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

(SEVENTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2023-24)

**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)

THIRTY-FIFTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2023 / Phalguna 1944 (Saka)

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UNDERTAKINGS, WELFARE OF EX-SERVICEMEN AND DEFENCE PENSIONS**

(DEMAND NOS. 19 AND 22)

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

Lok Sabha

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

Rajya Sabha

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. Smt. Preeti Negi - Executive Officer

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2022-23), having been authorised by the Committee, present this Thirty-fifth Report (Seventeenth Lok Sabha) on 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)'.

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

GENERAL DEFENCE BUDGET

Introductory

The Committee have learnt that the principal task of the Ministry of Defence is to frame policy directions on defence and security related matters and communicate them for implementation to the Services Headquarters, Inter-Service Organisations, Production Establishments and Research & Development Organisations. It is required to ensure effective implementation of the Government's policy directions and the execution of approved programmes within the allocated resources.

1.2 Presently, the Ministry of Defence is organised into five Departments as listed below:

- (i) **Department of Defence (DoD):** The Department of Defence deals with Defence Policy and planning, Defence Cooperation with foreign countries. It is also responsible for the Defence Budget, establishment matters, matters relating to Parliament and co-ordination of all defence related activities. The major Organisations/Wings, under this Department are Acquisition Wing, Directorate General of Armed Forces Medical Services (DGAFMS), Indian Coast Guard, Border Roads Organisation, Directorate General of Defence Estates (DGDE), Canteen Stores Department, National Cadet Corps, Sainik School Society and Defence Accounts Department.
- (ii) **Department of Military Affairs (DMA):** The Department of Military Affairs (DMA) deals with the promotion of jointness in procurement, training and staffing for the Services. Facilitation of restructuring of Military commands for optimal utilization of resources and promotion of use of indigenous equipment are also the mandates of this Department.
- (iii) **The Department of Defence Production (DDP):** The Department of Defence Production deals with matters pertaining to defence production, indigenisation of imported stores, equipment and spares, planning and control of Defence Public Sector Undertakings (DPSUs).
- (iv) **Department of Defence Research and Development (DDR&D):** The function of Department of Defence Research and Development is to advise the Government on scientific aspects of military equipment and logistics and the formulation of research, design and development plans for equipment required by the Services.
- (v) **Department of Ex-Servicemen Welfare (DESW):** The Department of Ex-Servicemen Welfare deals with all resettlement, welfare and pensionary matters of Ex-Servicemen.

Demands for Grants

1.3 There are following four Demands for Grants in respect of the Ministry of Defence which the Committee have been mandated to examine: -

- (i) Demand No. 19 – Ministry of Defence (Civil)
- (ii) Demand No. 20– Defence Services (Revenue)
- (iii) Demand No. 21 – Capital Outlay on Defence Services
- (iv) Demand No. 22 – Defence (Pension)

1.4 The requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department, Defence Estates Organisation, Coast Guard Organisation, Jammu and Kashmir Light Infantry (JAK LI), Border Roads Organization etc., and Defence Pensions are provided for in two separate Civil Demands for Grants of the Ministry of Defence, viz. Demand No.19 – MoD (Civil) and Demand No.22- Defence Pensions.

1.5 The 'running' or 'operating' expenditure of the three Services and other Departments viz., DRDO, DoO(C&S), DGQA, NCC, and ECHS are provided under the Demand No.20-Defence Services (Revenue), which cater for the Revenue expenditure, while the Demand No 21 viz. Capital Outlay on Defence Services, caters for the acquisition of platforms / equipment / weapons and expenditure on Land and Capital works of the Defence Services and other associated Organizations viz DRDO & DoO (C&S) (erstwhile Ordnance Factories).

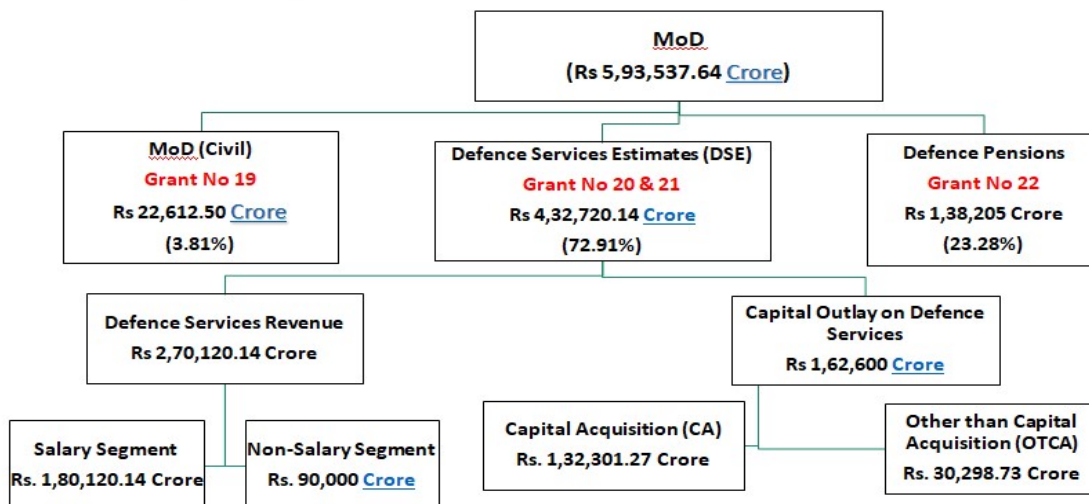
1.6 Revenue expenditure includes expenditure on pay & allowances, transportation, revenue stores (like ordnance stores, rations, petrol, oil and lubricants, spares, maintenance of various platforms / equipment etc), revenue works (which include maintenance of buildings, water and electricity charges, rents, rates and taxes, etc) and other miscellaneous expenditure. Capital expenditure includes expenditure on land, construction works, plant and machinery, equipment, heavy and medium vehicles, Naval Vessels, Aircraft and Aero engines, Dockyards, etc.

1.7 The Committee have been informed that approval of Parliament is taken for the 'Gross' expenditure provision under different Demands for Grants. Receipts and Recoveries, which include items like sale proceeds of surplus/ obsolete stores, receipts on account of services rendered to State Governments/other Ministries, etc. and other miscellaneous items are deducted from the gross expenditure to arrive at the net expenditure on Defence Services. What is commonly referred to as the Defence Budget is the net expenditure thus arrived at.

Defence Budget 2023-24: Summary

1.8 During examination of Demand for Grants 2023-24, the Ministry, through a Power Point Presentation before the Committee submitted the following information:

MoD Budget Estimates (BE) 2023-24



Total Defence Budget : At a Glance (Net)

(₹ in Crore)

Service	REVENUE			CAPITAL			TOTAL		
	2022-23 (BE)	2023-24 (BE)	%age increase	2022-23 (BE)	2023-24(BE)	%age increase	2021-22 (BE)	2022-23 (BE)	%age increase
Army	1,64,897.77	1,82,649.97	10.77	32,135.26	37,361.54	16.26	1,97,033.03	2,20,011.51	11.66
Navy	25,406.42	32,284.20	27.07	47,590.99	52,804.75	10.96	72,997.41	85,088.95	16.56
Air Force	32,873.46	44,345.58	34.9	56,851.55	58,268.71	2.49	89,725.01	1,02,614.29	14.37
DGOF	474.5	426.5	-10.12	3,810.00	1,315.00	-65.49	4,284.50	1,714.50	-59.98
DRDO	9,348.39	10,413.89	11.4	11,981.81	12,850.00	7.25	21,330.20	23,263.89	9.07
Total-DSE	2,33,000.54	2,70,120.14	15.93	1,52,369.61	1,62,600.00	6.71	3,85,370.15	4,32,720.14	12.29
MoD (Civil)	12,050.01	13,837.71	14.84	8,049.99	8,774.79	9	20,100.00	22,612.50	12.5
Total							4,05,470.15	4,55,332.64	12.30
Defence Pension							1,19,696.00	1,38,205.00	15.46
Grand Total							5,25,166.15	5,93,537.64	13.02

Defence Services Estimates (DSE) 2023-24: Demand Nos. 20 and 21

1.9 The Committee have been apprised that for the Financial Year 2023-24, the total allocation under Defence Services Estimates (Net) covering Grant No. 20 and 21 is ₹ 4,32,720.14 crore, of which the total Outlay for Revenue Expenditure (Grant No. 20) stands at Rs 2,70,120.14 crore representing an increase of 15% over the Budget Estimates (BE) of current financial year i.e. 2022-23. Further, allocation under Non Salary Revenue/ operational expenditure has been enhanced by ₹ 27,570 crore resulting in increase of the total budgetary outlay under this segment from Rs 62,431 crore in BE 2022-23 to ₹ 90,000 crore in BE 2023-24, representing a 44% jump. The Services and Organizations covered under DSE are as follows:

- i) Army (including National Cadet Corps, Director General Quality Assurance, Military Farms and Ex-Servicemen Contributory Health Scheme)
- ii) Navy (including Joint Staff)
- iii) Air Force
- iv) Defence Research and Development Organization (DRDO)
- v) Directorate of Ordnance (Coordination & Services)

