

# समाचार पत्रों से चयित अंश Newspapers Clippings

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## Army wants Major General, not colonel, as minimum retirement rank'

By-Ajay Banerjee

In what could change the 200-year-old British-established military rank structure, an Indian Army internal note says the minimum rank for officers at the time of retirement should be Major General. It suggests the number of regular commissioned officers be reduced, the rank of Brigadier be done away with while quicker promotions be given to all officers. A nine-page note has been submitted to the cadre review committee headed by the Military Secretary, a Lt General-rank officer. Sources said these were only proposals and suggestions, and that the committee would take a call after due deliberations.

It's the first review of the 39,000-strong Army's officer cadre since 1984. On June 18, the Army ordered a study to restructure the force and a report has to be submitted by November-end. The Tribune was the first to publish this in its edition dated June 23. At present, the minimum retirement rank is Colonel, which is a selection post. Those who fail to make it during the first selection done after 15-17 years of service are promoted after 26 years. There are about 4,100 Colonel-rank and 280 Major General-rank posts in the Army.

"It is essential that every regular Army officer is able to reach SAG (senior administrative grade) posts," says the note. "At present, the IPS has over 26 per cent officers in SAG and above (that is higher administrative grade) while the Army has only about 1 per cent."

While Major General is a SAG-level post, those of Brigadier and Colonel aren't. There about 1,050 Brigadier-level posts, a step between Colonel and Major General. "It is advisable the rank of Brigadier be dropped. The command of a brigade (some 4,500 strong) and division (some 14,000-15,000 strong) both be assigned to a Major General," the note says.

## Business Standard

### DefMin plans standard price list for PSUs

AJAI SHUKLA  
New Delhi, 17 July

The defence ministry has traditionally bestowed lucrative contracts on defence public sector undertakings (DPSUs) and ordnance factories (OFs) without competitive tendering.

However, it is now taking steps to make them reduce prices. A senior defence ministry official says DPSUs and OFs could soon be ordered to make public a price list of the equipment and weaponry they build. They would be required to hold those prices for a specified period and then raise these by only a reasonable amount. If the military demands a deviation from the baseline standard the DPSU or OF has priced, the

cost of doing so would be added to the standard price.

This follows Defence Minister Nirmala Sitharaman's statement on Friday that a committee of the ministry is examining (she said a report is expected within 60 days) why equipment from the defence public sector is costlier.

The ministry has decided that, in the name of indigenisation, it is paying unreasonably more for such equipment.

A standard price list would reveal that each Sukhoi-30 MKI fighter built in Russia costs the Indian Air Force (IAF) about ₹3.3 billion, while Hindustan Aeronautics (HAL) builds the same fighter in Nashik for ₹4.17 billion – 26 per cent costlier. Also, that Mazagon Dock Ltd, Mumbai, (MDL) is building six

Scorpene submarines at a significant mark-up from the cost of the same submarine built in France.

And, as reported by *Business Standard* on Monday (Frigate purchase from Russia hit by high cost of warship building) two Krivak-III frigates planned to be built at Goa Shipyard Ltd will cost the navy far more than two identical frigates built in Russia.

Sitharaman said the IAF has specifically asked for the costing of Tejas fighters to be examined. HAL charged the IAF about ₹1.16 billion for each of the first 20 Tejas fighters it ordered in 2006. The price rose to ₹1.62 billion for the next 20 HAL would build. For the admittedly more sophisticated Tejas Mark-1A, tendered last

December, HAL is pegging the price at over ₹4 billion each.

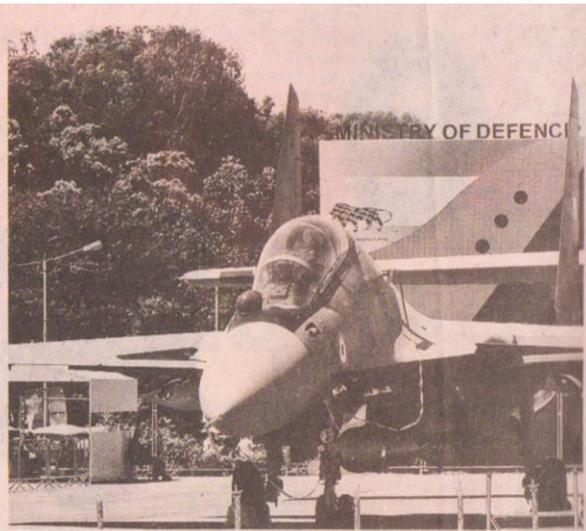
A senior ministry official complains that each time a DPSU or OF quotes a price, years of protracted negotiation follow. "It is bizarre that the ministry spends years negotiating with itself. Having standard prices would eliminate this nonsense," he says.

However, reducing of prices might not be easy, say defence industry experts. It is globally well-known in the trade that buying weaponry over-the-counter from large international 'original equipment manufacturers' (OEMs) is invariably cheaper than building the same equipment in the buyer country. That is because, the OEM has already set up a production line and partially or completely

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amortised the development costs. The buyer country would additionally have to pay for technology transfer, establishing a production line, transshipping raw materials and the time and effort needed to establish production.

The even more expensive path is to design and develop a platform indigenously. That requires expensive research and development, in addition to production line costs. However, indigenous development often works out cheaper in the long term, since it equips a country to sustain the platform through its service life-span. The latter involves costs like spares, maintenance, training aids and simulators, overhauls and mid-life upgrades.



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