020-21 also Army did not receive any additional allocations at the Supplementary stages. As no allocations were made all these years for meeting expenditure on account of Committed Liabilities for HAL projects; cash outgo for Apache; vehicles being procured ex-trade by MGO; emergency power procurement and critical 10(i) and Committed Liabilities of existing contractual terms and liabilities including the impact of Countering America's Adversaries Through Sanctions Act (CATSAA), foreign Committed Liabilities, DPSUs, Brahmos and Pvt. Vendors and procurement of critical vehicles to meet the operational requirements is seen by the Committee as a scenario which may affect the operational preparedness of the Army, which could have been avoided by allocating a certain amount at the Supplementary Grant's stage.

**6. The Committee are happy to note that the Army had sought no additional allocation at the first, second and final Supplementary stages in Financial Years 2021-22 and 2022-23. In this regard, the Committee are of the view that allocations at Supplementary Grant's stage are very crucial as by that time all the liabilities are in the last stage and funds are needed for it, therefore, the Committee recommend that Army may be given additional funds at the supplementary grants stage so that the capital acquisitions are not hampered leading to deferred payments ultimately inviting legal implications/penalties and country's preparedness remains intact.**

**7. The Committee understand that the Committed Liability refers to payments anticipated during a financial year in respect of contracts concluded in previous years. Under the Defence Services Estimates, Committed Liabilities constitute a significant element in respect of the Capital acquisition segment, since one project may span several financial years. New Schemes include new projects/proposals, which are at various stages of approval and are likely to be implemented in near future. As mentioned in the first para, there is no separate allocation and these are catered through Capital Acquisition (Modernization) budget, however, for clarity and better planning, the Committee desire that separate allocation should be earmarked for Committed Liabilities and New Schemes.**

## **Planning and Procurement**

8. The Committee find that Defence Capital acquisition is carried out in accordance with the Defence Procurement Procedure (DPP)/Defence Acquisition Procedure(DAP) and undertaken through Ten years Integrated Capability Development Plan(ICDP), Five Years Defence Capability Acquisition Plan (DCAP) and Annual Acquisition Plan (AAP).The cases listed in the approved Annual Acquisition Plan (AAP) are progressed as per the DPP/DAP provisions and funds allocated and budgeted under the capital Acquisitions heads of concerned Service for the given financial year. 29 Acceptance of Necessity (AoN) worth about Rs. 60678.67 crore have been accorded during the last financial year 2021-22 and current financial year 2022-23 (upto Dec, 2022) which are under various stages of the Acquisition process for induction of the equipment in the services in subsequent years.

9. The Committee were informed during the oral evidence that emergency procurement powers were assigned to the Indian Army with effect from October 2022, which has enhanced the fighting capability of troops.

10. The Committee understand that conventional wars were fought in only three modes i.e. land, air and water, but recently there is a paradigm shift in the technology used in fighting a war. There have been innovations and experiments in western countries, and the use of drones, space, cyberspace etc has increased the sphere of war, which can fight from very distant locations in a remote controlled mode. In this regard, the Committee desire that the country should develop a robust digital infrastructure besides improvement of the existing weaponry.

## **Indigenization**

**11. The Committee find from the replies submitted by the Ministry that during the last five financial year (2017-18 to 2021-22) and the current Financial year 2022-23 (upto December, 2022), a total of 90 capital acquisition contracts have been signed for capital procurement of defence equipment for Army, out of which 62 contracts worth about 84% of total contracts value, have been signed with Indian Vendors for capital procurement of defence equipment.**

**12. During oral evidence also, a representative of the Army apprised the Committee that the Atmanirbharta initiative of the Government of India is fully supported by the Indian Army through multiple initiatives and outreach to the academy and industry through the Army Design Bureau, the Directorate of Indigenization, the Army Technology Board and a host of other establishments like Srijan Application, Department of Defence Production and the Innovations for Defence Excellence i.e. iDEX initiative. This modernization through the induction of indigenous weapons and platforms led to Acceptance of Necessasity i.e. AoNs worth Rs. 99,569 crore for procurement of new equipment and weapons from indigenous sources in the current Financial Year.**

**13. The Committee appreciate the efforts made by the Ministry towards indigenization and expect that this would continue and the country would see 100 per cent contract value going to Indian vendors for indigenously produced items in the years ahead to come.**

### Vintage and other category of equipment

14. The Committee while examining Demands for Grants of the Ministry for the year 2018-19 (41<sup>st</sup> Report of 16<sup>th</sup> Lok Sabha) had learnt that any modern Armed Forces should have one-third of its equipment in the vintage category, one-third in the current category and one-third in the state of the art category and noted that Indian Army had 68 per cent of equipment of vintage category, 24 per cent of the current category, and only eight per cent of the state-of-the-art category. During deliberations, a representative of the Army apprised the Committee that the ratio is 30:40:30. 30 per cent was to be new generation equipment, 40 per cent was to be current equipment and 30 per cent could be older generation equipment. Presently, the situation has improved and approximately, 15 per cent is new generation equipment, around 40 per cent is current equipment, and the balance is older generation equipment. Considering the efforts the Government is making for indigenization, the Committee wish and hope that Army would able to achieve this logical ratio in the coming years. However, the Committee at this stage can only recommend that steps so taken to accomplish this feat must be furnished to the Committee at the time of sending Action Taken Replies.

### AIR FORCE

#### Budgetary Provisions

15. While examining Demand Nos. 19 & 20 in respect of the Air Force for the year 2023-24, the Committee find that in Revenue Section, Air Force projected Rs. 68,081.58 crore against which an allocation of Rs. 44,345.58 crore has been made.

The allocation is deficient by Rs. 23,736 crore and approximately 34 per cent lower than the projection. As informed the non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of the Air Force, therefore, a 34 per cent cut in the allocation would definitely hamper the training and operational preparedness of the Air Force, therefore, to avoid such situation, the Committee desire that during Supplementary Grants and Revised Estimate stages, the allocation as per the projection should be provided to the Air Force.

16. The Committee also note that in the year 2022-23, the final allocations made to Air Force at RE Stage was Rs. 44,728.10 crore whilst the expenditure incurred till Dec, 2022, was Rs. 29,214.45 crore. The Committee express the hope that the rest of 35 per cent funds will be spent in the last quarter and there would be no underspending.

17. In the Capital segment case, the Committee find a considerable gap in projections made in the years 2022-23 and 2023-24. In the year 2022-23, the Ministry projected a sum of Rs. 85,322.60 crore, whereas, in the year 2023-24, the projection made is just Rs 58,808.48 crore. It is a known fact that the Capital Budget of a department chiefly provides for expenditure on modernisation, enhancement of force level, infrastructure development etc, a cut of Rs. 26,514.12 crore is a huge sum, though a representative of the Ministry during deliberations has stated that Russia-Ukraine war has affected some of the deliveries, as the country is sourced most of the supplies from indigenous sources, this sum seems to be on the upper side. Therefore, the Committee would like to comprehend the reason behind such a

phenomenon and desire that a brief note may be submitted by the time of supplying the action taken replies. The little solace may be found in the financial figures of 2023-24, if it is not compared to any other year, as this year the projection under Capital Head is Rs. 58,808.48 crore and the allocation is just Rs. 539.77 crore short of that. The Committee are of the view that there should be no major gap between the two so that the Air Force can make long and short-term plans to acquire capital assets.

18. The Committee note that RE allocation for the year 2022-23 was Rs. 53,871.17 crore, however, the Air Force was able to spend only Rs. 27,631.50 crore up to December 2022, leaving almost the same amount of Rs. 26,239.67 crore to be spent in the last quarter. In this regard, the Committee want to state that judicious use of money should be made by the Air Force through advanced planning and proactive approach and underspending should be avoided at any cost.

#### Percentage Share of Air Force Budget

19. From the data supplied by the Ministry, the Committee note an evident decrease in the percentage share of the revenue budget of the Air Force, out of Defence Services Estimates. The budget of the Air Force decreased from a high of 10.32 per cent of DSE in 2018-19 to 8.53 per cent in 2022-23. At the same time, there is an increase in capital budget share from 12.81 per cent in 2018-19 to 14.75 per cent in 2022-23, but it was less than the allocation made in the year 2021-22 at 15.33 per cent. In this regard, the Committee desire that being a Capital intensive force it should have a lion's share in the capital budget of DSE.

### **Budget for Modernization**

20. The Committee note 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 a prioritization among the projects/schemes and the progress of contractual milestones. The Committee also note that in the Financial Year 2022-23, an amount of Rs. 52,749.98 crore was allocated at BE stage under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). However, no additional funds were allocated to Air Force in RE 2022-23 over BE 2022-23. Against these allocations, an expenditure of Rs. 25,770.81 crore (up to December, 2022) has been incurred in Financial Year 2022-23. As stated in the earlier para of the recommendation there is a huge gap between the projections for the year 2022-23 and 2023-24, therefore, the Committee are of the view that fund slated for modernization should always be incremental. The Committee also desire that there should be a separate allocation for Committed Liabilities and New Schemes, under the Modernisation/capital budget to figure out what goes for the Committed Liabilities and how much is left there for the purchase of new equipment. This will help in better planning and optimal utilization of available allocations.