1.10 The summary of Defence Services Estimates 2023-24 compared with 2022-23, as furnished by the Ministry, is tabulated below:

(₹ in crore)

	BE 2022-23			BE 2023-24		
	Allocation	% of Rev. Exp.	% of DSE	Allocation	% of Rev. Exp.	% of DSE
Revenue Expenditure						
Pay & Allowances	167343.74	71.82	43.42	177244.64	65.62	40.96
Stores & Equipment	40009.14	17.17	10.38	56617.73	20.96	13.08
Transportation	6203.43	2.66	1.61	7094.04	2.63	1.64
Miscellaneous	5851.87	2.51	1.52	11024.75	4.08	2.55
Revenue Works, etc	13592.36	5.83	3.53	18138.98	6.72	4.19
(a) Total Revenue Expenditure	233000.54	100	60.46	270120.14	100	62.42
(b) Capital Outlay						
Capital Acquisition/ Modernisation	124408.64		32.28	132301.27		30.57
Total (a & b)	385370.15		100	432720.14		100.00

Civil and Pension Estimates (2023-24): Demand Nos. 19 and 22

1.11 While examining the subject, the Committee also learnt that the requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department, Defence Estates Organisation, Coast Guard Organisation, Jammu & Kashmir Light Infantry (J&K LI), Border Roads Organization, etc., and Defence Pensions, are provided for in two separate Civil Demands for Grants of the Ministry of Defence, viz. Demand No.19-MoD (Civil) and Demand No. 22 - Defence Pensions. The allocation under Demand No. 19 and 22 in Budget Estimates 2023-24 is ₹ 22,612.50 crore and ₹ 1,38,205 crore, respectively.

Demand No.19-Ministry of Defence (Civil)

1.12 The Committee found that the provision of funds for Ministry of Defence (Civil) under Demand Number 19 in Budget Estimates (BE) 2023-24 is ₹ 22,612.50 crore. Further details of MoD (Civil) Budget and comparison with BE 2022-23 are given below:

	(₹ in crore)		
	2022-23(BE)	2023-24(BE)	%age increase
Salary	8,588.22	9,595.61	11.73
Non-Salary	3,461.79	4,242.10	22.54
Total (Revenue)	12,050.01	13,837.71	14.84
Capital	8,049.99	8,774.79	9.00
Total (Revenue + Capital)	20,100.00	22,612.50	12.50

1.13 The Committee have been informed that budgetary allocations to different Organisations/Departments under MoD (Civil) for 2022-23 (BE) and 2023-24 (BE) are as under:

Organization	(₹ in crore)								
	2022-23 (BE)	2023-24 (BE)		2022-23 (BE)	2023-24 (BE)		2022-23 (BE)	2023-24 (BE)	
	Revenue	Revenue	%age increase	Capital	Capital	%age increase	Total	Total	%age increase
AFT	45.32	44.8	-1.15	0.5	4.7	840	45.82	49.5	8.03
ICG	3,063.92	3,661.47	19.5	4,246.37	3,536.00	-16.73	7,310.29	7,197.47	-1.54
BRO	4,382.36	5,167.75	17.92	3,500.00	5,012.00	43.2	7,882.36	10,179.75	29.15
CSD(Gross)	19,800.00	22,981.00	16.07	102.09	23.5		(-)97.91	(-)227.50	
CSD(Receipts)	20,000.00	23,232.00	16.16	-			-		
CSD(NET)	(-)200.00	(-)251.00		-			-		
DEO	401.95	620.05	54.26	173.03	42.65	-75.35	574.98	662.7	15.26
DAD	2,285.47	2,299.23	0.6	28	148.5	430.36	2,313.47	2,447.73	5.8
MoD Secretariat	392.19	497.7	26.9	-	7.44		392.19	505.14	28.8
JAKLI	1,678.80	1,797.71	7.08	-	-		1,678.80	1,797.71	7.08
Total	12,050.01	13837.71	14.84	8,049.99	8,774.79	9	20,100.00	22,612.50	12.5

Demand No. 22- Defence Pensions

1.14 Defence Pensions, under the Ministry of Defence provides for Pensionary charges in respect of retired Defence personnel (including Defence civilian employees) of the three Services viz. Army, Navy and Air Force and also employees of erstwhile Ordnance Factories etc. It covers payment of Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment etc. The position of budgetary allocation under this head is as under:

(₹ in crore)

BE 2022-23	RE 2022-23	BE 2023-24
1,19,696	1,53,414.49	1,38,205

1.15 The Committee have been apprised that the additional requirement of ₹ 33,718.49 crore for RE 2022-23 (₹ 1,53,414.49 crore) over BE 2022-23 (₹ 1,19,696.00 crore) is mainly due to normal growth in pension, impact of Dearness Relief and an additional amount on account of regular pension due to enhanced One Rank One Pension (OROP) rates and also the provision for payment of arrear component of OROP. The arrear component of ₹ 28,137.49 crore is to be transferred to a Deposit Account (non-interest bearing section) of the Public Account. The liabilities arising out of the arrear payments to the eligible pensioners may be met from the Deposit Account in accordance with the extant orders.

The Committee have also been apprised that the additional requirement of ₹ 18,509.00 crore for BE 2023-24 (₹ 1,38,205.00 crore) over BE 2022-23 (₹ 1,19,696.00 crore) is due to normal growth in pension, dearness relief and additional amount on account of regular pension due to enhanced OROP rates.

Budget Allocation for 2022-23

1.16 The Committee have found that the provision for Defence Services under Demand Nos. 20 and 21 for 2022-23 in the Budget Estimates (BE) was ₹ 3,92,113.32 crore (Gross) and ₹ 3,85,370.15 crore (Net). The Revised Estimates (RE) have been provided at ₹ 4,16,984.15 crore (Gross) and ₹ 4,09,500.48 crore (Net). On a net basis, the R.E. for 2022-23 show an increase of ₹ 24,130.33 crore over the B.E. 2022-23. The net Revenue budget for BE 2022-23 at ₹ 2,33,000.54 crore has been increased by ₹ 26,499.94 crore to bring the RE at ₹ 2,59,500.48 crore. In the Capital Outlay, the RE 2022-23 is ₹ 1,50,000 crore which is ₹ 2,369.61 crore less than the BE 2022-23 allocation of ₹ 1,52,369.61 crore.

1.17 The Major Head wise position as the Committee have learnt under the Demands for 2022-23 is as follows:

(₹ in crore)

S.No.	Demand	Major Head	B.E. 2022-23	R.E. 2022-23
1.	20- Defence Services (Revenue)	2076- Army	1,69,290.44	1,79,121.58
		2077- Navy	26,156.42	31,984.58
		2078-Air Force	34,173.46	46,028.10
		2079- OrdFys/DoO(C&S)	475.00	401.50
		2080- R& D	9648.39	9,448.39
2.	21- Capital Outlay on Defence Services	4076- Capital Outlay on Defence Services	1,52,369.61	1,50,000.00
Total (Gross)			3,92,113.32	4,16,984.15
Receipts/Recoveries			6,743.17	7,483.67
Total (Net)			3,85,370.15	4,09,500.48

1.18 The Committee have been informed that out of the Revised Estimates of ₹ 4,09,500.48 crore for 2022-23, the provision for Revenue expenditure is ₹ 2,59,500.48 crore, while that for Capital expenditure was ₹ 1,50,000 crore. The major components of the net Capital expenditure of ₹ 1,50,000 crore are for Land – ₹ 708.64 crore, Works – ₹ 9,799.68 crore (including Married Accommodation Project), Aircraft – ₹ 34,778.03 crore, Heavy and Medium Vehicles – ₹ 2,597.81 crore, Other Equipment – ₹ 56,290.34 crore, Naval Fleet ₹ 24,187 crore, Naval Dockyard – ₹ 4,500 crore and other items ₹ 17,138.50 crore.

Budget Estimates 2023-24

1.19 The Committee have learnt that Budget Estimates for 2023-24 under Defence Services Estimates is ₹ 4,39,633.61 crore (Gross) and ₹ 4,32,720.14 crore (Net).

1.20 The net Budget Estimates of Revenue expenditure for the year 2023-24 is ₹ 2,70,120.14 crore which shows an increase of ₹ 10,619.66 crore when compared with the Revised Estimates for 2022-23.

1.21 The net Budget Estimates of Capital expenditure for the year 2023-24 is ₹ 1,62,600 crore which shows an increase of ₹ 12,600 crore over the Revised Estimates 2022-23.

