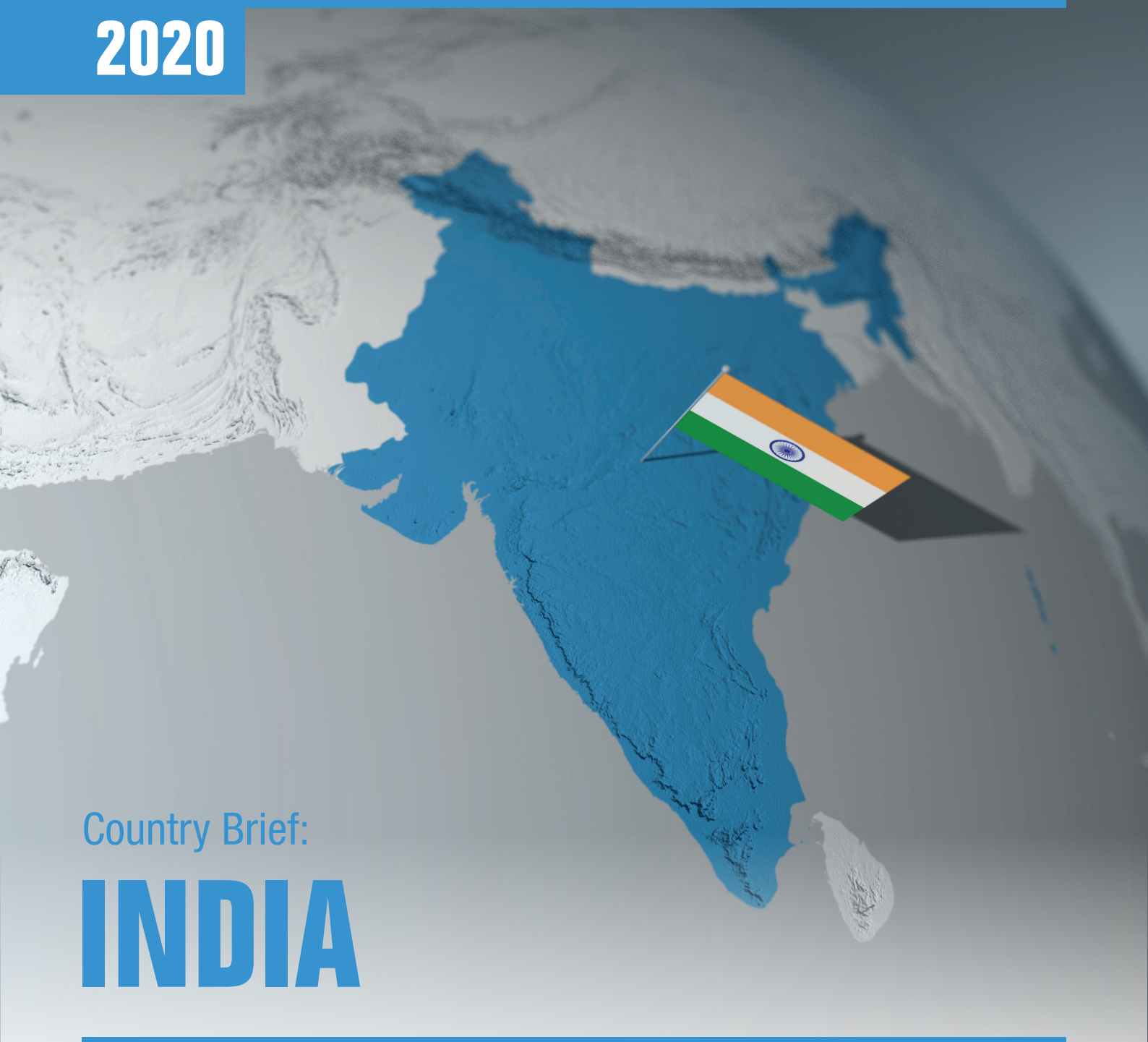




**Government Defence  
Integrity Index**



**2020**



Country Brief:

**INDIA**

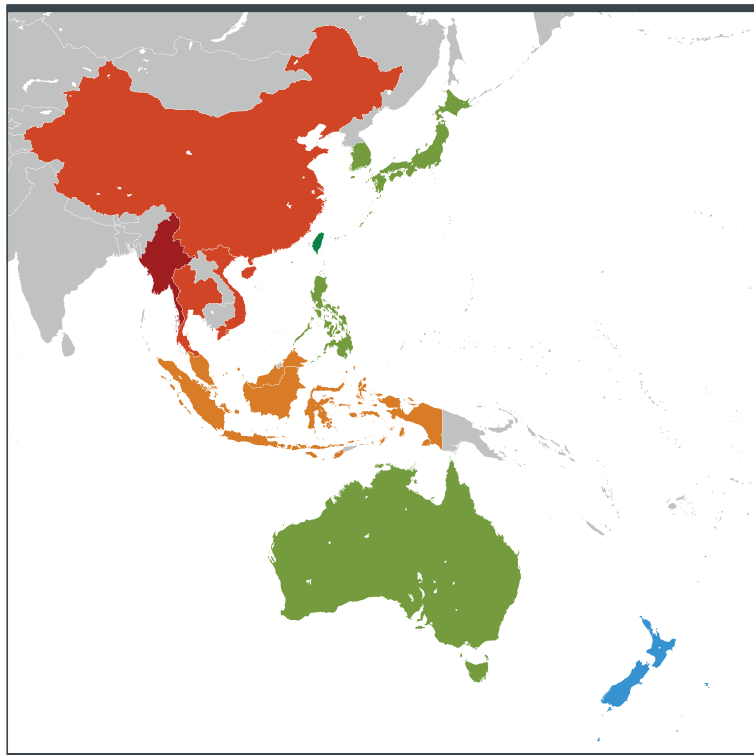


# INDIA

The world's most populous democracy, India's rapid economic and demographic growth has turned the country into an emerging global power. However, internal constraints such as poverty, unemployment and illiteracy represent significant barriers to development.<sup>1</sup> Many of these factors have been exacerbated by the COVID-19 pandemic which sparked a deep recession and brought the country's weak healthcare system to its knees.<sup>2</sup> On the political front, democratic backsliding under Prime Minister Narendra Modi has gathered pace since 2014, under the impetus of a Hindu-national agenda.<sup>3</sup> Democratic institutions have been undermined, voter suppression has increased<sup>4</sup> and Modi's party, the Bharatiya Janata Party (BJP), has consistently challenged the secular constitutional order of the Indian Republic.<sup>5</sup>

The BJP's anti-Islam stance has arguably fuelled Islamophobia, and ethnic tensions have led to increased inter-communal violence.<sup>6</sup> In parallel, India's broader national and regional security environment is fragile. The protracted conflict in the Kashmir and the Maoist insurgency in India's tribal areas are enduring security challenges.<sup>7</sup> Tensions with China are also significant and could define Indian foreign policy for years to come, after tense border clashes in 2020 escalated fears of conflict.<sup>8</sup> In light of this, the government is seeking to reform an ageing defence architecture in order to better confront modern challenges, while defence spending has been increasing at an average annual rate of 9% since 2010.<sup>9</sup> However, persistent governance gaps in India's defence architecture heighten the risk of corruption. External oversight, though formally strong, is limited in defence. Financial transparency is poor and complete information on acquisitions in particular is difficult to access. Operations are extremely vulnerable to corruption risk and whistleblowing mechanisms are extremely weak.