### **Planning and Procurement**

21. The Committee note from the data supplied on the acquisitions planned for the years 2023-24 and 2024-25 include Basic Trainer Aircraft (BTA) (HTT-40), Medium Power Radar (MPR) (Arudhra), Indoor Free Fall Simulator (Vertical Wind Tunnel), Close in Weapon System (CIWS), Additional Mirage 2000 Aircraft (Twin Seater),

Ground Based System (Khoj), High Power Radar (Replacement), Design and development of Foldable Fiber glass Mat (FFM) for rapid Runaway Repair for IAF, Six Additional Dornier-228 Aircraft, AL-31 Aero Engine for Su-30, Wet Lease of Flight Refueling Aircraft (FRA), High Frequency (HF) Trans receiver Static, DR-118 RWR for Su-30 MKI Aircraft, RD-33 Aero Engines for MiG-29 Aircraft, Technical Position (TP) for BrahMos Missile at AF Station Thanjavur and Wind Profiler. The Committee wish that the Ministry of Defence negotiate and finalise the plan to contain the deficit of equipment and aircraft.

### Indigenization

22. The Committee note 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 are happy to note that Air Force procured Rs. 5,648.66 crore worth of goods in the year 2018-19, Rs. 16,461.54 crore in the year 2019-20, 36,638.14 crore in the year 2020-21, Rs. 29,911.37 crore in the year 2021-22 and Rs. 18,866.60 crore (upto 31 Jan 23) in the year 2022-23. During deliberations also, a representative of the Air Force apprised the Committee that though Air Force has signed a contract for the procurement of 114 aircraft from a foreign country but it would be manufactured in India. The Committee further note that Air Force has indigenized many components required for regular use through its Base Repair Depots. The Committee understand that 100 per cent indigenization is not possible and feasible, however, they recommend that constant, continuous efforts should be made towards achieving whatever is achievable and making the country self-reliant.

### Force Level

23. During a presentation before the Committee, a representative of the IAF informed that the authorized strength of the IAF is 42 fighter squadrons, however, as on date it has 33 active fighter squadrons. Considering approximately 20 aircraft per squadron, the country needs at least 180 fighter aircraft in the present circumstances. The Air Force also has an ageing fleet of MiG 21 and other aircraft which are soon going to phase out from the services, making rapid depletion in squadron strength of the force. The Committee are of the view that as the country is inching towards global leadership, security threats from neighbours has also become more prominent, which should be suitably addressed, therefore, they desire that IAF should always be combat-ready to counter a two-front collusive threat.

24. The Committee find that there has been considerable delay in the supply of 40 LCA from HAL to IAF and as on date, 38 aircraft have reached the Air Force. The case of procurement of 114 Multi-Role Fighter Aircraft, in advanced stage, in case it also goes LCA or Kaveri ways, the Government should consider buying state of the art fifth generation fighter aircraft over the counter without losing time to keep the force in a comfortable position.

25. The Committee also observe that the capital funding provided to IAF is not at all commensurate with the envisaged requirements such as buying a large number of fighter aircraft. In light of this factor, the Committee urge upon the Ministry of Defence to take necessary steps in consultation with the Ministry of Finance to that procurement of fighter aircraft is not further delayed due to want of funds.

26. In respect of transport aircraft, the Committee are happy to note that the situation is improving. The Committee were informed that AN-32, the main transport plane presently available with Air Force is being replaced with C-295 planes. Aircraft like C-17, C-130 and Royal 76 are also increasing the power projection and quick transport of necessary equipment of the Air Force.

27. As far as helicopters are concerned, the Committee were given to understand that medium lift main helicopters Mi-17 will be being upgraded and except Apache and Chinuk helicopters, all other inducted helicopters are made in India. In this regard, the Committee are of the view that for these aircraft and helicopters also a comprehensive database of phasing and replacing must be ready with the Air Force so that if capital budget is not being utilized for fighter aircraft, these machines could be purchased and capital budget does not lapse.

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

28. The Committee note from the information supplied by the Ministry that for Modernisation of Air Field Infrastructure (MAFI) Phase –I, the Ministry has paid the contracted amount of Rs. 1215.35 crore. For the Phase-II of the project, the contract value has been reduced from Rs. 1189.44 crore to Rs 1187.17 crore after contract amendment No.03 dated 30 Sept 21. The Committee would like to know the reason for the same at the time of supply of Action Taken Replies. The Committee find some satisfaction in the reply of the Ministry that the modernization of 24 airfields [including Ojhar (HAL) and Vadodara (AAI) where Navigation aids required for military aviation are being installed], nine airfields of Indian Navy and two airfields

each of Indian Coast Guard, and Aviation Research Centre (ARC) as a part of Project MAFI II has been sanctioned by Govt of India and the project is expected to be completed in October, 2024. The Committee, while appreciating the pace at which the Phase-II work has started off, emphasise that the targets are achieved within the given time frame. The Committee also desire that the project relating to Advance Landing Grounds as announced in the Union Budget 2023 should also be given priority and completed in time bound manner.

### Manpower

29. During the deliberations before the Committee, a representative of the Air Force submitted that the shortage of officers is around 600 against the authorised establishment of around 12,606. The shortage of men as of today is 3 per cent of the authorised cadre, and it would increase around 10 per cent of the authorised in 2026 if we take the proposed accretions into account. The Committee note that about 9500 posts are lying with the Ministry of Finance for approval. In this respect, the Committee desire that the matter should be persuaded with the Ministry of Finance at the highest level so there would be no shortage of manpower essential for the operations of the Air Force.

## NAVY

### Budget

30. The Committee understand that Indian Navy carries the phenomenal task of national defence as Indian Ocean Region have multiple security challenges and nearly 1,20,000 ships transit through various choke points and almost 13000 Ships

are in IOR at any given point of time. In this regard, a representative of Navy during the presentation before the Committee stated that the Navy's share in the Defence budget has grown from 17.78 per cent in 2022-23 to 18.26 per cent in 2023-24.

31. The Committee on examination of the Demands for Grants of Navy for the year 2023-24, note that under Revenue segment Navy projected for Rs. 36,605.04 crore at BE stage, however, it was allocated only Rs. 32,282.20 crore, resulting in a gap of Rs. 4320.84 crore. Surprisingly, during evidence, the representatives of the Navy termed this shortfall as a growth of close to 14 per cent on year to year basis. It is a known fact that the Revenue Budget caters for the salary of personnel, operation, training, maintenance, repairs and day-to-day functioning of the Navy, which are particularly vital for the overall preparedness of the Service. It seems while calculating the 14 per cent growth formula, the Navy did not factor for any inflation.

32. The Committee note that in BE 2023-24 under Capital Head Navy projected Rs. 52,804.75 crore as its annual expenditure. Against this projection, the Committee see that this year's allocation is pragmatic and supportive for the Navy as the Ministry actually allocated the same amount as projected, although, this projection is Rs. 14,818.21 crore less than the projection it made in the year 2022-23. This also indicates that the requirements of Navy for new Scheme have decreased, and gone down which may affect its modernization drive. The Committee would also like to know the reason for the lower projection in comparison to last year.

33. The Committee recommend that from next year onwards a separate statement of the net budget be provided after taking into account the inflation as it is a

recurring and unavoidable phenomenon in all aspects of economic theory which applies to Navy also.

### Indigenisation

34. During the course of the examination of DFG, the Committee were apprised of the efforts made by the Navy towards indigenization. In the last five years 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22, total of 78 capital acquisition contracts for the Indian Navy worth ₹ 57156.82 crore were signed with the Indian vendors. However, on the perusal of the list of Acquisitions made by the Navy from Indigenous sources during the last five years, it is evident that contract value is continuously going down from Rs 27809.58 crore in the year 2018-19. In the year 2019-20, it became Rs. 18231.81 crore then in the year 2020-21, it went down to Rs. 4845.09 crore and in the year 2021-22, it further went down to Rs. 4527.91crore. Although the trend of acquisition seems to be not healthy as it should, the assurance given by the Ministry that 70:30 per cent ratio earmarked towards procurement from indigenous sources and foreign sources, raises the hope that in the long run, the country would become self-reliant in defence production. The Committee wish and hope that the Ministry would work towards achieving this goal in a short span of time.