1.22 A comparison of the Service/Department-wise allocations in RE 2022-23 and BE 2023-24 under Defence Services Estimates, as furnished by the Ministry, is given below:

(₹ in crore)					
S.No.	Demand	Major Head	BE 2022-23	R.E. 2022-23	BE 2023-24
1.	20- Defence Services (Revenue)	2076- Army	1,69,290.44	1,79,121.58	1,87,206.44
		2077- Navy	26,156.42	31,984.58	33,034.20
		2078-Air Force	34,173.46	46,028.10	45,645.58
		2079-OrdFys/DoO (C&S)	475.00	401.50	433.50
		2080- R&D	9,648.39	9,448.39	10,713.89
2.	21- Capital Outlay on Defence Services	4076- Capital Outlay on Defence Services	1,52,369.61	1,50,000.00	1,62,600.00
Total (Gross)			3,92,113.32	4,16,984.15	4,39,633.61
Receipts/Recoveries			6,743.17	7,483.67	6,913.47
Total (Net)			3,85,370.15	4,09,500.48	4,32,720.14

Highlights of Defence Budget 2023-24

1.23 During examination of Demands for Grants of the Ministry of Defence for the year 2023-24, the Committee have been apprised that highlights of the Defence Budget 2023-24 are as under:

- i. The total outlay for Ministry of Defence for BE 2023-24 is ₹ 5,93,537.64 crore. There is an increase of ₹ 68,371.49 crore i.e. 13 percent over the current FY 2022-23.
- ii. Non-Salary revenue outlay has been enhanced from ₹ 62,431 crore in Budget Estimates (BE) 2022-23 to Rs 90,000 crore in BE 2023-24, representing a 44% jump. This will cater to sustenance of Weapon Systems, Platforms including Ships/Aircrafts & their logistics; boost fleet serviceability; emergency procurement of critical ammunition and spares; procuring/hiring of niche capabilities to mitigate capability gaps wherever required; progress stocking of military reserves, strengthening forward defences, amongst others.
- iii. In the mid-term review in the current FY, operational allotments have been enhanced by ₹ 26,000 crore (42%). This will lead to liquidation of the entire carry over liabilities during the current year, no dent in the next year's operational outlay of the Services and availability of enhanced allocations at the beginning of the financial year will also assist in better operational planning.
- iv. Capital Allocations of Defence Services have been increased to ₹ 1,62,600 crore [Rise of Rs 10,230 crore (6.7%) over FY 2022-23].
- v. The Capital Budget of Border Roads Organization (BRO) has been increased by 43% to ₹ 5,000 crore in FY 2023-24 (₹ 3,500 crore in FY 2022-23).

- vi. 75 percent of Defence Capital procurement budget has been earmarked for domestic industry in FY 2023-24. In absolute terms, this amount is ₹ 99,223 crore.
- vii. Towards strengthening Research and Development in Defence, the allocation to DRDO has been enhanced by 9%. Total allocation is ₹ 23,264 crore in BE 2023-24.
- viii. To further foster innovation, encourage technology development and strengthen the Defence Industrial eco-system in the country, Innovations for Defence Excellence (iDEX) and Defence Testing Infrastructure Scheme (DTIS) allocations have been enhanced to ₹ 116 crore and ₹ 45 crore respectively (enhancement of 93% for iDEX and 95% for DTIS).
- ix. Defence Pension Budget has been enhanced by 15.5 % in FY 2023-24 i.e. Rs 1,38,205 Crore in BE 2023-24 against Rs 1,19,696 crore in BE 2022-23.
- x. There is increase of 52% in the allotment for Ex-Servicemen Contributory Health Scheme (ECHS). An amount of ₹ 5431.56 crore has been allocated for BE 23-24 against BE 2022-23 of ₹ 3582.51 crore.
- xi. New Minor Heads for the Agnipath Scheme have been introduced under provisions for Army, Navy and Air Force. This will cater to the Pay & other allowances, contributions towards Seva Nidhi Fund, Insurance Cover and Ex-gratia payment to Agniveers. Further, adequate provisions have also been made to cater to training aids & simulators. ₹ 453 crore in RE 2022-23 and Rs 4,266 crore in BE 2023-24 have been provided.
- xii. Union Budget 2023-24 has provided Exempt-Exempt-Exempt (EEE) status to the Agniveer Fund.

Projection and allocation under Defence Budget

1.24 Details of budget provided to the MoD (all four Grants) in Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure for the last five years and the financial year 2023-24 are tabulated as under:

(₹ in crore)

Years	BE Projections	BE Allocations	RE Projections	RE Allocation	Actual Expenditure
2018-19	5,24,509.77	4,04,364.71	4,98,984.09	4,05,193.85	4,03,457.27
2019-20	5,41,073.17	4,31,010.79	5,64,185.75	4,48,820.10	4,52,996.44
2020-21	5,74,314.91	4,71,378.00	5,61,004.07	4,84,736.06	4,85,680.54
2021-22	6,22,800.51	4,78,195.62	5,73,882.54	5,02,883.54	5,00,680.89
2022-23	6,33,346.02	5,25,166.15	5,92,689.40	5,84,791.10	3,80,209.54*
2023-24	6,37,113.51	5,91,037.64	-	-	-

*Expenditure is upto December, 2022.

1.25 During discussion on Demands for Grants 2023-24, the Committee desired to know whether the increase in Defence budget in 2023-24 would meet our actual requirement. In response, the Defence Secretary replied in affirmative as under:

“...our allocation will meet our security requirements. In fact, the Finance Ministry has been very liberal towards the Defence Ministry and they have provided whatever we have requested.”

1.26 The Committee further enquired about the reasons for mismatch between projection and allocation for Defence Budget and its effect on operational preparedness of the Forces. In this context during oral evidence, the Defence Secretary submitted as under:

“सर, प्रोजेक्टेड एक्सपेंडिचर एक प्रीलिमिनरी एस्टिमेट है। इसके उपरांत वित्त मंत्रालय में एक मीटिंग होती है। जिसमें वित्त मंत्रालय और रक्षा मंत्रालय दोनों साथ बैठकर तय करते हैं कि क्या यह सच में आवश्यक है? क्या इस वित्तीय वर्ष में व्यय हो सकता है? इसका निर्णय किया जा सकता है। यदि हम लोग सैलरी के लिए इतने लाख करोड़ रुपए की मांग रखते हैं, आंकड़े देखने पर पता चलता है कि उतनी राशि की आवश्यकता नहीं है, तो उसके अनुकूल उसको ठीक किया जाता है। So, projected expenditure is a preliminary estimate. Generally, it will have some leeway in terms of the calculations, etc. That will be corrected in the Finance Ministry. Under the guidance of the hon. Minister of Finance and hon. Minister of Defence, there was a total and transparent discussion, and at the stage of discussion itself, we were told that all our requirements were being met without any cut. So, ₹ 6,37,113.51 crore is shown as Budget Estimates projections. यह प्रीलिमिनरी एस्टिमेट था।”

1.27 During discussion on Demands for Grants 2023-24, the Committee enquired that taking into account allocation under Revised Estimates (RE) 2022-23, inflation and position of Rupee *vis-a-vis* Dollar, whether the budget for 2023-24 will cater to the needs of the Armed Forces. In this context during oral evidence, the Defence Secretary submitted as under:

“The Revised Estimate generally comes in the months of January and February. So, most of the time, by the time the Parliament passes and it reaches us, it takes some time. So, the inflation already would have been covered in the Revised Estimate mostly. Now, we are making the Budget in the month of February. With regard to the Revised Estimate, salary and pension estimates may not vary much unless there is huge inflation, again which has to be factored in the next year’s Revised Estimates.

As you know, the Budget has to take care of all the sectors in the economy. Hon. Members will agree that similar demands will be there from other sectors in the economy whether it is for roads, railways, agriculture, horticulture, industries etc. Budget-making ... involves balancing bread and guns. If they give 13 per cent increase for the guns, the bread portion will also get equal if not more increase. So, it is a question of the national priority. We can absorb more money; we can buy more equipment, more guns. Instead of buying 100 guns, we can buy 1000 guns. National security requirements can never be underestimated.”

Growth of Defence Budget vis-a-vis rate of inflation

1.28 On being asked to furnish details of the growth of Defence Budget, considering the present rate of inflation in terms of Whole Sale Price Index (WSPI) and Consumer Price Index (CPI), the Ministry of Defence submitted the following information: -

“As per the Economic Survey 2022-23, Consumer Price Index (CPI) in India went up to 7.8 per cent in April, 2022 then declined around 5.7 percent by December, 2022. The monthly trend of inflation rates based on Wholesale Price Index (WPI), has been sliding downwards from its peak of 16.6 per cent in May, 2022 to 10.6 per cent in September, 2022 and further to 5.0 percent in December, 2022.