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2011
Arms Trade Treaty	Has not signed



## Asia-Pacific

The Asia-Pacific region is home to some of the biggest military and economic powers in the world, as well as critical financial and trade hubs, natural resources and around 60 per cent of the world's population, and the region has become a major area of geopolitical rivalry. The continuing deterioration of Sino-American relations is having widespread implications for countries in the region. Security challenges presented by an increasingly assertive China, the continuing threat posed by North Korea and the protracted insurgencies in Thailand, the Philippines, Myanmar, Indonesia and Malaysia will also remain key concerns moving forward, as will emerging security threats related to cyberwarfare and the impact of climate change. However, Asia-Pacific has huge variations in the quality of defence governance mechanisms, which will determine how well defence institutions can respond to these challenges. It is home to both New Zealand, the highest scorer in the index, and Myanmar, one of the lowest. Though challenges are extremely varied across the sample, corruption risks are particularly pronounced in relation to financial management and procurement, where defence exceptionalism remains pervasive and exempts the sector from standard reporting and publishing standards. Operations too are highly vulnerable to corruption, while personnel management and policymaking are considered significantly more robust.

<sup>1</sup> Aneek Chatterjee, 'India as an Emerging Global Power: Challenges and Prospects', *Diplomatist*, 27 August 2020.  
<sup>2</sup> Sofia Phillips, 'The Pandemic Has Landed India on the Brink of Collapse', *Thred*, 28 April 2021.  
<sup>3</sup> Azeem Ibrahim, 'Modi's Slide Toward Autocracy', *Foreign Policy*, 13 July 2020.  
<sup>4</sup> Ibrahim, 'Modi's Slide'.  
<sup>5</sup> Sunita Viswanath, 'Modi's Religious Nationalism Hurts India's Hindus Too', *Foreign Policy*, 26 May 2021.  
<sup>6</sup> Mujib Mashal, 'In a Region in Strife, India's Moral High Ground Erodes', *The New York Times*, 6 November 2021.  
<sup>7</sup> Sumit Ganguly, 'India Embattled', *Foreign Policy*, 16 April 2021.  
<sup>8</sup> Srinivas Mazumdar, 'India-China Border Standoff Raises Military Tensions', *Deutsche Welle*, 2 June 2020.  
<sup>9</sup> Armaan Bhatnagar, 'India's Defence Spending in 7 Charts', *Times of India*, 30 January 2021.



# INDIA

## Overall scores

The size of the colour band corresponds to number of countries that fall into that category.

**INDIA SCORE**  
**HIGH RISK**

**D**

**50**



A > 83-100 VERY LOW

B > 67-82 LOW

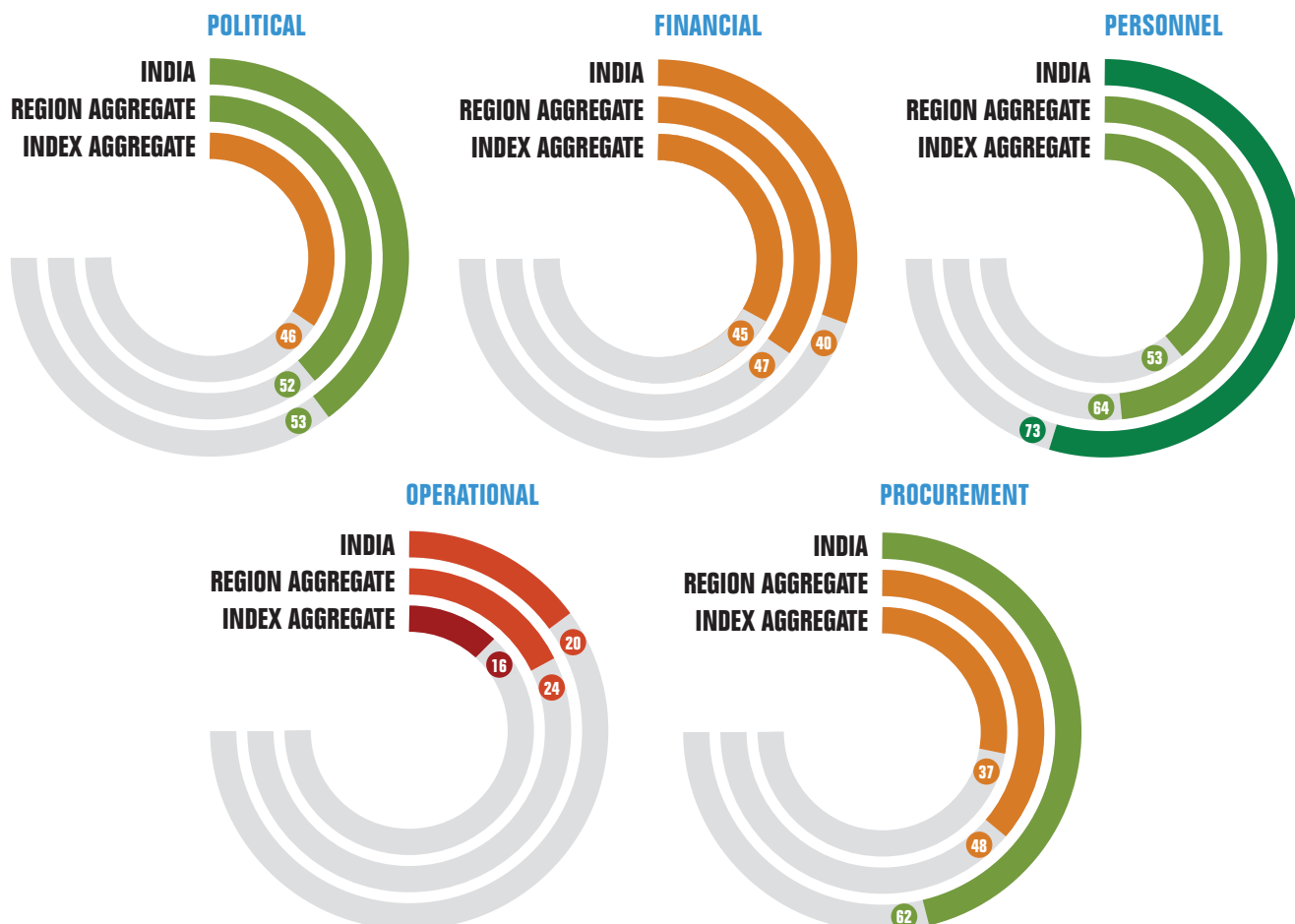
C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