### Operational Preparedness and threat perception

35. The Committee note that 35 Schemes worth Rs 1,20,797.31 crore have been accorded Acceptance of Necessity (AoN) for acquisition. Out of these, 32 Schemes worth Rs 1,16,382.10 crore are planned through Indian vendors and only 03 Schemes worth Rs 4415.21 crore are planned through a Global vendor. The contract for the

schemes are likely to be signed during FY 2023-24 and FY 2024-25. The present Force level of Indian Navy includes more than 130 ships and submarines. To augment the surface force levels, 43 ships/ submarines are under construction at various shipyards. Further, AoN also exists for the indigenous construction of 51 ships and 06 submarines and 111 Naval Utility Helicopters (SP Model) to be built indigenously. As stated by the Ministry, the capacity and capability development/modernisation of the Indian Navy is being undertaken in accordance with the Long-Term Integrated Perspective Plan (LTIPP). The Committee also note that the number of assets required for various types of aircraft, is calculated based on Indian Navy's envisaged tasks and missions, available surface assets, areas of interest and other factors, as promulgated in LTIPP 2012-27. However, there is a shortfall of planes and helicopters for reconnaissance and transport, which is being mitigated through progressive procurement. The Committee in this regard want to state that the Ministry should assess the threat perception which has increased many folds in view of hostile nations in the neighbourhood and the increase in trade in the Indian Ocean Region. The Committee desire that necessary steps should be taken so that all the envisaged procurements progress well within the schedule and our Navy becomes omnipotent in Indian Ocean Region.

36. The Committee understand that the construction of Air Craft Carriers takes an unduly long time due to the complexities involved. In view of the uncertain decision on the procurement, the Committee desire that the Government should think of developing our islands and land area of advantageous peninsular shape of the country as the bases of missiles and aircraft like stationary Air Craft Carriers.

### **Manpower**

37. From the data furnished by the Ministry, the Committee find that sanctioned strength of officers in the Navy (excluding medical & dental officers) is 11911 whilst the Borne Strength is 10344 leading to a shortage of 1567 officers, making it 13.2 per cent of total Officers strength. In the case of sailors, the sanctioned strength is 76243, while the borne strength is 65153 which leads to a shortage of 14.55 per cent.

The Committee also note from the statement submitted by the Ministry that Indian Navy is making various efforts to fill up vacancies in a systematic and time-bound manner, which is a continuous process. Towards this, Indian Navy undertakes induction of officers and recruitment of sailors twice every year to fill up vacancies i.e. making Indian Navy Website attractive, visit to Schools/ Colleges, MoU with Common Services Centres, Permanent Commission to SSC Officers, Candidate Friendly Recruitment Process, Image Projection Campaign (IPC) and induction of NCC Cadets to join the Navy as Officers and Sailors. The Committee while appreciating extensive measures taken by the Navy desire that the Navy should keep on looking at innovative methods and projecting jobs of the Navy as challenging and attractive to draw the eligible youth to overcome the deficiency of manpower.

### **Induction of Third Aircraft Carrier**

38. The Committee are aware of the needs and requests of the Navy in regard to manufacturing a third aircraft carrier have been brought before them several times. They take note of the fact that given the geographical structure of India whereby we have Arabian Sea on West and Bay of Bengal on the East, two Aircraft Carriers are consistently required for meeting the threat perceptions and for

preparedness/augmenting striking capabilities during war. They are also aware of the fact that maintenance of an aircraft undertakes a long period. Depending on the type of short/normal/long/midlife refit through which carrier undergo, it would definitely take a period ranging from six months to two years. Likewise, induction of an aircraft carrier is a long gestation exercise. The Committee are not oblivious of the fact that from the state of planning till complete operationalization, it may take a period ranging from ten to fifteen years. In the wisdom of the Committee, the entire budget for a carrier is not required in a single particular year but in a staggering manner which may be spread out till the eventual operationalization of the carrier. During the Study Visits and consequent to the visit to warships especially to the aircraft carrier Vikramaditya, the Committee find that they are very well equipped with the self defence and surveillance systems.

39. The Committee while acquiescing with the logic of the Defence Secretary given during the deliberations that shipbuilding of this class gives a boost to the economy/employment and strengthens us in terms of retention of the acquired capabilities, the Committee in no uncertain words recommend that Ministry may take a final decision, chalk out a trajectory and start the planning process for the third aircraft carrier which would eventually enhance India's maritime capabilities. The progress made in this regard may kindly be intimated to the Committee at the time of furnishing the Action Taken Notes.

## JOINT STAFF

### Budget

40. The Committee note that in the Budget Estimates for 2023-24, Joint Staff has made a projection of Rs. 6,543.78 crore against which an allocation of Rs. 6,060.45 crore has been provided resulting into a shortfall of Rs. 483.33 crore. However, during the deliberations before the Committee, a representative of Joint Staff apprised the Committee that BE allocation of 5670.46 crore, excluding SFC has been doubled in comparison to year 2022-23. As per information given, this allocation gives a satisfaction level of 92 per cent to Joint Staff.

41. 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 and find that during the years role of Joint Staff has risen many folds. Presently, it supports financial aspects and capability building of more than 120 units. The Committee further note that Integrated Defence staff formulates policies and doctrines to coordinate, synergize, enhance and optimise operation capability, training and other functional aspects such as foreign cooperation, logistics, communications, medical, and harmonises identification and acquisition of modern capabilities and technologies by the three services.

42. The Committee while appreciating the role and responsibilities of HQ Integrated Defence staff/Joint Staff which has also been given indigenization aspect of our Defence Forces recommend that sufficient budgetary support without a cut as proposed in the projections must be provided to Joint Staff. It should also be

ensured that budgetary allocations at the stage of RE and supplementary grants may also be given as per the projection as Joint Staff has been assigned with a crucial responsibility to keep an optimum level of coordination between the Forces during operations and has been entrusted with the dispensation of three major organizations namely Armed Forces Special Operation Division, Defence Cyber Agency and Defence Space Agency.

43. The Committee also note that in the last financial year i.e. 2022-23, the Joint Staff had been able to utilize only Rs. 2958.76 crore till December 2022. Consequently, the resultant factor was that nearly Rs. 2539.63 crore out of Rs. 5498.39 crore allotted at RE stage still remained to be spent in the fourth quarter of the financial year. Here, the Committee would like to draw the attention of the Ministry on the prudent principles of Financial Expenditure Management, where bulk spending in last quarter is considered as an unhealthy trend. While recommending for enhancing the budgetary allocations for Joint Staff, the Committee also desire that budget allocated during BE and RE stages should also be spent fully and there should be no under spending.

#### **Theaterisation of Armed Forces**

44. The Committee note that the plan for theaterisation of armed forces, or creation of integrated theatre commands has been considered by the forces at the highest level. The Committee concur with the views expressed by the Chief of Defence Staff regarding the early creation of theatre commands. The Committee are also of the view that synchronized efforts are needed as in a war-like situation, and therefore, recommend that tenacious integration of all the wings of armed forces is

not only necessary but of paramount importance. In a war like situation such an integration would act swiftly, with precision and also in a cost saving manner by reducing the paraphernalia. This assimilation would definitely help in the optimal utilization of resources of armed forces and would bring down the defence expenditure in future, therefore, they recommend that theaterisation of armed forces should be completed by setting out pragmatic targets and if required in a phased manner. The Committee would like to be informed of the developments which will take place during the intervening period i.e. from the date of presentation of this Report till the submission of Action Taken Notes to the Committee.

#### **EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)**

##### **Budget**

45. The Committee note that close to 55 lakh beneficiaries including ESM and their dependents are presently availing ECHS benefits. In the financial year 2021-22, against the projection of Rs. 5643.61 crore, ECHS was allocated Rs. 4870.75 crore but the actual utilization was Rs. 4864.66 crore. The next year projection and allocation both were raised and stood at Rs. 5777.51 crore and Rs. 5143.51 crore respectively and the organisation was able to spend Rs. 4347.74 crore by January 11, 2023. In the last two and half months it has to spend Rs.795.77 crore, for that, the Committee are hopeful that it would achieve the target and that there would be no surrender of funds as witnessed in the year 2020-21.

### Vacancies in ECHS Polyclinics

46. The Committee find that there is a gap between authorized and actual manpower at ECHS Polyclinics. There are 182 Medical specialists against the Authorised Manpower of 200, in the field of Radiology, there are 61 Radiologists authorized but only 4 Radiologists are available, in Gynecology against the authorized strength of 61, only 57 are available. In the field of Dental, against the authorized strength of 471, only 425 are available. However, as per the Ministry, there has been no shortfall in the existing authorised manpower. The unutilised vacancies are due to the non-availability of Specialists in small towns and remote areas. The Committee do not concur with the view of the Ministry that this is a dynamic figure and rationalization within existing authorisation is undertaken accordingly. We all are oblivious of the fact that there are numerous number of medical colleges both that of Government and private which give post graduate degrees and every year accretion in the number of super specialists is recorded. Here the Committee can only recommend that very planned and concerted efforts may be undertaken by the Ministry to appoint Super Specialists in the poly clinics in the small towns and remote areas with the Committee's recommendation to enhance their salaries which is contained in the succeeding paragraphs, the Committee have every reason to believe that super specialists would come forward to join these polyclinics. While recommending so, the Committee would like to have a factual note containing inter-alia as to what kind of attempts were made during the last five years to appoint super specialists in small towns and remote areas and what were the number of applicants, procedure of selection etc.