Comparison with the growth of Defence Budget considering the CPI based inflation as per Economic Survey is as follows:-

Defence Budget – Grant Name	2021-22 (Actuals)	2022-23		2023-24 (BE)
		BE	RE	
Defence Services Revenue (Net)	2,28,558.94	2,33,000.54	2,59,500.48	2,70,120.14
Capital Outlay on Defence Services	1,37,986.97	1,52,369.61	1,50,000.00	1,62,600.00
MoD(Civil) (Net)	17,335.13	20,100.00	21,876.13	22,612.50
Defence Pensions	1,16,799.85	1,19,696.00	1,53,414.49	1,38,205.00
Total	5,00,680.88	5,25,166.15	5,84,791.10	5,93,537.64
Defence Budget % Growth			16.80*	13.02**
Inflation Rate (CPI-C) Annually (%)			5.70@	
Actual Increase Adjusting Inflation			11.10	

* Based on increase in RE of 2022-23 over 2021-22 (Actuals)

** Based on increase in BE 2023-24 over BE 2022-23

@inflation rate December, 2021 – December, 2022(Provisional)”

Growth of Defence Budget vis-a-vis Central Budget Expenditure (CGE) and Gross Domestic Product (GDP)

1.29 The Committee have been apprised that the total Defence Budget (including MoD (Civil) and Defence Pensions) is ₹ 5,93,537.64 Crore for the year 2023-24, which is 13.18% of total Central Government Expenditure and 1.97% of GDP for the year 2023-24. Also, Capital Budget of Ministry of Defence for 2023-24 is approximately 17.12% of the total capital expenditure of the Central Government Expenditure.

1.30 Data on growth of Defence Budget in comparison to central budget and GDP, in absolute and relative terms, for the last five years and FY 2023-24 as provided to the Committee is as under:

(₹ in crore)

Year	Defence Expenditure	Total CGE (Actuals)	Def. Exp % of CGE	GDP	Def. Exp % of GDP
2018-19 (Actual)	4,03,457	23,15,113	17.43	1,88,99,668 (3 rd RE)	2.13
2019-20(Actual)	4,52,996	26,86,330	16.86	2,00,74,856 (2 nd RE)	2.26
2020-21(Actual)	4,84,736	35,09,836	13.81	1,98,00,914 (1 st RE)	2.45
2021-22 (Actual)	5,00,681	37,93,801	13.20	2,36,64,637 (PE)	2.12
2022-23 (RE)	5,84,791	41,87,232	13.97	2,73,07,751 (1 st AE)	2.14
2023-24 (BE)	5,93,538	45,03,097	13.18	3,01,75,065	1.97

Note: GDP figures from FY 2018-19 to 2022-23 are as per Economic Survey 2022-23 – Table 1.6-Components of GDP at Current Prices and for FY 2023-24 are from Budget at a Glance (2023-24). CGE figures for 2021-22(Actuals), 2022-23 (RE) and 2023-24(BE) are as per Budget at a Glance (2023-24) BE= Budget Estimates, RE=Revised Estimates, PE = Provisional Estimates, AE= Advanced Estimates

1.31 When asked to provide data on Defence expenditure by the neighbouring and developed countries, the Ministry submitted as under:

“A like to like comparison of the data on defence spending vis-à-vis that of other countries is difficult due to lack of uniformity in treatment of different components of expenditure and non-availability of reliable published data. Nevertheless, based on inputs from Stockholm International Peace Research Institute (SIPRI) Military Expenditure Database, data on defence budget in respect of neighbouring countries and some advanced countries, including defence spending as percentage of their GDP and share of government spending, is given below:

[In current US \$ Million]

Country	2019			2020			2021		
	Def. exp.	% of GDP	% of govt. exp	Def. exp.	% of GDP	% of govt. exp	Def. exp.	% of GDP	% of govt. exp
China	[240332.6]	[1.73]	[4.91]	[257973.4]	[1.80]	[4.75]	[293351.9]	[1.74]	[5.03]
Pakistan	10388.3	4.11	18.70	10394.5	4.03	17.44	11304.8	3.83	17.82
USA	734344.1	3.43	9.60	778397.2	3.72	8.20	800672.3	3.48	8.32
Russia	65201.3	3.83	11.40	61712.5	4.26	10.59	65907.7	4.08	10.79
UK	56851.1	1.98	5.17	60675.0	2.24	4.56	68366.4	2.22	4.66

Figures in [bracket] are SIPRI Estimates

Source: SIPRI Military Expenditure Data Base”

1.32 During the Sitting in connection with examination of Demands for Grants 2023-24, the Committee desired to know about the growth in Defence Budget in terms of GDP of the country and as total share of the country's budget. The Defence Secretary, in this regard, submitted as under:

“जीडीपी का डिफेंस को तीन प्रतिशत, हेल्थ को दो प्रतिशत और एग्रिकल्चर को तीन प्रतिशत मिलना चाहिए। यह ग्लोबल लेवल पर एस्टिमेट किया जाता है। उतना प्रतिशत मिलने से उस सेक्टर को कुछ फायदा होगा। यह इस एजम्पशन पर किया जाता है कि टैक्स जीडीपी रेश्यो 10 प्रतिशत, 12 प्रतिशत या 13 प्रतिशत तक है। जीडीपी डायरेक्टली सरकार के लिए रेवेन्यु के रूप में कन्वर्ट नहीं होता है। भारत सरकार के लिए टैक्स जीडीपी रेश्यो 8 प्रतिशत या 9 प्रतिशत है, तो सरकार के पास जितने पैसे आते हैं, उतने पैसे में ही बजट बनाना होता है। यदि टैक्स जीडीपी रेश्यो को बढ़ाना है, रेवेन्यु को बढ़ाना है, तो टैक्स परसेंटेज को बढ़ाना होता है।

आप जानते हैं कि इन्डस्ट्रीज को बढ़ावा देने के लिए हमें टैक्स रेट को कम करना है। इस बार इनकम टैक्स को भी कम किया गया है। Three per cent of the GDP will be around ₹ 10 lakh crore, if we take our next year's GDP to be around 3.2 Trillion US Dollar. So, it will be much more than what we can absorb. The Ministry of Defence may not be able to absorb three per cent of the GDP.

We may not require that much. What is required for the Defence Ministry has been allocated.”

Projections made by the Services

1.33 Details regarding the projections made by the three Services, allocations made at BE and RE stage and the expenditure incurred during the last five years, and the

projected outlay and BE allocation for 2023-24, separately and combined under Capital and Revenue Heads, are as follows: -

A. REVENUE

(₹ in Crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2018-19	Army\$	1,51,814.73	1,27,059.51	141456.91	1,29,812.34	1,34,241.38
	Navy	23,747.75	19,571.37	24420.58	20,795.04	20,856.23
	Air Force	35,260.79	28,821.27	32407.37	28,105.43	28,291.25
2019-20	Army	1,52,321.32	1,40,398.49	1,52,424.82	1,42,773.83	1,42,529.38
	Navy	27,086.29	22,211.71	28,737.09	22,786.71	22,387.31
	Air Force	34,849.50	29,601.69	40,382.40	29,951.69	30,124.31
2020-21	Army	1,65,228.28	1,45,785.88	1,53,436.68	1,44,545.67	1,39,903.33
	Navy	32,237.96	22,934.75	28,379.84	23,347.69	23,166.05
	Air Force	43,904.17	29,962.66	44,605.21	31,742.07	32,825.23
2021-22	Army	1,70,705.28	1,47,644.13	1,68,657.23	1,57,619.06	1,57,092.05
	Navy	34,256.83	23,360.68	30,069.08	23,925.91	23,834.99
	Air Force	44,992.90	30,652.53	48,816.59	34,283.02	34,375.46
2022-23*	Army	1,74,038.35	1,63,713.69	1,80,526.71	1,73,335.62	1,27,935.76
	Navy	34,701.66	25,406.42	34,441.48	30,734.58	19,840.03
	Air Force	50,692.44	32,873.46	54,997.72	44,728.10	29,214.45
2023-24	Army	1,84,989.60	1,81,371.97			
	Navy	36,605.04	32,284.20	-	-	-
	Air Force	68,081.58	44,345.58			

(\$ - 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).

* Expenditure figures are upto December, 2022.

Note:- Navy includes Joint Staff. RE 22-23 and BE 23-24 are yet to be approved by the Parliament.

B. Capital**(₹ in Crore)**

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2018-19	Army\$	44,572.63	26,815.71	41614.41	26,815.71	27,438.66
	Navy	35,695.41	20,848.16	30735.65	20,890.87	21,509.60
	Air Force	77,694.74	35,770.17	68579.46	35,770.17	36,451.74
2019-20	Army	44,660.57	29,511.25	46,032.00	29,666.90	29,000.88
	Navy	37,220.98	23,156.43	40,123.18	26,156.43	27,446.68
	Air Force	74,894.56	39,347.19	81,301.99	44,947.19	45,104.23
2020-21	Army	50,373.60	32,462.38	39,019.17	33,283.28	26,320.93
	Navy	45,268.31	26,688.28	51,769.28	37,542.88	41,666.76
	Air Force	66,207.29	43,281.91	72,955.18	55,083.91	58,207.95
2021-22*	Army	51,492.10	36,531.90	38,344.90	25,377.09	25,130.94
	Navy	70,920.78	33,253.55	50,011.38	46,021.54	45,028.64
	Air Force	77,140.56	53,214.77	71,176.39	53,214.77	53,217.19
2022-23	Army	46,844.37	32,115.26	32,598.49	32,598.49	21,600.25
	Navy	67,622.96	47,590.99	47,727.03	47,727.03	24,206.45
	Air Force	85,322.60	56,851.55	56,264.54	53,871.17	27,631.50
2023-24	Army	37,341.54	37,341.54			
	Navy	52,804.75	52,804.75	-	-	-
	Air Force	58,808.48	58,268.71			

(\$ - 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).