## Risk Comparison





# INDIA

## Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	59/100
Military expenditure as share of government spending (SIPRI, 2020)	9.1%
Committee members with defence expertise (%)	5% (1 of 20)
# of meetings/year	12 (2019-20), 10 (2020-21)
Last review of defence policy/strategy	2017 (Joint Doctrine of the Indian Armed Forces)

Civilian control and oversight of the armed forces is robust in India and the military has never exceeded its competencies.<sup>10</sup> Parliamentary authority over defence matters is a key element of this, with the legislature equipped with strong formal powers of control. Oversight is exercised by the Standing Committee on Defence (SCoD), which scrutinises defence policy, legislation and annual reports from the MoD.<sup>11</sup> The SCoD makes observations and recommendations on these issues, which are presented to the plenary in both the lower house (Lok Sabha) and upper house (Rajya Sabha) of parliament. The MoD is required to respond to recommendations formulated by the SCoD within three months of receiving its report. Defence expenditure is scrutinised by the Public Accounts Committee (PAC), which submits reports to the plenary and has mechanisms to follow-up on recommendations issued to the MoD.<sup>12</sup> Annual reports underscore consistent levels of committee activity throughout the budget year, and the SCoD has been active in criticising funding shortfalls<sup>13</sup> and initiating investigations into the military's operations,<sup>14</sup> while it has proved relatively effective at having recommendations implemented by the MoD.<sup>15</sup> Nevertheless, the committee's work is limited in other aspects. Defence expertise is limited amongst SCoD members and the recommendations it formulates are not binding, making them difficult to enforce. Equally, in recent years, the BJP has sought to bypass standing committees during the legislative process and to fast-track proposals through the lower house, which is controls.<sup>16</sup> As a result, committees' involvement in decision-making and legislating has been severely undermined and the extent of debate on such proposals has been limited. In parallel, defence expenditure is externally audited by the Comptroller and Auditor General of Accounts (CAG), which provides a further layer of oversight.<sup>17</sup> The CAG is formally independent and publishes reports online. However, it should be noted that there have been no defence-specific CAG reports since 2018<sup>18</sup> and former CAG officials have noted the reluctance of the MoD to implement key reforms, leading to CAG findings being similar year on year.<sup>19</sup>

## Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: 94.5% (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	1,286
Does the commissioner have authority over the MoD?	Yes
Audit reports on defence (2018-2020) #	None
Open Budget Index (IBP, 2019)	49/100
World Press Freedom Index (RSF, 2021)	142nd out of 180

While fiscal transparency has been strengthened since the introduction of the Fiscal Responsibility and Budget Management (FRBM) Act,<sup>20</sup> defence remains an area where further progress is needed to strengthen access to information and financial transparency standards. With regard to the budget for instance, there exists no standalone comprehensive defence budget document in the public domain. Instead, information relating to revenue, outlays and pensions can only be found in disparate documents produced by the Ministry of Finance. This restricts clarity over actual allocations of government appropriations and means that the data that is published does not facilitate in-depth analysis.<sup>21</sup> Similarly, there are no publicly available financial statements detailing non-central government sources of defence income, making it difficult to assess how such revenues are allocated. Data on actual spending throughout the budget year is similarly opaque. While the MoD releases some information on actual spend against budget estimates, no explanations are provided for variations and the information is highly aggregated.<sup>22</sup> Nevertheless, India has a relatively robust access to information framework under the Right to Information Act (RTI) 2005.<sup>23</sup> The legislation allows for public access to government information, including related to defence when divulging such data does not breach clear classification regulations.<sup>24</sup> According to the 2019-20 report from the Central Information Commission (CIC), the MoD has one of the highest rates of responses to information requests, rejecting just 5.5% of total requests.<sup>25</sup> However, the speed of replies remains slow, appeals are frequent and the CIC is understaffed to deal with the volume of requests.<sup>26</sup>

<sup>10</sup> Bertelsmann Stiftung, *BTI 2020 Country Report: India*, Gutersloh, Bertelsmann Stiftung, 2020, p. 8.

<sup>11</sup> Lok Sabha, 'Standing Committee on Defence'.

<sup>12</sup> Lok Sabha, 'Public Accounts Committee'.

<sup>13</sup> Shaurya Karanbir Gurung, 'Parliamentary standing committee criticises government for inadequate allocation of funds to Army', *The Economic Times*, 9 January 2019.

<sup>14</sup> The Economic Times, 'Parliamentary panel to examine operational preparedness of armed forces', 18 July 2018.

<sup>15</sup> Ministry of Defence 'Standing Committee on Defence (2018-2019) – Sixteenth Lok Sabha Forty-Ninth Report', 7 January 2019.

<sup>16</sup> Derek O'Brien, 'The BJP is Killing our Institutions', *The Wire*, 17 February 2018.

<sup>17</sup> Comptroller Auditor General, 'Our Mandate'.

<sup>18</sup> CAG, 'Audit Reports'.

<sup>19</sup> KP Shashidharan, 'Tragic destiny – Part-II', *The Statesman*, 10 May 2019.

<sup>20</sup> Government of India, *Fiscal Responsibility and Budget Management Act*, Act No. 39, 2003.

<sup>21</sup> Narendra Singh Sisodia & Amit Cowshish, 'Core Concerns in Indian Defence and the Imperatives for Reforms', *IDS*, 2015, p. 10.

<sup>22</sup> Ministry of Defence, 'Department of Defence Budgets and Accounts'.

<sup>23</sup> Government of India, *Right to Information Act*, 2005.

<sup>24</sup> Ministry of Defence, 'Right to Information'.

<sup>25</sup> Central Information Commission, *Annual Report 2019-20*, 2020, p. 19.

<sup>26</sup> Freedom House, 'India: Country Report 2021', 2021, C3.





# INDIA

## Personnel Ethics Framework

Whistleblowing legislation	Whistleblowers Protection Act (2014)
# defence-sector whistleblower cases	Data is not publicly available.
# Code of conduct violations	Military: 24 (no distinction between civilian and military personnel)
	Civilian: See above
Financial disclosure system	# submitted: Data is not publicly available.
	# of violations: Data is not publicly available.