47. The Committee further note from the reply submitted by the Ministry that a case for De-Novo review of ECHS Polyclinics has already been carried out which would include the establishment of 17 new Polyclinics, upgradation of 42 ECHS Polyclinics, re-location of 19 Polyclinics with the placement of 91 new & conversion of 20 existing Type 'E' Polyclinics to Mobile Medical Units (MMUs). The establishment of new polyclinics and the upgradation of polyclinics will enhance the authorised number of contractual employees by around 2000. The proposal is under consideration with MoD.

48. During the oral evidence, a representative of ECHS apprised the Committee that specialists are authorized to work in Type-A and Type-B polyclinics only where the concentration of the ESM population is above 20,000 and 10,000 respectively. The Committee were informed that Medical Specialist, and Radiologist Gynecologist are given Rs one lakh per month as remuneration, which is much less than what they are paid outside, therefore, vacancies always exist. Considering the plight of old age ESM who gave their youth to the country, the Committee recommend that the remuneration of specialists should be matched with that of other hospitals and till the time alternate arrangement should be made for ESM.

#### **Payment of pending bills by ECHS to empanelled private hospitals**

49. From the reply submitted by the Ministry to resolve perennial problem of unsettled ECHS medical bills of the private recognized hospitals, the Committee note that the Ministry is continuously monitoring Turn Around Time (TAT) with Bill Processing Agencies (BPA), monitoring response to 'Need More Information (NMI)' cases with empanelled hospitals for early processing and also demanded additional

funds. ECHS has been allocated Rs 1000 crore in the year 2022-23, from Contingency Fund in September 2022 and Rs 300 crore in November 2022 under Medical Treatment Related Expenditure (MTRE). More allotment is expected at RE State to clear the unsettled medical bills. The Committee wish and hope that such regular allotments are being provided by the Ministry to the ECHS, so some of the predicament of ESM would be redressed, and the private hospital would not reject ESM for admission and treatment.

50. While lauding the efforts taken by the Ministry in clearing the pending bills, the Committee are aware that the issue of pendency surfaces before the Committee during the examination of DFGs every year. In this regard before commenting anything substantial the Committee would like to be apprised on the following sets of information:-

- (i) The numbers of ESM/Dependents who approached all the polyclinics combined during the last three years;
- (ii) The number of ESM who approached all defence hospitals combined for treatment of themselves and the dependent during the last three years; and
- (iii) The number of ex serviceman/dependent who were referred for super specialty treatment in private hospitals.

The idea to gather such statistics is to come to a conclusion as to arrive at a comparable figure whether more referrals were done or they were treated in polyclinics/defence hospitals. These figures may be supplied while furnishing the Action Taken Notes to the Committee.

On the issue of checking fake bills, though the Ministry has taken various measures like a proper referral from ECHS Polyclinic, checking of number issued, ECHS photo card swiping system etc. but the suspicion regarding raising such bills always exists. In this regard, the Committee recommend that a robust constant monitoring mechanism should be developed using the latest software and Artificial Intelligence to foolproof the system and to check this menace of fake bills which if succeed gives a loss to the exchequer.

#### **Integrated complex at ECHS policlinics for Ex-servicemen during the treatment**

51. The Committee are happy to learn that Integrated complex for Ex-servicemen is being developed for ESM, wherein Offices, Polyclinics, transit accommodation etc would be placed in one place. This step would definitely help ESM who come for medicine and office work from far-flung areas. The Committee are of the opinion that this step would resolve most of the problems of ESM and, therefore, recommend that adequate budget should be provided to ECHS and work should be completed in time bound manner.

#### **ECHS in far-flung areas**

52. The Committee note that to increase the outreach of ECHS in far-flung areas, the Ministry has sanctioned 17 Mobile Polyclinics in the State of Uttarakhand, Karnataka, Himachal Pradesh, Assam, Arunachal Pradesh, Punjab, Madhya Pradesh, Jammu & Kashmir and West Bengal. These Mobile Polyclinics offer Medical Services to all beneficiaries including women & children also. Soon facility of online Tele-consultation is proposed to be commenced. Besides this, the Performance Bank

Guarantee (PBG) rates were reduced in non-CGHS areas/cities to facilitate more hospitals to empanel with the ECHS. And the Ministry has submitted a proposal for the establishment of 111 Mobile Medical Units (MMUs) including the existing 20 Type 'E' (Mobile) Polyclinics under consideration to increase the reach of ECHS to remote locations and hilly/mountainous terrain. In addition to that, a Fixed Medical Allowance (FMA) has been granted to all ECHS beneficiaries who are residing in far-flung areas where Polyclinics are not available.

53. The Committee find some satisfaction that over the years with the increase in ESM the organization is growing and devising new methods to help ESM. The Committee hope that with these new proposed arrangements to be put in place in the coming years, medical related problem of ESM would come to the lowest level, if not completely vanish.

**Other Relevant Issues - establishing an ECHS polyclinic at Vatakara taluk, Kozhikode, Kerala**

54. During deliberations, the Committee were apprised of the plight of more than 6000 ex-servicemen residing in Vatakara Taluk, an area spreading from the foothills of the Western Ghats to the seashore of the Arabian Sea under Kozhikode district of Kerala. The area consists of hamlets and villages in the east of the tehsil which is inaccessible by public transport. The Committee in this regard recommend that ECHS should establish a 'Type C' polyclinic as per the norms to mitigate the problems of ESM residing in this area. This exercise should be completed in a time bound manner under intimation to the Committee.

## SAINIK SCHOOLS

### Budget

55. The Committee note that primary aim of the Sainik Schools is to prepare cadets for entry into the National Defence Academy and Indian Naval Academy. The next aim is to remove regional imbalance in the officers' cadre in the Armed Forces. To achieve the objective, expansion of Sainik Schools has started in a big way with the announcement of the opening of 100 new Sainik Schools in a new mode which has been brought out in the succeeding paragraphs. It is a well-known fact that such expansions need a budgetary support from the nodal Ministry, in this case Ministry of Defence. However, on the perusal of the data provided by the Ministry, it is revealed that in the year 2021-22, the Budget Projected by Sainik Schools under BE was Rs 137.68 crore, which was revised to Rs 300.00 crore and allocated by the Ministry. During the year 2022-23, Budget Projected under BE was Rs 170.87 crore and RE for the same year was Rs 235.08 crore, however, it was reduced by approximately Rs. 35 crore and allocated to Rs. 200 crore. This year (2023-24) Sainik School asked for a Budget of Rs 175.87 crore, which is yet to be allocated by Director General of Financial Planning (DGFP). The Committee feel that bearing in mind the expansion and opening up of the new Sainik School, there should be no reduction in the budget, rather the Ministry should allocate more budget for a smooth transition of Sainik School from 33 in numbers to 133 in coming years.

56. The Committee are happy to learn that this year the State Government's share has been increased by almost double to Rs 22598.10 lakh in 2021-22 from Rs 10270.99 lakh in 2020-21, while the Central Government share has reduced from Rs.

31938.29 lakh in 2020-21 to Rs 11950.98 lakh in 2021-22. The Committee desires the Ministry to be more proactive and ensure that this trend continues in coming years also.

#### **Challenges and constraints faced by Sainik Schools**

57. The Committee note that post implementation of VI<sup>th</sup> CPC and VII<sup>th</sup> CPC pay scales, self-sustaining Sainik Schools are facing funds constraints especially related to payment of Pay and Pension to their Staff. The Government allocates additional grants for paying 100% additionality of pay and allowances, pension and family pension arising out of the difference between V<sup>th</sup> & VII<sup>th</sup> Central Pay Commission to the Staff of Sainik Schools. In this regard, the Committee recommend that the Ministry of Defence should extend the requisite financial support expeditiously to Sainik Schools to take the issue to a logical conclusion and to remove all pending anomalies as far as the pay and allowances are concerned. The Committee would also like to seek a clarification while furnishing the Action Taken Notes whether the issues of Pay and Pension of the staff pertains only to Fifth and Seventh CPC or Sixth CPC also recommended for the hike in such allowances.

#### **Renovating old Infrastructure**

58. The Committee note that Sainik Schools are well endowed in the matter of land, buildings and infrastructure, however, few schools being more than 60 years old, their infrastructure have depleted over a period of time. In order to maintain the existing infrastructure, the Ministry provides Grant in aid to the tune of Rs. 1 Crore to each School every year as per their demand. The Committee further note that in

addition, the Ministry provides grant in aid to these Sainik Schools from time to time for augmentation/modernisation of their infrastructure. Towards this, the Ministry provided one-time grant in aid of Rs. 109 crore in 2020-21 to these Sainik Schools for construction of girls' hostel. Further, the Ministry has also taken steps to persuade States to provide their share of the infrastructure development of the Schools. The Committee appreciate that the measures taken by the Ministry has borne fruit wherein the States have provided Rs. 225 crore to the Schools during 2021-22 for augmentation/ maintenance/ construction of their infrastructure. However, the Committee would not hesitate to recommend that constant dialogue should be maintained with the State Governments so that instead of one-time exercise, it would become a permanent phenomenon and our Sainik Schools can match the best educational institutions not only in infrastructure but also in state-of-the-art learning tools.