* Expenditure figures are upto December, 2022.

Note:- Navy includes Joint Staff. RE 22-23 and BE 23-24 are yet to be approved by the Parliament.

C. REVENUE + Capital

(₹ in Crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2018-19	Army\$	1,96,387.36	1,53,875.22	1,83,071.32	1,56,628.05	1,61,680.04
	Navy	59,443.16	40,419.53	55,156.23	41,685.91	42,365.83
	Air Force	1,12,955.53	645,91.44	1,00,986.83	63,875.60	64,742.99
2019-20	Army	1,96,981.89	1,69,909.74	1,98,456.82	1,72,440.73	1,71,530.26
	Navy	64,307.27	45,368.14	68,860.27	48,943.14	49,833.99
	Air Force	1,09,744.06	68,948.88	1,21,684.39	74,898.88	75,228.54
2020-21	Army	2,15,601.88	1,78,248.26	1,92,455.85	1,77,828.95	1,66,224.26
	Navy	77,506.27	49,623.03	80,149.12	60,890.57	64,832.81
	Air Force	1,10,111.46	73,244.57	1,17,560.39	86,825.98	91,033.18
2021-22	Army	2,22,197.38	1,84,176.03	2,07,002.13	1,82,996.15	1,82,222.99
	Navy	1,05,177.61	56,614.23	80,080.46	69,947.45	68,863.63
	Air Force	1,22,133.46	83,867.30	1,19,992.98	87,497.79	87,592.65
2022-23*	Army	2,20,882.72	1,95,828.95	2,13,125.20	2,05,934.11	1,49,536.01
	Navy	1,02,324.62	72,997.41	82,168.51	78,461.61	44,046.48
	Air Force	1,36,015.04	89,725.01	1,11,262.26	98,599.27	56,845.95
2023-24	Army	2,22,331.14	2,18,713.51	-	-	-
	Navy	89,409.79	85,088.95	-	-	-
	Air Force	1,26,890.06	1,02,614.29	-	-	-

(\$ - 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).

* Expenditure figures are upto December, 2022.

Note:- Navy includes Joint Staff. RE 22-23 and BE 23-24 are yet to be approved by the Parliament.

Additional Allocation sought by the Services

1.34 The Committee were informed of the details of additional amount sought {Revenue (Net)+Capital} by the three Services at RE stage and amount allocated for the last five years, which are as under:

(₹ in crore)

Year	Service	BE	RE		Additional amount sought in RE
		Allocated	Projected	Allocated	
2018-19	Army	1,53,875.22	1,83,071.32	1,56,628.05	29,196.10
	Navy	36,622.59	50,380.02	37,795.25	13,757.43
	Air Force	64,591.44	1,00,986.83	63,875.60	36,395.39
2019-20	Army	1,69,909.74	1,98,456.82	1,72,440.73	28,547.08
	Navy	45,368.14	68,860.27	48,943.14	23,492.13
	Air Force	68,948.88	1,21,684.39	74898.88	52,735.51
2020-21	Army	1,78,248.26	1,92,455.85	1,77,828.95	14,207.59
	Navy	49,623.03	80,149.12	60,890.57	30,526.09
	Air Force	73,244.57	1,17,560.39	86,825.98	44,315.82
2021-22	Army	1,84,176.03	2,07,002.13	1,82,996.15	22,826.10
	Navy	56,614.23	80,080.46	69,947.45	23,466.23
	Air Force	83,867.30	1,19,992.98	87,497.79	36,125.68
2022-23	Army	1,95,828.95	2,13,125.20	2,05,934.11	17,296.25
	Navy	72,997.41	82,168.51	78,461.61	9,171.10
	Air Force	89,725.01	1,11,262.26	98,599.27	21,537.25

Adjustments made or likely to be made by the Services due to reduced budgetary allocation (if any)

1.35 When asked to state the areas where adjustments have been made or likely to be made due to reduced budgetary allocation (if any) as compared to the projections made by the three Services and other organizations/heads, the Ministry of Defence responded as under:

“This Ministry proposes projections made by the Services under Revenue and Capital Budget to Ministry of Finance for favourable consideration. Ministry of Finance conveys ceilings separately for Revenue (Salary and Non-Salary) and Capital, based on which funds are allocated to Services. The procedure followed for allocation involves trend of expenditure, projections made by the Services, Committed Liabilities to be fulfilled etc. Under the revenue segment, provision is first made for salary and other obligatory expenses. The balance allocation available is distributed to meet the requirement of stores (including ordnance), transportation (of personnel and stores), revenue works and maintenance, etc. In so far as the capital segment is concerned, funds are first set aside to meet the projected milestone based liabilities likely to materialise during the year. The remaining allocation is distributed to meet the projected requirement for other items including Land/Works.

The allocated funds are optimally utilized towards operational activities. On the basis of additional requirement, funds are sought at Supplementary/RE stage. Also, if required, through reprioritization, it is ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.”

Expenditure on Research & Development

1.36 The data regarding BE allocation, projection and actual expenditure for the Research and Development during last six years, as furnished by the Ministry of Defence, is as under:

(in ₹ Crore; in Gross)			
Year	BE projection	BE Allocation	Expenditure
2017-18	21,048.77	14,968.74	15,482.28
2018-19	23,333.82	18,011.19	17,661.73
2019-20	24,104.63	19,421.02	17,779.24
2020-21	24,340.82	19,627.35	16,075.07
2021-22	24,251.67	20,757.44	18,669.66
2022-23	23,290	21,660.20	13,626.65*
2023-24	24,090	23,563.89	

*Expenditure is upto December 2022.

1.37 The Committee, during examination of DFG 2023-24, were informed by the Ministry that the allocation to Defence Research & Development Organisation (DRDO) for FY 2023-24 is ₹ 23,264 crore. Observing that this allocation was less, the Committee sought reason from the representatives from the Ministry of Defence in this regard. The Defence Secretary, in response, submitted as under:

“...it is entirely DRDO budget. In addition to that, private sector is also being encouraged to do research. There is iDEX and Technology Development is there. We are also providing them support by way of grants and developmental equity. I can assure the hon. Committee that the promotion of innovation, research and development, both in Government sector and private sector is huge. The recently conducted Aero India has showcased some of the products developed under iDEX. They are equal to the best of technologies in the world. If you had come to the Aero India show conducted last year, you could have seen the innovative power of our young scientists. Many of the retired defence officers are also participating in the research activities and helping the startups to innovate the services. In fact, officers in the three Services are providing handholding help to iDEX and TDF projects. I am very confident that India will be able to develop several of these technologies on its own. We need not buy from outside. Whatever we spend, we will spend in our country. We will innovate; we will do research and develop.”

1.38 The Defence Secretary further elaborated on the issue as under:

“...there is an increase of around ₹ 1933 crore for R&D this year. As I told you, there is a programme iDEX; there is a programme called Technology Development Fund. Under this, we have an open-ended programme. If we launch a challenge and the solutions emerge. Research and development is an on-going process. If we start a challenge this year, the research will continue for 10 to 15 years. We will need to supply them necessary assistance every year. In terms of expenditure, what we are expending is much more than what the Indian industry can immediately absorb. I can assure you that the Government will not be lacking in supporting whenever a project comes up. We will go to Finance Ministry again and get more budget but we will not allow any project to languish for lack of budgetary support.”

1.39 When stressed by the Committee on the need for increasing budget allocation to DRDO, the Defence Secretary submitted as under:

“जो डीआरडीओ में रिसर्च होती है, वहां जिस टेक्नोलॉजी का डेवलपमेंट किया जाता है, उसे हमें डीपीएसयूज या प्राइवेट इंडस्ट्रीज को ट्रांसफर करना पड़ता है। प्रोक्योरमेंट तो कंपनी से ही होता है और डीआरडीओ हमें सप्लाई नहीं कर सकती है। डीआरडीओ रिसर्च एंड डेवलपमेंट की एजेंसी है, इसलिए प्रोक्योरमेंट लेड रिसर्च होना चाहिए। यदि 75 प्रतिशत प्रोक्योरमेंट भारतीय कंपनियों से ही होता है, तो भारतीय कंपनियों के पास रिसर्च करने के लिए, जो मुनाफा होती है, वह भी उपलब्ध होती है। यदि हम बाहर से प्रोक्योरमेंट करते हैं तो उनके पास यह पैसा नहीं जाता है। मतलब यह है कि यदि हम प्रोक्योरमेंट में सुधार कर रहे हैं कि भारतीय कंपनियों से

ही हम प्रोक्योर करेंगे, तब उनके पास रिसर्च और डेवलपमें करने की क्षमता भी आ जाएगी। इसलिए हम एक तरह से इनडायरेक्टली देश में रिसर्च इकोसिस्टम को प्रोत्साहन दे रहे हैं।