Personnel ethics frameworks are formally strong in the Indian defence sector, although the recent 'bribes-for-posts' scandal has underscored the need to further tighten anti-corruption mechanisms in personnel management.<sup>27</sup> Whilst there is no single code of conduct binding all defence personnel, each branch of the military has its own foundational act and code of ethics that outlines moral and behavioural standards.<sup>28</sup> These acts outline some corruption-related issues, such as conflicts of interests and bribery, although they sometimes lack detailed guidance on how to mitigate such risks. In tandem, the Civil Service Conduct Rules are also binding for all defence personnel, and include reference to gifts, hospitality and conflicts of interest.<sup>29</sup> However, it should be noted that all these codes and acts are outdated, having been developed in the 1950s and 60s. Aside from this, enforcement of these codes appears to be strong, with the MoD's annual reports containing details of prosecutions and offences.<sup>30</sup> Anti-corruption training is also delivered as per the directives of the Central Vigilance Commission (CVC),<sup>31</sup> although it is unclear how regular or extensive this training is. One key weakness in anti-corruption and ethics frameworks in defence relates to whistleblowing. While the 2014 Whistleblower Protection Act provides a legal basis for protecting those reporting corruption and wrongdoing,<sup>32</sup> the government is yet to fully operationalise it, meaning there continue to be very few statutory protections for whistleblowers.<sup>33</sup> Whistleblowers and human rights activists are regularly persecuted in India and a military whistleblower was even found dead in 2017 after featuring in an expose into abuses in the Indian Army.<sup>34</sup>

## Operations

Total armed forces personnel (World Bank, 2018)	3,026,500
Troops deployed on operations #	2,303 in South Sudan (UNMISS), 1,826 in DRC (MONUSCO), 876 in Lebanon (UNIFIL), 208 in Israel/Syria (UNDOF), 3 in Western Sahara (MINURSO), 2 in Cyprus (UNFICYP), 2 in Israel (UNTSO), 1 in Somalia (UNSOM)

India is the second largest troop contributor to UN peace operations with 5,213 troops deployed on such operations as of October 2021.<sup>35</sup> Yet, despite such a large operational footprint, India's safeguards to corruption on operations are extremely poor, potentially heightening multilateral missions' vulnerability to corruption. Fundamentally, the Indian Armed Forces do not have a doctrine that addresses corruption as a strategic issue for military operations. This includes the 2017 Joint Doctrine<sup>36</sup> and the 2018 Land Warfare Doctrine.<sup>37</sup> A knock-on effect of this omission at the strategic level is that corruption issues are also not included in the forward planning for operations. In fact, there is no evidence of any corruption-risk mitigation measures being deployed for operations aside from general behavioural standards covered in codes of conduct. As a result, personnel are ill-equipped to identify and mitigate corruption risk in the field, increasing the likelihood of such issues undermining mission objectives. There is also little evidence that specific pre-deployment training is delivered to commanders on corruption issues, with anti-corruption training generally solely delivered as part of annual curricula, without specific pre-deployment programmes. It is also unclear to what extent trained professionals are deployed for corruption monitoring purposes, although it should be noted that as of March 2019, vigilance units within the military will be responsible for monitoring corruption cases handled by field commanders.<sup>38</sup>

<sup>27</sup> Deeptiman Tiwary, 'Recruitment Scam: CBI Books 17 Army Officers, Including 5 Lt Cols', *The Indian Express*, 16 March 2021.

<sup>28</sup> See for instance, Indian Army, *Indian Army Act*, 1950; Indian Air Force, *The Air Force Act*, 1950.

<sup>29</sup> Government of India, 'The CSC (CONDUCT) RULES', 1964.

<sup>30</sup> Ministry of Defence, *Annual Report 2018-19*, 2019, p. 220.

<sup>31</sup> Ministry of Defence, *Annual Report*, p. 221.

<sup>32</sup> Government of India, *The Whistleblower Protection Act*.