#### Infrastructure for girl students in the Sainik Schools

59. From the information supplied by the Ministry, the Committee note that funding of Rs. 109 Crore was set aside by the Ministry of Defence during 2020-21 for Sainik Schools for infrastructure creation of required facilities for girl students from Academic Year 2021-22. In this respect, separate hostel with barbed wire fencing is provided for the girl cadets to ensure their safety. Also to ensure the security and well-being of girl cadets in the hostel, one Physical Education Master/Physical Training Instructor Cum Matron (Female) who accompanies the girl cadets throughout the day in all the training activities. One Nursing Sister for the medical requirements of the cadets and two female General Employees for housekeeping and

**maintenance of Girls Hostel are also employed. Separate washrooms are provided to the girl cadets in the Hostel. Sports fields, auditorium, mess and academic block for their convenience and ease and also CCTV cameras are installed at various places for the safety of girl cadets.**

**60. The Committee are happy to note that the Ministry has taken measures to ensure that a minimum number of 10 girls in each school are enrolled and these seats must have a continual reservation 10 per cent out of the total seats in class VI for girls and in subsequent classes until class 12. The Committee find that the Ministry is making efforts to improve the infrastructure of each Sainik School and provided Rs.3.3 crore to 28 Sainik Schools for the construction of girls' hostel with all allied facilities and security measures. It is also informed that construction of girls' hostel is in progress in each school. As 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, the Committee recommend that issues related to girl cadets, whenever these come to the notice of School authorities, should be taken on priority so the confidence and belief in the system remains intact.**

**61. The Committee in their previous report also advised that as the Sainik Schools had been "only Boys school" for a very long time and since the induction of girl students had been started recently, therefore an orientation training programme should be conducted for the faculty/officials and students so that they can be sensitized to accommodate and respect girls in the school. Consequent to this observation, the Committee recommend that such exercises shall be conducted on a**

regular basis and they would like to be apprised of the leap forward taken in this regard from the time of presentation of this Report and furnishing of Action Taken Note by the Ministry.

**Standardized curriculum in new Sainik Schools under Public-private partnership**

62. The Committee note that in accordance with the Government of India decision, 100 Sainik Schools under PPP mode will be set up in the first phase. These schools will be located in all the States of the country. Out of 100, 18 new Sainik Schools are already functioning. The Committee also note that the Ministry of Defence has not laid any restriction on the new Sainik Schools to run only Sainik School pattern of education. New Sainik Schools can have separate vertical for Sainik Schools pattern as well as non-Sainik Schools pattern. These new schools can be day schools or residential schools.

63. The Committee further note that the criteria for merit-based admission in the new Sainik Schools will be same as the existing 33 Sainik Schools wherein students will be given admission based on merit obtained in all-India level Common Admission Test conducted by the National Testing Agency.

64. The Committee while noting that the teachers of new Sainik Schools have undergone a centralized training at IITE, that is, Indian Institute of Teachers Education at Gandhinagar, recommend that there should be standardized uniform pattern of education and physical activities otherwise these schools will lose their relevance and identity.

65. The Committee also take note of the fact that five States viz. Sikkim, Tripura, Telangana, Goa & Meghalaya have no Sainik School. This in the opinion of the Committee is an imbalance which needs to be rectified by the Ministry by taking very concerted efforts and come out with a concrete plan within a specified time frame as to how atleast one Sainik School can be established in each of the five States above. The Committee, therefore, recommend that all the developments initiated in this regard be communicated to them within three months in order to enable them to judge the progress made by the Ministry.

66. The Committee would like to seek one more clarification on the split pattern of establishing the Sainik Schools in the new PPP Mode. Their specific query is about the second vertical i.e. such schools can also be established in a non Sainik School Mode. The Committee would like to have more details on this mode and would like to be apprised how will this mode accomplish the very purpose of establishing the Sainik Schools.

#### Appointment of Retired Army Officers as Principals

67. During deliberations, the issues of Army Officers for appointment in new schools came up and a representative of Sainik Schools Society apprised the Committee that the same is not possible due to shortage of regular Army Officers for such appointments. In this respect, the Committee recommend that Ex-Army Officers/JCOs/NCOs especially from the Army Education Corps may be appointed as Principals, vice-principals, instructors and teachers in the new Sainik Schools or in old Sainik Schools where the vacancies are lying for a long time in want of regular Officers.

**General**

68. The Committee have observed that a good number of students passing out of the Sainik Schools do not join NDA. In this regard the Committee would like to have a detailed chart containing the figures for the last five years of each and every Sainik School clearly bringing out a comparative figure of how many students passed class 12 and how many out of them were selected for NDA or Naval Academy. Based on the information supplied by the Ministry, the Committee would examine this issue in depth subsequently.

**New Delhi;  
17 March, 2023  
..... Phalguna, 1944 (Saka)**

**JUAL ORAM  
Chairperson  
Standing Committee on Defence**

**STANDING COMMITTEE ON DEFENCE (2022-23)**

**MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2022-23)**

The Committee sat on Monday, the 20<sup>th</sup> February, 2023 from 1100 hrs to 1800 hrs in Main Committee Room, Parliament House Annexe, New Delhi.

**PRESENT**

**SHRI JUAL ORAM**

-

**CHAIRPERSON**

**MEMBERS**

**Lok Sabha**

2. Shri Devaragunda Venkappa Sadananda Gowda
3. Choudhary Mehboob Ali Kaiser
4. Shri Rattan Lal Kataria
5. Kunwar Danish Ali
6. Shri Reddeppa Nallakonda Gari
7. Shri Uttam Kumar Reddy Nalamada
8. Shri Brijendra Singh

**Rajya Sabha**

9. Dr. Ashok Bajpai
10. Shri Prem Chand Gupta
11. Shri Sushil Kumar Gupta
12. Smt. P.T. Usha
13. Shri G.K. Vasani
14. Lt. Gen. (Dr.) D. P. Vats (Retd.)

**SECRETARIAT**

1. Smt. Suman Arora - Joint Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

**LIST OF WITNESSES**  
**MINISTRY OF DEFENCE**

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
<b>General Defence Budget</b>		
1.	Shri Giridhar Aramane	Defence Secretary
2.	Lt Gen BS Raju	VCOAS
3.	Ms. Nivedita Shukla Verma	Special Secretary
4.	Ms. Rasika Chaube	FA(DS)
5.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
6.	Lt Gen Rajinder Dewan	QMG
7.	Lt Gen Samir Gupta	DG FP
8.	Lt Gen MV Suchindra Kumar	DCOAS (Strat)
9.	Lt Gen Manjinder Singh	DCIDS (PP &FD)
10.	Lt Gen JB Chaudhari	DCOAS (CD&S)
11.	Lt Gen C Bansi Ponnappa	Adjutant General
12.	Lt Gen Arvind Walia	E-in-C
13.	Lt Gen CP Cariappa	MGS
14.	Lt Gen V Sreehari	DG (MP & PS)
15.	Lt Gen. Vineet Gaur	DG CD
16.	Air Mshl BR Krishna	CISC
17.	AVM M Mehra	ACAS Fin(P)
18.	AVM H Bains	JS (Air) & JS(Navy)
19.	Sh. D.K Rai	JS(Plg./Parl) & Estt.
20.	Maj Gen k Narayanan	JS (Army & TA)
21.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
22.	R Adm Dalbir S Gujral	ACIDS (FP & ADM)
23.	Rear Admiral CR Praveen Nair	ACNS (P&P)
24.	Maj Gen Bikramdeep Singh	ADG FP
25.	Brig Ajay Katoch	Brig SP(Plans)
<b>Defence Public Sector Undertaking</b>		
1.	Shri Giridhar Aramane	Defence Secretary
2.	Ms. Rasika Chaube	FA(DS)
3.	Shri T Natarajan	Additional Secretary (DP)
4.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
5.	Shri Shalabh Tyagi	JS( P&C)
6.	Shri Rajeev Prakash	JS (NS)
7.	Shri Jayant Kumar	JS(Aero)
8.	Shri Anurag Bajpai	JS (DIP)
9.	Shri Surendra Prasad Yadav	JS(LS)