सर, दूसरी बात यह है कि रिसर्च करने के लिए एक ही बार हजारों करोड़ रुपए का खर्चा नहीं होता है। हमें साइंटिस्ट की आवश्यकता है और थोड़ा लेबोरेटरी इक्विप करने की आवश्यकता है। आजकल जो रिसर्च चल रही है, वह पब्लिक प्राइवेट पार्टनरशिप से ही चलती है। डीआरडीओ फंडामेंटल रिसर्च नहीं करती है, वह एप्लीकेशन रिसर्च करती है। जो साइंटिफिक डिस्कवरी की गई है, उसके आधार पर वह टेक्नोलॉजी डेवलप करते हैं। जो बाहर डेवलप हो चुकी है, उस टेक्नोलॉजी को यहां पर इंडीजीनस करने की कोशिश करते हैं। इसके लिए कैपिटल एक्सपेंडिचर की ज्यादा आवश्यकता नहीं होती है। ये लोग डेवलपमेंट पार्टनर का चयन करके उनके द्वारा रिसर्च करवा रहे हैं। इसलिए डीआरडीओ के लिए जो भी चाहिए, वह पर्याप्त राशि उनके लिए आवंटन की गई है। इसमें कोई शक नहीं है।”

Motivation for scientists working in Defence R&D sector

1.40 To a query of the Committee regarding the extant system of providing motivation in terms of royalty/incentives to the scientists working in the country's Defence R&D sector, the Defence Secretary submitted as under:

“इसके साथ-साथ हम, जो डीआरडीओ में साइंटिस्ट्स काम कर रहे हैं, उन साइंटिस्ट्स को प्रोत्साहन देने के लिए उन्हें नॉन-फाइनेंशियल इंसेटिव्स ही प्रदान करते हैं। नॉमर्ली सरकारी नौकरी में फाइनेंशियल इंसेटिव्स की संभावना कम होती है। उनको जो रिकगनिशन मिलता है, जो अवॉर्ड मिलता है, सलेक्शन बेसेस पर जो प्रमोशन मिलता है, उसके ऊपर ही हमारा इंसेटिव सिस्टम आधारित होता है। फाइनेंशियल इंसेटिव्स नहीं दिए जा सकते, क्योंकि जो इंसेटिव्स सरकार दे सकती है, उनकी तुलना में जो इंसेटिव्स बाहर, प्राइवेट सेक्टर में मिलते हैं, वे कई गुना ज्यादा होते हैं। इसलिए, यह इतना अट्रैक्टिव नहीं होता है। जो साइंटिस्ट्स एक स्टेज पर पहुंच जाते हैं, उनके लिए फाइनेंशियल इंसेटिव्स से ज्यादा रिकगनिशन इम्पोर्टेंट होता है। इसलिए, उस तरह हम इसे नहीं देखते हैं।”

Expenditure on infrastructure

1.41 When asked regarding the expenditure for development on infrastructure in comparison with the neighbouring countries, the Defence Secretary deposed as under:

“Infrastructure is a very important factor in winning war. A very long-term plan has been prepared. It is being revised every year for border infrastructure. As you see, under Udaan Scheme we are building several airfields, airport all along the border and also in the interior of the country. We are developing our infrastructure like never before.”

Integrated Theatre Commands

1.42 When asked regarding the steps taken/contemplated to achieve Integration among the three Services, optimum utilisation of Services and further creation of United Theatre Commands, the Ministry, in a written submission, replied as under:

“Major initiatives taken to spearhead reforms within the military establishment towards enhancing synergy and jointness among the Services and ensuring optimum utilisation of resources are:-

- (a) Deliberations on reorganising the Armed Forces into Integrated Theatre Commands are in progress. The Integrated Theatre Commands will facilitate better coordination and integrated application of force which will enhance operational efficiency and optimize resource utilisation. Likely benefits of Integrated Theatre Commands are given below:-
 - (i) Enhanced operational effectiveness.
 - (ii) Optimal utilisation of resources resulting in higher levels of efficiency.
 - (iii) Synergy in capability development.
 - (iv) Emerging defence technologies (next generation Weapons, Artificial Intelligence, Disruptive Technologies etc would accrue more benefits in a Integrated Theatre Command System.
- (b) The Defence Cyber Agency (DCyA), Defence Space Agency (DSA) and Armed Forces Special Operations Division (AFSOD) were sanctioned in end December, 2018. These are under progressive operationalization as per schedule.
- (c) Towards integration of tri-Service Logistics, three Joint Logistics Nodes (JLN) have been established at Port Blair, Mumbai and Guwahati in 2020. Based on their performance review these may be expanded in scope and numbers. Efforts at increasing standardisation, in coordination with the Services, DGQA/DGAQA, DRDO, DPSUs and Industry are ongoing.
- (d) Joint procurement, to ensure common/interoperable equipment, including weapons, ammunition, sensors, communication networks, etc. In this regard, HQ IDS steered inputs and actions of the Services towards formulation of DAP 2020. HQ IDS coordinates Services capital acquisition cases to ensure joint needs are met, and works closely with Industry, R&D organisation and academia for meeting Capability Development needs of the Services.
- (e) An Integrated Capability Development System (ICADS) is under development through a collegiate and holistic study by experts drawn from SHQs and also think-tanks/industry. This is in final stages of completion. This will lead to the 10-year prioritised Integrated Capability Development Plan (ICDP), five year Defence Capital Acquisition Plan (DCAP) and two-year roll on Annual Acquisition Plan (AAP).

- (f) Integration of communication networks is being progressed through Network for Spectrum (NFS) project. It would enable networking of communication.
- (g) Progressive enhancement of Joint Training Institutions is being done to enhance synergy and jointness in training while optimising training efforts and resources.
 - (i) Five Joint Services Training Institutions (JSTIs) in the field of CBRN (Chemical, Biological, Radiological & Nuclear), Intelligence, Law, Music & Catering have commenced training. A large no of personnel have undergone training from these JSTIs.
 - (ii) Joint Syllabus of Armed Forces Training Institutes (AFTIs) has been enhanced.
- (h) Consideration progress has been made towards integrating and cross-utilising maintenance and support infrastructure of the three Services. Further, all future common in-service assets are planned to be inducted with a common maintenance support facilities on a Lead Service concept.
- (i) Considerable progress has been made to harmonize the international defence cooperation plans of the three Services and engagement with FFCs are being undertaken through joint exercise and joint staff talks.”

Modification in strategy of warfare

1.43 The Committee, during examination of DFG 2023-24, made an observation that the world is witnessing a shift in the strategy of warfare where ‘small’ arms are proving to be more lethal. In this context, the Committee desired to know about preparedness and functioning of the Defence Forces and Research and Development according to current war scenario. In response, the Vice Chief of Army Staff deposed as under:

“मैं यह बताना चाहता हूँ कि हम एक्रॉस द वर्ल्ड कंटीन्यूअस स्टडी कर रहे हैं। हम यह भी देख रहे हैं कि जो लड़ाई के हथियार हैं, जो प्रिजीजन गाइडेड वेपंस हैं, उनमें क्या बदलाव आ रहा है और उनके लिए हमें क्या करना है। मुझे यह बताने में बहुत खुशी है कि जैसे ड्रोन वारफेयर है और आपने सही बताया है कि Small platforms are more potent than bigger platforms. आज के दिन रिसर्च और डेवलपमेंट में जितनी तेजी से प्राइवेट इंडस्ट्री के अंदर यह फील्ड डेवलप हो रहा है तो 30 से 40 ऐसे छोटे-छोटे मैनुफैक्चरर्स हैं, जो अलग-अलग टाइप और अलग एप्लीकेशन ड्रोन वाले इंडिया में हैं। हमने इसको वेपनाइज करने का भी प्रोग्राम चालू कर रखा है और करीब दो हफ्ते पहले हमें इसमें सफलता मिली है कि एक ड्रोन उड़कर 15 से 20 किलोमीटर जाकर उधर एक मिसाइल लॉन्च करके एक टैंक को बर्बाद कर सकता है। It is a game changing capacity that we have developed. इसी तरह से अलग-अलग दिशाओं में छोटे-छोटे एक्सपेरिमेंट्स चल रहे हैं, जो हमें अगली लड़ाई के अंदर हमारी आर्मी, एयरफोर्स या नेवी को कारगर बनाने की क्षमता रखेंगे। We are moving in this direction. There are multiple companies which are engaged in this. We

are already seeing results of the research which is going on in the private industry.

But having said that, a lot of these technologies are also sourced from the development that is taking place in DRDO. डीआरडीओ जो कुछ छोटे-छोटे कम्पौनैट्स करते हैं, वे प्राइवेट इंडस्ट्री के साथ कोलैबोरेट होते हैं। जैसा कि डिफेंस सेक्रेट्री साहब ने कहा है, यह बहुत महत्वपूर्ण है। At present, this synergy is seamless, and we are already getting results on the ground. At the pace which we are moving, I am sure that we will be very comfortable in the near future.”