<sup>33</sup> Gaurav Vivek Bhatnagar, 'Five Years After Passing Law to Protect Whistleblowers, Govt Yet to Operationalise It', *The Wire*, 22 February 2019.

<sup>34</sup> PTI, 'His body has marks of beating, blood clots, says kin of Army jawan found hanging', *India Today*, 4 March 2017.

<sup>35</sup> United Nations Peacekeeping, 'Troop Contributions by Country', 31 October 2021.

<sup>36</sup> Ministry of Defence, *Joint Doctrine*.

<sup>37</sup> Indian Army, *Land Warfare Doctrine*, 2018.

<sup>38</sup> Shaurya Karanbir Gurung, 'Army's new vigilance unit to use Corps of Military Police personnel', *The Economic Times*, 12 March 2019.



# INDIA

## Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	73,001
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI, 2016-20)	Myanmar, Sri Lanka, Mauritius, Mozambique, Seychelles
Main defence imports – from (SIPRI, 2016-20)	Russia, France, Israel, United States, South Korea

India's military expenditure increased by 2.1% in 2020 and it is currently the world's third largest military spender.<sup>39</sup> With spending largely driven by fears over China's increasingly belligerent stance, defence procurement currently represents a significant share of total defence spending. Yet, failings in India's defence procurement mechanisms heighten corruption vulnerabilities throughout the cycle and threaten the effectiveness of this spending.

Defence procurement is regulated by various policies and procedures, chief among them being the Defence Procurement Procedure (DPP-2016)<sup>40</sup> and the General Financial Rules (GFR-2017),<sup>41</sup> which provide the framework for selecting and acquiring defence goods. The DPP is detailed and provides a strong framework for the entire defence procurement cycle, although there are questions over the extent to which its regulations

are consistently implemented, owing to repeated issues with various procurement projects.<sup>42</sup> In practice, the Defence Acquisition Council (DAC) is entrusted with coordinating the long, medium and short term acquisition plans. However, the absence of a clear national security or defence strategy means that it is sometimes unclear where requirements are derived from, opening the door for external influences to impact on the needs assessment and tendering processes. Equally, limited transparency throughout the process, especially for hardware and more sensitive goods increases corruption risk. For instance, information on beneficial owners of winning bidders, whole of lifecycle costs and costs of servicing are not made publicly available for actual purchases. Moreover, the Indian government is currently espousing a "Make in India" policy, which entails a preference for domestic manufacturing and instructs defence contracting bodies to source domestically where possible, with as much as 63% of capital expenditure earmarked for the Indian market.<sup>43</sup> While this policy is intended to build the capacity of the national defence industry, it has also restricted competition, undermined open tendering and been at the centre of the corruption scandal involving India's \$9.4billion deal for the acquisition of Rafale fighter jets.<sup>44</sup> There are also questions surrounding the effectiveness of procurement oversight bodies, such as the CAG. There is no evidence it has ever cancelled procurement contracts due to irregularities and its recent audit reports have not touched on defence issues.

<sup>39</sup> SIPRI, 'Trends in World Military Expenditure', April 2021, p. 1.

<sup>40</sup> Ministry of Defence, 'Defence Procurement Procedure – 2016', 2016.

<sup>41</sup> Government of India, 'General Financial Rules', 2017.

<sup>42</sup> Vinay Kaushal, 'MMRCA Mess and the Need for Professionalism in the Defence Acquisition Process', *IDSA*, 22 February 2019.

<sup>43</sup> Hindustan Times, 'India Clears Defence Buys Worth 54,000cr in less than a month', 4 October 2021.

<sup>44</sup> Kunal Purohit, 'Rafale Deal Has "Systemic Elements of International Corruption"', *Against Indian National Interest*, Article 14, 27 July 2021.

Version 1.0, October 2021

GDI data collection for **India** was conducted August 2019 to April 2020. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.