10.	Cmde Siddharth Mishra (Retd)	CMD, BDL
11.	Shri C B Anantha Krishnan	CMD, HAL
12.	Shri Bhanu Prakash Srivastava	CMD, BEL
13.	Cmde Hemant Khatri	CMD, HSL
14.	Shri Amit Banerjee	CMD, BEML
15.	Shri Brajesh Kumar Upadhyay	CMD, GSL
16.	CMDE PR Hari	CMD, GRSE
17.	Dr. S K Jha	CMD, MIDHANI
18.	Shri Sanjeev Singhal	CMD, MDL
19.	Sh. P.Radhakrishna	Director (Production)
20.	Cmdt Rajeev Panhotra	AGM (GSL)
<b>Directorate General of Defence Estate</b>		
1.	Ms. Rasika Chaube	FA(DS)
2.	Lt Gen Adosh Kumar	DG LW&E
3.	Ms. Nivedita Shukla Verma	Special Secretary
4.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
5.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
6.	Shri Rakesh Mittal	JS (L & W / SS)
7.	Sh. Ajay Kumar Sharma	DGDE
8.	Ms. Sonam Yangdol	Addl DG
9.	Maj Gen Rajdeep Singh Rawal	ADG LW&E
10.	Ms. Sharmistha Maitra	Director (Lands)
11.	Sh. Valeti Premchand	Addl DG
12.	Ms Nigar Fatima	Addl DG
13.	Ms. Vibha Sharma	Addl DG
14.	Sh. Amit Kumar	DDG
15.	Sh. Abhishek Azad	Asst DG
16.	Sh. Vijay Malhotra	Director(Q&C/Works)
<b>Border Roads Organisation</b>		
1.	Ms. Rasika Chaube	FA(DS)
2.	Lt Gen Rajeev Chaudhary	DGBR
3.	Lt Gen Arvind Walia	E-in-C
4.	Dr Ajay Kumar	JS(BR)
5.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
6.	Ms. Nivedita Shukla Verma	Special Secretary
7.	Sh. Pankaj Agarwal	DG(Acq)
8.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD

<b>Coast Guard Organisation</b>		
1.	Ms. Rasika Chaube	FA(DS)
2.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
3.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
4.	Sh. Manish Tripathi	JS(AF/Policy)
5.	ADG Rakesh Pal	ADG CG & Addl Charge DG ICG
<b>Navy &amp; Joint Staff</b>		
1.	Ms. Rasika Chaube	FA(DS)
2.	Lt Gen BS Raju	VCOAS
3.	Vice Admiral SN Ghormade	VCNS
4.	Vice Admiral Dinesh K Tripathi	COP
5.	Lt Gen Manjinder Singh	DCIDS
6.	Air Mshl BR Krishna	CISC
7.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
8.	AVM H Bains	JS (Navy)
9.	R Adm Dalbir S Gujral	ACIDS
10.	R Adm Kapil Mohan Dhir	Senior Advisor/DMA
11.	R Adm CR Praveen Nair	ACNS (P&P)
12.	Sh. Rajesh Sharma	Addl. FA (RS) & JS

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2023-24.

3. Thereafter, the Chairperson welcomed the Defence Secretary, representatives of the Armed Forces and 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 2023-24.

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 2023-24 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), 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 2023-24. The highlights of the brief given by the Defence Secretary are as under:

- i. Enhancement of Rs. 68,371 crore i.e. 13 percent in total Defence Budget compared to allocation in Budget 2022-23; and
- ii. Unprecedented 44 percent jump in non-salary revenue allocation in 2023-24.

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. Increase in Defence allocation to meet actual requirement keeping in view current security scenario;
- ii. Planning for upgradation and modernisation of conventional arms and ammunition taking into account emerging and evolving technologies of warfare;
- iii. Allocation for Research & Development and Defence Research and Development Organisation (DRDO) in 2023-24;
- iv. Timely procurement of equipment, arms and ammunition for the Armed Forces;
- v. Increase in Defence budget for 2023-24 taking into account Revised Estimates 2022-23, inflation and depreciation of the rupee compared to dollar;
- vi. Savings and effect on pensionary liabilities on account of implementation of Agneepath scheme;
- vii. Strategy for achieving complete indigenization and self-reliance in Defence sector;
- viii. Need for increase in recruitment of manpower for Armed Forces;
- ix. Defence Budget as percentage of Gross domestic Product (GDP);
- x. Creation of non-lapsable Defence Modernisation Fund;
- xi. Share of Defence budget in total Budget of the country;
- xii. Mismatch between projection and allocation in Defence Budget for the Financial Year 2023-24;
- xiii. Extant systems of checks and balances to prevent incidents of spying;
- xiv. Achievement of target of 68 percent of capital acquisition through domestic sources;
- xv. Association with private players in Defence sector;
- xvi. Motivation for scientists in Defence sector;

- xvii. Selection for strategic partner countries in Defence sector; and
- xviii. Comparison with neighboring countries regarding expenditure on development of infrastructure.

7. The Chairperson, on behalf of the Committee, congratulated the Ministry of Defence, HAL, DRDO and other participant organizations for successful Aero India 2023 held in Bengaluru.

8. 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 their Power Point Presentations.

This was followed by detailed deliberations on the following issues:

- i. Recruitment of independent Directors in Boards of DPSUs;
- ii. Filling of vacancies in Boards of DPSUs;
- iii. Availability of raw materials in the country;
- iv. Need for improvement in functioning of Mishra Dhatu Nigam Limited (MIDHANI);
- v. Assistance from private players and academia in Research and Development in Defence sector;
- vi. Coordination of DPSUs with Micro, Small and Medium Enterprises (MSMEs) in the country;
- vii. New contracts acquired by Hindustan Aeronautics Limited (HAL), Bharat Electronics Limited (BEL) and Goa Shipyard Limited (GSL);
- viii. Request received from the State Governments regarding Defence Industrial Corridors;
- ix. Preference for the public sector over private players in Defence manufacturing;
- x. Foreign collaboration by Bharat Dynamics Limited (BDL) for manufacturing of missiles and rockets;
- xi. Production capacity of HAL, time taken for development of a product and use of indigenous engines;
- xii. Availability of health equipment and stents manufactured by MIDHANI in the market;
- xiii. Timeline for manufacturing of Light Combat Helicopter and Aircraft and 5<sup>th</sup> Generation Aircraft by HAL;
- xiv. Contribution of BEL towards Defence Industrial Corridor in UP;
- xv. Time taken by DPSUs for development and delivery of equipment for the Armed Forces;
- xvi. Difference in the 4 positive lists of indigenization;
- xvii. Need for intensification of efforts for indigenization and increase in exports by DPSUs;
- xviii. Establishment of Defence corridors and other facilities in Ambala; and

xix. Progress of manufacturing of bulletproof jackets by MIDHANI.

9. 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. Increase in Revised Estimates allocation to DEO for 2022-23;
- ii. Proposal from the State Government for provision of Defence Land;
- iii. Issues such as access to roads etc. faced by general public in Cantonment areas and efforts for resolution of these issues;
- iv. Elections for Cantonment Boards;
- v. Increase in limit for carrying out 'repairs' in Cantonment areas and revision in bye-laws;
- vi. New Cantonment Bill;
- vii. Policy regarding handing over of schools and Defence institutions to civil municipal bodies adjoining the cantonment areas; and
- viii. Pendency of cases pertaining to DEO.

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

- i. Forest and National Green Tribunal (NGT) Clearances for construction by BRO;
- ii. Cost difference between construction of normal road and road constructed by BRO using new technologies;
- iii. Classification of a road as a 'border' road;
- iv. Difference between allocation under Budget and Revised Estimates for BRO for the past few years;
- v. Budgetary figures for BRO for 2023-24;
- vi. Consideration of security, geological and safety parameters by BRO while executing construction tasks keeping in view recent incident in Joshimath, Uttarakhand;
- vii. Memorandum of Understanding (MoU) with Jharkhand Government for supply of manpower;
- viii. Aid in tourism opportunities due to infrastructure created by BRO; and
- ix. Welfare activities in areas from where maximum manpower is employed by BRO.

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. Adequate capability of the Coast Guard Organisation in terms of manpower and resources;
- ii. Recovery of drugs and curb on drug smuggling achieved by Coast guard in 2021-22 and 2022-23; and
- iii. Shortage of manpower in Marine Police in some States.

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

- i. Revised Estimates 2022-23, Budget Estimates 2023-24 and projected requirement for Navy and Joint Staff;
- ii. Cost, Commissioning of indigenous aircraft carrier and proposal for third aircraft carrier;
- iii. Sanctioned strength of National Defence Academy (NDA);
- iv. Progress on theaterisation of Armed Forces;
- v. Strength of Indian Navy in comparison with neighboring countries;
- vi. Intake of girl candidates in Sainik Schools and NDA and plan to absorb them in the Forces;
- vii. Proposal to add new battalions in the Forces;
- viii. Proposal to fill up vacant posts at Officers' level in the Services;
- ix. Formalized National Security Policy;
- x. Analysis of current threat perception; and
- xi. Possibility of the Quadrilateral Security Dialogue (QUAD) evolving into security and military alliance.

13. The Chairperson, at the end, thanked the representatives of the Ministry of Defence and the Services 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 on record.