Manpower

1.44 During examination of DFG 2023-24, the issue of manpower in the Armed Forces was raised by the Committee. In this regard, the Vice Chief of Army Staff deposed as under:

“सर, पिछली बैठक में बताया गया था कि कोविड के कारण दो साल तक रिक्रूटमेंट नहीं होने की वजह से यह जरूर नीचे आया था। उसी के साथ-साथ अग्निवीर की स्कीम भी शुरू की गई थी, इसके बारे में भी आपने जिक्र किया कि जितना वेस्टेज रेट है और अग्निवीर की रिक्रूटमेंट थोड़ी कम है। इस साल इंडियन आर्मी में 40 हजार जवानों को रिक्रूट किया जा रहा है। We are also in a way experimenting on the idea of Agniveer right now. अगले साल भी 40 हजार अग्निवीर रिक्रूटमेंट करने की योजना है, उसके बाद 45 हजार और 50 हजार रिक्रूटमेंट करने का ब्रॉड रोडमैप है। लेकिन रक्षा मंत्री जी के पास यह भी प्रावधान दिया गया है कि based on the operational requirement, if he has to increase the number of people, there is provision for that. So, right now, we are going through a phase where there is slight reduction in the manpower as a consequence of COVID-19. धीरे-धीरे इसे मेक-अप किया जाएगा। मैक वर्सेज़ मशीन की डिबेट इंटरनेली हमेशा चलती रहती है कि कितने आदमी चाहिए, कितने हथियार चाहिए। What will do the better job for us is a continuous debate that is on and based on the threat scenario and based on the requirement of the armed forces, there will always be a good match between the number of men required and the amount of machinery that is required.”

(Ref.: Proceedings 20.2.23, Morning session, Pg 28)

AGNIPATH SCHEME

1.45 Agnipath scheme has been introduced in 2022 as recruitment scheme for youth to serve in the Armed Forces. The Committee have been informed that new minor head of Agnipath scheme introduced under provision of Army, Navy, and Air Force will cater to the pay and allowances, contribution towards their Sewa Nidhi Fund, insurance cover, ex gratia payment to Agniveers. Further, adequate provisions have also been made to cater to training aids and simulators. ₹ 453 crore in RE of 2022-23 and ₹ 4,266 crore in the BE of 2023-24 has been provided. Union Budget for 2023-24 has provided exempt-exempt-exempt status to the Agniveer Fund. New Pay and Accounts Office has been set up for

payment of Army Agniveers whereas Navy and Air Force will pay from their respective Pay and Accounts offices.

(Ref.: Proceedings 20.2.23, Morning session, Pg 11)

1.46 To a query of the Committee regarding anticipated savings to be incurred annually during the next three years with coming into force of Agnipath scheme, the Ministry in the written reply submitted as under:

“The scheme is not an expenditure controlling exercise. It is a transformative reform aimed to ensure selection of young, agile and tech-savvy manpower for the Armed Forces, which has been one of the important recommendation of the Kargil Review Committee, as well as several other important Ministerial and Expert committees. As far as expenditure is concerned, the Government has maintained a steady focus on Capability Development of the Armed Forces and the Capital Budget has witnessed a constant increase over the last 5 to 6 years. Towards this, the Capital Budget has increased by 76.17% from FY 2017-18 to 2022-23, despite two years of COVID, where the Revenue collection was much lower.”

(Ref.: Preliminary Replies Pt I, Pg 35)

1.47 During oral evidence of the representatives of the Ministry of Defence, the Committee enquired whether any medium has been worked out for estimating savings on account of salary and pension after fully rolling out Agnipath scheme. In response, the Joint Secretary (Army & TA) submitted as under:

“अग्निवीर स्कीम अभी इस साल से शुरू हुई है। उनकी पहले महीने की पे जारी हो चुकी है। जहां तक चार वर्षों की बात है, अभी तक इसका डिटेल्ड कैलकुलेशन नहीं हुआ है और रोल आउट होने के बाद हम इसे बताएंगे। अगर इसमें हमें रिक्रूटमेंट के लिए कुछ एनहांसमेंट चाहिए, तब भी इसके लिए जाना पड़ेगा, इसलिए अभी इसके ऊपर कुछ नहीं हुआ है। अभी सिर्फ फर्स्ट बैच की ट्रेनिंग शुरू हुई है।”

1.48 When further clarification was sought in this regard, the Joint Secretary (Army & TA) submitted as under:

“सर, पेंशन का इफेक्ट अभी नहीं होगा, वह थोड़ा बाद में होगा। इसका इफेक्ट तकरीबन दस साल के बाद होगा।”

Incidents of spying

1.49 To a specific query of the Committee regarding the extant system of checks and balances in the Ministry and the Forces to eliminate the incidents of spying involving Defence personnel and civilians, the Vice Chief of Army Staff submitted as under:

“हम सभी अखबार में इसके बारे में पढ़ते रहते हैं, यह सही है। इस तरह से छोटा-मोटा होता है, लेकिन हमारे इंटरनल चेक्स एंड बैलेंसेज काफी मजबूत हैं। मैं बताना चाहूंगा कि ऑर्गेनाइजेशन

की डिप्लॉयमेंट है, उसके बारे में कुछ जानकारियाँ होती हैं। उसके लिए मिलिट्री इंटेलिजेंस डिपार्टमेंट है, जो अन्दर से चेक करते रहते हैं कि कोई गलत दिशा में तो नहीं जा रहा है। यदि कोई पकड़ा जाता है, तो उसे डिट्रेंट पनिशमेंट दिया जाता है ताकि और कोई जवान या सिविलियन उस दिशा में न जाए।

साइबर सिक्युरिटी पर भी हम लोग बहुत काम कर रहे हैं, ताकि हमारे पास जो इलेक्ट्रॉनिक डेटाबेस हैं, उनको सिक्योर रखने के लिए जो भी कार्रवाई करने की जरूरत है, उस दिशा में, हम लोग तेजी से और कारगर कार्रवाई कर रहे हैं।”

Selection of Strategic Partners

1.50 The Committee, during the Sitting held in connection with examination of DFG 2023-24, enquired about the criteria for selection of strategic partners in Defence sector keeping in mind their relations with hostile neighbouring countries. In this regard, the Defence Secretary submitted as under:

“यह सही बात है, हम इसको ध्यान में रखकर ही काम कर रहे हैं। ऐसी टैक्नोलॉजीज, जो उनके पास उपलब्ध हैं, यदि उनसे हमें नुकसान हो सकता है, तो हम उन्हें एक्वायर नहीं कर रहे हैं, उन कंपनियों को भी दूर रख रहे हैं। इसके लिए डीपीआईआईटी द्वारा हमारी पॉलिसी है। जो देश लैंड बॉर्डर से भारत से जुड़े हुए हैं, उन देशों में जो भी कंपनियां काम करती हैं, उनको भारत में आने के लिए, भारत में निवेश करने के लिए सरकार की अनुमति चाहिए होती है। इसलिए सभी मंत्रालय इसका ध्यान रखते हुए, उन देशों से आई हुई कंपनियों पर नजर रखते हैं।”

CHAPTER – II

BORDER ROADS ORGANISATION

The Committee understand that Border Roads Organisation (BRO) is a premier road construction agency raised to meet the road infrastructure requirements of the Armed Forces. During peacetime, the role of BRO is to develop and maintain the operational road infrastructure of General Staff in the Border Areas and contribute to the socio-economic development of the Border States. In war, the primary objective of BRO is to develop & maintain roads to keep Line of Control through in Original Sectors and re-deployed Sectors and to execute additional tasks as laid down by the Government contributing to the war effort. The Committee are aware of the fact that BRO has been undertaking this role in friendly foreign countries also.

Work profile of BRO

2.2 During oral evidence on the subject, the Director General Border Roads (DGBR) informed the Committee about the work done in the past few years and the ongoing work of BRO:

“हमारे कई सारे कार्य हैं। मुख्यतः हम सड़क, पुल, सुरंग, एयर फील्ड्स बनाते हैं और उसके साथ-साथ हम स्नो क्लियरेंस करते हैं, हम बिल्डिंग वर्क्स भी बनाते हैं। अभी हम अंडमान-निकोबार द्वीप समूह में भारतीय नौ सेना के लिए जेट्टी भी बना रहे हैं।

सर, पिछले 60 सालों में हमने तकरीबन 61,000 किमी की सड़कें फॉरवर्ड एरिया में लैंड बॉर्डर्स पर बना ली हैं। पिछले 7 सालों में इसकी दर तेजी से बढ़ी है। तकरीबन 856 किलोमीटर प्रति वर्ष के हिसाब से हमने सड़कें बनाई हैं। पिछले साल बीआरओ ने 1100 किलोमीटर की सड़क बनाई।

इसी तरह से, ब्रिजेज के बनने की जो दर है, वह अभी तकरीबन 3,000 मीटर प्रति वर्ष है। वह ढाई गुणा, उससे पहले जो सात साल थे, अर्थात् वर्ष 2008-15 तक उस तुलना में यह बहुत तेजी से बढ़ा है।