# INDIA 2020 GDI Scorecard

		Grade	Score
<b>Political Risk</b>		<b>C</b>	<b>53</b>
Q1	Legislative Scrutiny	B	67
Q2	Defence Committee	A	88
Q3	Defence Policy Debate	D	38
Q4	CSO Engagement	D	33
Q5	Conventions: UNCAC / OECD	A	88
Q6	Public Debate	A	100
Q7	Anticorruption Policy	A	88
Q8	Compliance and Ethics Units	C	58
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	E	25
Q11	Acquisition Planning	B	75
Q12	Budget Transparency & Detail	B	75
Q13	Budget Scrutiny	B	75
Q14	Budget Availability	C	58
Q15	Defence Income	C	50
Q16	Internal Audit	C	50
Q17	External Audit	B	75
Q18	Natural Resources	C	58
Q19	Organised Crime Links	D	38
Q20	Organised Crime Policing	C	58
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	E	25
Q23	Export Controls (ATT)	F	0
Q76	Lobbying	F	0
<b>Financial Risk</b>		<b>D</b>	<b>40</b>
Q24	Asset Disposal Controls	E	25
Q25	Asset Disposal Scrutiny	A	83
Q26	Secret Spending	F	0
Q27	Legislative Access to Information	E	25
Q28	Secret Program Auditing	F	13
Q29	Off-budget Spending	E	17
Q30	Access to Information	B	75
Q31	Beneficial Ownership	C	50
Q32	Military-Owned Business Scrutiny	B	75
Q33	Unauthorised Private Enterprise	C	63
Q77	Defence Spending	E	19
<b>Personnel Risk</b>		<b>B</b>	<b>73</b>
Q34	Public Commitment to Integrity	B	75
Q35	Disciplinary Measures for Personnel	B	75
Q36	Whistleblowing	E	17
Q37	High-risk Positions	C	58
Q38	Numbers of Personnel	D	42
Q39	Pay Rates and Allowances	A	100
Q40	Payment System	A	100
Q41	Objective Appointments	C	58
Q42	Objective Promotions	B	75
Q43	Bribery to Avoid Conscription	NA	
Q44	Bribery for Preferred Postings	A	92
Q45	Chains of Command and Payment	A	100
Q46	Military Code of Conduct	A	94

## OVERALL COUNTRY SCORE

**HIGH RISK**

**D**

**50**



		Grade	Score
<b>Personnel Risk</b>		<b>B</b>	<b>73</b>
Q47	Civilian Code of Conduct	A	94
Q48	Anticorruption Training	B	67
Q49	Corruption Prosecutions	C	58
Q50	Facilitation Payments	C	58
<b>Operational Risk</b>		<b>E</b>	<b>20</b>
Q51	Military Doctrine	F	0
Q52	Operational Training	C	50
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	E	25
Q55	Controls in Contracting	E	25
Q56	Private Military Contractors	NS	
<b>Procurement Risk</b>		<b>C</b>	<b>62</b>
Q57	Procurement Legislation	C	63
Q58	Procurement Cycle	B	67
Q59	Procurement Oversight Mechanisms	B	75
Q60	Potential Purchases Disclosed	C	50
Q61	Actual Purchases Disclosed	E	25
Q62	Business Compliance Standards	C	50
Q63	Procurement Requirements	C	50
Q64	Competition in Procurement	NEI	
Q65	Tender Board Controls	B	69
Q66	Anti-Collusion Controls	C	50
Q67	Contract Award / Delivery	C	56
Q68	Complaint Mechanisms	B	75
Q69	Supplier Sanctions	B	75
Q70	Offset Contracts	B	75
Q71	Offset Contract Monitoring	B	69
Q72	Offset Competition	C	50
Q73	Agents and Intermediaries	B	75
Q74	Financing Packages	B	75
Q75	Political Pressure in Acquisitions	NS	

**KEY**

**NEI** Not enough information to score indicator  
**NS** Indicator is not scored for any country  
**NA** Not applicable



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## Acknowledgements

We would like to thank the UK Foreign Commonwealth and Development Office (FCDO) and the Ministry of Foreign Affairs of the Kingdom of the Netherlands for their generous financial support of the production of the Government Defence Integrity Index. Thanks are also extended to the many country assessors and peer reviewers who contributed the underlying data for this index.

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