**STANDING COMMITTEE ON DEFENCE (2022-23)**

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2022-23)**

The Committee sat on Wednesday, the 22 February, 2023 from 1100 hrs. to 1815 hrs. in 'Main Committee Room', Parliament House Annexe, New Delhi.

**PRESENT**

**JUAL ORAM                      -                      CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

- 2      Kunwar Danish Ali
- 3      Shri D.V. Sadananda Gowda
- 4      Shri Rattan Lal Kataria
- 5      Prof. (Dr.) Ram Shankar Katheria
- 6      Dr. Rajashree Mallick
- 7      Shri Reddeppa Nallakonda Gari
- 8      Shri Uttam Kumar Reddy Nalamada
- 9      Shri Brijendra Singh

**RAJYA SABHA**

- 10     Dr. Ashok Bajpai
- 11     Shri Prem Chand Gupta
- 12     Shri Sushil Kumar Gupta
- 13     Shri Kamakhya Prasad Tasa
- 14     Dr. Sudhanshu Trivedi
- 15     Smt. P.T. Usha
- 16     Lt. Gen. (Dr.) D. P. Vats (Retd.)
- 17     Shri K.C. Venugopal

## **SECRETARIAT**

1. Smt. Suman Arora - Joint Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

### **LIST OF WITNESSES**

#### **MINISTRY OF DEFENCE**

<b>ARMY</b>		
1	Gen Anil Chauhan	CDS & Secretary/DMA
2	Ms. Rasika Chaube	FA(DS)
3	Sh. Rajesh Sharma	Addl. FA (RS) & JS
4	Lt Gen BS Raju	VCOAS
5	Lt Gen MV Suchindra Kumar	DCOAS (Strat)
6	Lt Gen JB Chaudhari	DCOAS (CD&S)
7	Lt Gen Samir Gupta	DG FP
8	Lt Gen Manoj Kumar Katiyar	DGMO
9	Lt Gen CP Cariappa	MGS
10	Lt Gen Vineet Gaur	DG CD
11	Lt Gen C Bansi Ponnappa	Adjutant General
12	Lt Gen AJ Fernandez	DG SD
13	Lt Gen Rajinder Dewan	QMG
14	Maj Gen k Narayanan	JS (Army & TA)
15	Maj Gen R Putarjunam	ADG AE 7 HoS (AEC)
16	Maj Gen CS Mann	ADG ADB
17	Maj Gen Abhinaya Rai	ADG SP
18	Maj Gen Bikramdeep Singh	ADG FP
<b>NATIONAL CADET CORPS (NCC)</b>		
1	Ms. Rasika Chaube	FA(DS)
2	Ms. Nivedita Shukla Verma	Spl. Secretary
3	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
4	Lt Gen. Gurbirpal Singh	DGNCC
5	Sh. Rajesh Sharma	Addl. FA (RS) & JS

6	Ms. Nishtha Upadhyay	Joint Secretary
<b>SAINIK SCHOOL</b>		
1	Ms. Rasika Chaube	FA(DS)
2	Ms. Nivedita Shukla Verma	Special Secretary
3	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
4	Sh. Rajesh Sharma	Addl. FA (RS) & JS
5	Shri Rakesh Mittal	JS (Lands / SS)
<b>AIR FORCE</b>		
1	Gen Anil Chauhan	CDS & Secretary/DMA
2	Ms. Rasika Chaube	FA(DS)
3	Air Mshl AP Singh	VCAS
4	Air Mshl N Tiwari	DCAS
5	AVM H Bains	JS(Air)
6	Sh. Rajesh Sharma	Addl. FA (RS) & JS
7	AVM M Mehra	ACAS Fin(P)
8	AVM G Thomas	ACAS (Plans)
9	AVM T Chaudhry	ACAS (Proj)
<b>DEFENCE RESEARCH &amp; DEVELOPMENT ORGANISATION (DRDO)</b>		
1	Dr. Samir Venkatpati Kamat	Secretary
2	Ms. Rasika Chaube	FA(DS)
3	Shri KS Varaprasad	DS & DG (HR)
4	Shri Hari Babu Srivastava	OS&DG
5	Ms Suma Varughese	OS&DG(MED&CoS)
6	Dr. UK Singh	OS&DG(LS)
7	Shri Purusottam Bej.	OS&DG(R&M)
8	Shri AD Rane	OS&DG(BrahMos)
9	Dr (Ms) Chandrika Kaushik	OS&DG(PC&SI)
10	Sh. Rajesh Sharma	Addl. FA (RS) & JS
11	Shri Vedveer Arya	Addl FA&JS
12	Dr. Ravindra Singh	Director(DPA)
13	Dr. Sumit Goswami	Director (Planning and Cooperation)
<b>DIRECTORATE OF ORDNANCE – NEW DPSUs</b>		
1	Ms. Nivedita Shukla Verma	Special Secretary
2	Ms. Rasika Chaube	FA(DS)
3	Sh. Rajesh Sharma	Addl. FA (RS) & JS

4	Shri Surendra Prasad Yadav	JS (LS)
5	Shri Rajeev Prakash	JS (NS)
6	Shri Jayant Kumar	JS (Aero)
7	Shri Shalabh Tyagi	JS (P&C)
8	Shri Anurag Bajpai	JS (DIP)
9	Shri Sanjeev Kishore	DGO (C&S)
10	Shri N I Laskar	DDG (Budget)
11	Shri Umesh Singh	DDG (NDCD)
12	Shri Birendra Pratap	Director (NDCD)
13	Shri Ravi Kant	CMD (MIL)
14	Shri Rajesh Choudhary	CMD (AWEIL)
15	Shri S.K. Sinha	CMD (TCL)
16	Shri Rajeev Puri	CMD(YIL)
17	Shri Sanjiv Kumar	CMD (IOL)
18	Shri V.K Tiwari	CMD (GIL)
19	Shri Sanjay Dwivedi	Director/AVANI
20	Maj Gen Pankaj Malhotra	ADG MO (B)
21	Maj Gen Mohit Wadhwa	ADG EM

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 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:

- 1) Budgetary allocation to Army;
- 2) Restructuring of training as per current requirements.

- 3) Upgradation of infrastructure, technological prowess and military capabilities
- 4) Providing humanitarian assistance and speedy relief during calamities
- 5) Gender neutrality in Indian Army
- 6) Contribution in sports by Army
- 7) Emergency procurement powers to the Indian Army with effect from October 2022
- 8) Need for robust digital infrastructure
- 9) Preparation for Nuclear, Chemical and Biological War in future
- 10) Status of Vintage and other category equipment in Indian Army
- 11) Efforts being made towards indigenisation by Indian Army

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

- 1) Shortage of Trainers in NCC and Recruitment of Ex-servicemen / Ex-NCC cadets as instructors in NCC
- 2) Need for latest equipment for training to NCC Cadets
- 3) Reservation of NCC cadets in State Government and CAPFs jobs
- 4) Cyber, Computer, Laser and space expertise training to NCC cadets.
- 5) Employment opportunities for NCC cadets in private Industries
- 6) Implementation of Self Financing Scheme(SFS) in schools and colleges.
- 7) Issues related to low selection rate of NCC cadets as officers in Armed Forces

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

- 1) Opening of 100 new schools in partnership with private sector
- 2) To appoint retired officers/ JCOs NCOs as Principals, Vice-Principals and Instructors in Sainik schools.
- 3) Shortage of Funds, inadequate infrastructure and deficiency of quality staff in Sainik Schools.
- 4) Compulsory training to teachers of new Sainik schools.
- 5) Low number of Sainik schools students joining Armed Forces.

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

- 1) Sharp decline in the projected budget for the year 2023-24 as compared to the financial year 2022-23.
- 2) Shortage of authorized squadrons strength

- 3) Study to analyze the major reasons for the delay of LCA
- 4) Modernisation of Fighter Aircraft
- 5) Shortage of officers in Indian Air Force

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

- 1) Free of cost patents of DRDO to Private Industry
- 2) Transfer of technology to private industries.
- 3) Use of Test facilities of DRDO by Private Industry.
- 4) Issue related to delay of Mission mode projects of DRDO
- 5) Use of Kaveri engine for unmanned combat aircraft.
- 6) Indigenisation of products by DRDO
- 7) Shortage of Scientists in DRDO

9. Thereafter, a Power Point presentation was made by the representatives of the Directorate of Ordnance on new DPSUs, representatives of each of the new DPSU, namely Munitions India Limited(MIL), Armoured Vehicles Nigam Limited(AVNL), Advanced Weapons and Equipment India Limited(AWEIL), Troop Comforts Limited(TCL), Yantra India Limited(YIL), India Optel Limited(IOL) and Gliders India Limited(GIL) made power point presentation. Thereafter, the Committee had discussion on the following points:

- 1) Status of Order Book position of DPSUs
- 2) Thrust to earn more profits by the DPSUs
- 3) Installation of new machines for R&D activities in the DPSUs
- 4) Modernisation activities taken by all the DPSUs
- 5) Indigenisation programmes of the DPSUs

10. 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.

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

**STANDING COMMITTEE ON DEFENCE (2022-23)**

**MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2022-23)**

The Committee sat on Friday, the 24 February, 2023 from 1100 hrs. to 1600 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. Shri Rattan Lal Kataria
3. Kunwar Danish Ali
4. Shri Nallakonda Gari Reddeppa
5. Shri Brijendra Singh
6. Shri Mahabali Singh

**RAJYA SABHA**

7. Dr. Ashok Bajpai
8. Shri Prem Chand Gupta
9. Shri Sushil Kumar Gupta
10. Dr. Sudhanshu Trivedi
11. Smt. P. T. Usha
12. Shri G.K Vasan

**SECRETARIAT**

1. Smt. Suman Arora - Joint Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

**LIST OF WITNESSES**

S. No.	Name of Officers	Designation
<b>Procurement Policy &amp; Defence Planning</b>		
1.	Shri Giridhar Aramane	Defence Secretary
2.	Gen Anil Chauhan	CDS & Secretary/DMA
3.	Vice Admiral SN Ghormade	VCNS
4.	Air Mshl BR Krishna	CISC
5.	Ms. Rasika Chaube	FA(DS)
6.	Ms. Nivedita Shukla Verma	Special Secretary
7.	Lt. Gen Anil Puri	AS/DMA
8.	Sh. Pankaj Agarwal	DG(Acq)
9.	Ms. Dipti Mohil Chawla	Additional Secretary/DoD
10.	Shri T Natarajan	Additional Secretary (DP)
11.	Air Mshl N Tiwari	DCAS
12.	Lt Gen MV Suchindra Kumar	DCOAS (Strat)
13.	Lt Gen Rashim Bali	DG SP
14.	Lt Gen Vineet Gaur	DG CD
15.	Lt Gen Manjinder Singh	DCIDS (PP & FD)
16.	ADG Rakesh Pal	ADG CG & Addl Charge DG ICG
17.	Shri Dinesh Kumar	JS & AM(MS)
18.	Shri Dharmendra Kumar Singh	JS&AM (Air)
19.	Dr. Ajay Kumar	JS & AM(LS)
20.	Shri Jayant Kumar	JS(Aero)
21.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
22.	AVM Rajiva Ranjan	ACIDS (PP & FS)
23.	Maj Gen Ashok Singh	ADG PS
24.	AVM G Thomas	ACAS (Plans)
25.	RAdm P.A.A.R Sadiq	Acquisition Tech (M&S)
26.	Maj Gen Abhay Dayal	ADG Acq
27.	AVM M Mehra	ACAS Fin(P)
28.	Maj Gen k Narayanan	JS (Army & TA)
29.	RAdm CR Praveen Nair	ACNS

30.	Maj Gen Abhinaya Rai	ADG SP
31.	Maj Gen Bikramdeep Singh	ADG FP
32.	Maj Gen NKV Patil	ADG Proc (B)
33.	Sh. Ambarish Barman	Director (Budget)
34.	Sh. Subhash Kumar	OSD (Budget)
<b>Welfare of Ex-Servicemen</b>		
1.	Shri Vijoy Kumar Singh	Secretary ESW
2.	Ms. Rasika Chaube	FA(DS)
3.	Lt. Gen PS Shekhawat	DG (DC&W)
4.	Lt Gen C Bansi Ponnappa	Adjutant General
5.	VAdm Suraj Berry	Controller Personnel Services
6.	Air Mshl RK Anand	DG (Admn)
7.	Dr Pudi Hari Prasad	Joint Secretary (ESW)
8.	Maj Gen Sharad Kapoor	DG (Resettlement)
9.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
10.	Maj Gen Ashok Singh	ADG PS
11.	AVM Ashok Saini	ACAS
12.	RAdm Manish Chadha	ACOP
13.	Commodore HP Singh	Secretary KSB
14.	Sh. Ambarish Barman	Director (Budget)
15.	Sh. Subhash Kumar	OSD (Budget)
16.	Dr. PP Sharma	OSD
<b>Ministry of Defence (Pension)</b>		
1.	Shri Vijoy Kumar Singh	Secretary ESW
2.	Shri Praveen Kumar, IDAS	Addl. CGDA
3.	Dr Pudi Hari Prasad	Joint Secretary (ESW)
4.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
5.	Ms. Sarika Aggarwal Synrem	IDAS, Jt. CGDA
6.	Dr. Jayaraj Naik	IDAS, Jt. CGDA
7.	Sh. Ambarish Barman	Director (Budget)
8.	Sh. Subhash Kumar	OSD (Budget)
<b>Ex-Servicemen Contributory Health Scheme</b>		
1.	Shri Vijoy Kumar Singh	Secretary ESW
2.	Dr Pudi Hari Prasad	Joint Secretary (ESW)
3.	Sh. Rajesh Sharma	Addl. FA (RS) & JS
4.	Maj Gen N R Indurkar	MD ECHS
5.	Col PK Mishra	Director, ECHS
6.	Sh. Ambarish Barman	Director (Budget)
7.	Sh. Subhash Kumar	OSD (Budget)

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 Defence Procurement Policy. This was followed by extensive discussion on following points:

- i Emphasis on Atmanirbhar Bharat- Indigenisation of the Defence equipment and self reliance in Defence;
- ii Ease of doing business;
- iii Push for Domestic Ecosystem and offsets;
- iii Decrease in the procurement of defence equipment from foreign industries and promotion of domestic industries;
- iv Revision of the Defence Acquisition Procedure;and
- v. Emphasis on Integrated Defence Capability Plan and Obsolescence Management

5. Thereafter, the representatives of the Ministry of Defence commenced their briefing through 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. Details of Agniveer Scheme and their placement;
- 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; and
- vi. Role and responsibilities of Kendriya, Rajya and Zilla Sainik Boards.

6. 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);and
- v. Details regarding Equalisation of Pension.

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. Vacancies of specialists in Polyclinics;
- iii. Denial of services by the private empanelled hospitals to the ECHS beneficiaries;
- iv. Creation of Integrated Complexes;and
- v. ECHS/facilities boarded out and/or medically unfit cadets.

8. 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.

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**STANDING COMMITTEE ON DEFENCE (2022-23)**

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON  
DEFENCE (2022-23)**

The Committee sat on Thursday, the 16 March, 2023 from 1500 hrs. to 1530 hrs. in Committee Room No. 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**SHRI JUAL ORAM – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Nitesh Ganga Deb
3. Shri Rahul Gandhi
4. Shri Annasaheb Shankar Jolle
5. Choudhary Mehboob Ali Kaiser
6. Shri Rattan Lal Kataria
7. Prof.(Dr.) Ram Shankar Katheria
8. Kunwar Danish Ali
9. Shri Reddeppa Nallakonda Gari
10. Shri Uttam Kumar Reddy Nalamada
11. Shri Jugal Kishore Sharma
12. Shri Prathap Simha
13. Shri Brijendra Singh

**RAJYA SABHA**

13. Dr. Ashok Bajpai
14. Shri Sushil Kumar Gupta
15. Shri Venkataramana Rao Mopidevi
16. Shri Kamakhya Prasad Tasa
17. Dr. Sudhanshu Trivedi
18. Smt. P.T. Usha
19. Shri G.K.Vasan
20. Lt. Gen. Dr.D.P.Vats (Retd.)

21. Shri K.C. Venugopal

### SECRETARIAT

1. Smt. Suman Arora - Joint Secretary
2. Dr. Sanjeev Sharma - Director
3. Shri Rahul Singh - Deputy Secretary

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

- (i) **'Action Taken by the Government on the Observations/Recommendations contained in the Twenty-ninth Report on Demands for Grants of the Ministry of Defence for the year 2022-23 on 'Directorate of Ordnance (Coordination and Services)-New DPSUs, Defence Research and Development Organisation (DRDO), Directorate General of Quality Assurance (DGQA) and National Cadet Corps (NCC) (Demand No. 20)';**
- (ii) **Demands for Grants of the Ministry of Defence for the year 2023-24 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Defence Public Sector Undertakings, Welfare of Ex-Servicemen and Defence Pension (Demand Nos. 19 and 22)';**
- (iii) **Demands for Grants of the Ministry of Defence for the year 2023-24 on 'Army, Navy, Air Force, Joint Staff, Ex-Servicemen Contributory Health Scheme and Sainik Schools (Demand Nos. 20 and 21)';**
- (iv) **Demands for Grants of the Ministry of Defence for the year 2023-24 on 'Capital Outlay on Defence Services, Procurement Policy and Defence Planning (Demand No. 21)';and**
- (v) **Demands for Grants of the Ministry of Defence for the year 2023-24 on 'Directorate of Ordnance (Coordination and Services)-New DPSUs, Defence Research and Development Organisation and National Cadet Corps (Demand Nos. 20 and 21)'.**

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

\*\*\*Does note pertain to the report\*\*\*

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

The Committee then adjourned.

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