पिछले 60 सालों में बीआरओ ने चार सुरंगें बनाई थीं और आज हम 11 सुरंगों पर काम कर रहे हैं। 9 सुरंग प्लानिंग की फाइनल स्टेज पर हैं। अभी माननीय प्रधान मंत्री जी ने 15 फरवरी को शिनकुला टनेल की घोषणा की है, जो जांस्कर को लाहौल स्पीति से जोड़ेगा।

हम सामरिक दृष्टि से दो एयरफील्ड्स ईस्टर्न कमांड में बना रहे हैं – बागडोगरा और बैरकपुर। उस पर फाइनल स्टेज पर काम चल रहा है। जल्दी ही हम न्योमा एयर फील्ड पर काम लद्दाख में शुरू करने वाले हैं।

सर, पिछले दो सालों में हमने 102 और 103 प्रोजेक्ट्स बनाए, जिसे माननीय रक्षा मंत्री महोदय ने देश को समर्पित किया। उन 205 प्रोजेक्ट्स की कुल कॉस्ट 5,125 करोड़ रुपये थी। इस साल हमारा ध्येय है कि इस साल हम 176 प्रोजेक्ट्स बनाएं, जिनकी कॉस्ट 6,377 करोड़ रुपये होगी। हमारा जो इन इंफ्रास्ट्रक्चर को कंस्ट्रक्ट करने की दर है, वह हर साल बढ़ती जा रही है। अगर इन तीन सालों के टोटल को देखें तो लद्दाख में 99 प्रोजेक्ट्स बन गए हैं और बनने वाले हैं। अरुणाचल प्रदेश में, जहां हमारा बहुत ज्यादा फोकस और अटेंशन है, वहां 103 प्रोजेक्ट्स हमने बना लिया है या बनाने वाले हैं। इन दो राज्यों में, जहां हमें सबसे ज्यादा जरूरत है, हमारी जो रोड्स है रोड हेड डिफरेंशियल को पूरा करने की, उसमें बहुत तेजी से काम हो रहा है।

वर्ष 2021 में हमने 2,228 करोड़ रुपये की लागत से 102 प्रोजेक्ट्स बनाए, जिनमें 86 ब्रिजज और 15 रोड्स थे। वर्ष 2022 में हमने 103 प्रोजेक्ट्स बनाए, जिसमें 67 ब्रिजज थे और 30 सड़कें थीं। उसका टोटल कॉस्ट 2900 करोड़ रुपये के करीब था।

सर, पिछले महीने रक्षा मंत्री महोदय ने सियॉंग जाकर 22 ब्रिजज का उद्घाटन किया और देश को समर्पित किया। लद्दाख ने भी हमें पांच हजार करोड़ रुपये का प्रोजेक्ट दिया, जिसमें पांच सड़क और दो टनल्स हैं। इसमें एक हम्बोटिंगला टनल और दूसरा कीला टनल है। शिनकूला टनल जब बन जाएगी, तब यह संसार की सबसे ऊंची टनल होगी। इसकी घोषणा अभी पांच दिन पहले हुई है। कीला टनल 18 हजार फुट पर होगी, जो शिनकूला से भी ऊपर होगी।

सर, हमने चार बाहर के देशों में भी काम किया है। भूटान में परमानेंटली हमारी एक प्रोजेक्ट है, यह पिछले 61 सालों से है। हमने बहुत कठिन समय अफगानिस्तान में भी सड़क बनायी। हमने म्यांमार में भी सड़क बनायी। तजाकिस्तान में भी हमने 8 लेन रोड बनाकर कंप्लीट किया है।”

Allocations to BRO

2.3 The details of allocations to BRO, made by various Ministries at Budget Estimates (BE) and Revised Estimates (RE) stage as well as expenditure incurred during last five years are as under:

(₹ in crore)

Year	Agency	Capital Budget		Revenue Budget		Total Allotment	Total Expenditure
		Allotment	Expenditure	Allotment	Expenditure		
2018-19	MoD (Civ)	2028.50	2120.43	2832.27	3240.39	4860.77	5360.82
	MoRTH	270.00	248.10	115.00	114.44	385.00	362.54
	MEA	0.00	0.00	42.33	42.33	42.33	42.33
	MHA	182.22	182.36	1.56	1.56	183.78	183.92
	MoD	683.23	683.05	8.98	8.63	692.21	691.68

	Others & Deposit	117.72	64.56	0.00	0.00	117.72	64.56
	Total	3281.67	3298.50	3000.14	3407.35	6281.81	6705.85
2019-20	MoD (Civ)	2356.00	2343.44	3393.16	3515.68	5749.16	5859.12
	MoRTH	415.92	408.71	142.00	146.40	557.92	555.12
	MEA	0.00	0.00	26.82	23.87	26.82	23.87
	MHA	188.82	191.86	2.30	2.36	191.12	194.23
	MoD	989.96	990.81	13.35	12.17	1003.31	1002.99
	Others & Deposit	204.02	101.77	0.00	0.00	204.02	101.77
	Total	4154.72	4036.59	3577.63	3700.48	7742.35	7737.10
2020-21	MoD (Civ)	3100.00	3104.19	3805.55	3775.46	6905.55	6879.65
	MoRTH	532.46	526.58	220.00	219.85	752.46	746.43
	MEA	0.00	0.00	8.88	8.88	8.88	8.88
	MHA	115.00	115.14	2.00	2.00	117.00	117.14
	MoD	883.77	899.40	11.42	11.36	895.19	910.76
	Others & Deposit	181.09	100.93	0.00	0.00	181.09	100.93
	Total	4812.32	4746.24	4047.85	4017.55	8860.17	8763.79
2021-22	MoD (Civ)	3482.00	3490.91	4026.14	4032.64	7506.14	7502.90
	MoRTH	354.95	353.02	170.00	167.27	524.95	517.95
	MEA	-	-	14.79	13.40	14.79	13.40
	MHA	290.00	289.51	2.97	2.22	292.97	289.91
	MoD	854.23	853.91	16.35	16.35	870.58	859.91
	Others & Deposit	203.06	148.00	-	-	203.06	191.32
	Total	5182.24	5135.35	4230.25	4017.55	9412.49	9375.00
2022-23 (up to Dec 2022)	MoD (Civ)	4500.00	3479.57	4869.50	3455.29	9369.50	6934.86
	MoRTH	522.00	288.09	180.00	137.11	702.00	425.20
	MEA	0.00	0.00	33.15	21.45	33.15	21.45
	MHA	715.50	647.87	3.03	1.53	718.53	649.40
	MoD	886.39	595.60	22.35	10.75	908.74	606.35
	Others & Deposit	193.41	125.70	0.00	0.00	193.41	125.70
	Total	6817.30	5136.83	5108.03	3626.13	11925.33	8762.96
2023-24	MoD (Civ)	5012.00	-	5167.75	-	10179.75	-
	Total	5012.00	-	5167.75	-	10179.75	-

2.4 The Committee infer from the above data that for 2022-23, the final allotment to BRO under MoD (Civil) was ₹ 9,369.50 crore and the expenditure upto December, 2022 was ₹ 6,934.86 crore. For 2023-24, under MoD (Civil), the BE allocation under Revenue Budget is ₹ 5,012 crore and under Capital Budet is ₹ 5,167.75 crore.

2.5 The Committee have been apprised that Capital Budget of Border Roads Organization has been increased by 42 percent to ₹ 5,012 crore in FY 2023-24 as

against ₹ 3,536 crore in BE 2022-23. Further, the allocation under this segment has doubled in two years since FY 2021-22.

2.6 During oral evidence, the Committee desired to be apprised of the reasons for increase in RE allotment for BRO in FY 2021-22 and 2022-23 and mismatch, if any, between projection and allocation for BE 2023-24. In this regard, the Financial Advisor (Defence Services) submitted as under:

“If you see that for 2022-23, the total budget allocation for revenue was ₹ 4,382 crore only for BRO. Currently, we have given them ₹ 5,167 crore. There is a 17.92 per cent increase on that.

I will come to the reason later why they have got what they had asked for. In the capital side, it was ₹ 3500 crore and now we have got a BE of ₹ 5,012 crore, that is an increase of 43 per cent. So, total it has gone up to ₹ 10,179.75 crore.

Sir, basically, as we have mentioned, we have taken into account all the committed liabilities. The DG will bail me out on this. Whatever was the outstanding on account of Sela Tunnel, Nechipu Tunnel, Chattergala Tunnel and other border assets, we have taken them into account. Over and above, they still require more which we will be asking subsequently. As they have really progressed well, as a result, we will ask for the additional amount in the RE. I would like to confirm you that whatever we ask for border roads and other Defence things, we get it fully.”

2.7 The Defence Secretary supplemented as under:

“Actually, for last three years, there is a stress on improving the border infrastructure. That is why allocations are constantly going on.”

Challenges faced in execution of projects and difficulties in maintenance of roads

2.8 During their Power Point Presentation before the Committee, the Ministry enumerated followings challenges faced by BRO:

- i. Work in most remote, inhospitable and cold areas: Low population and resources
- ii. 80% of the 100,000 strong workforce deployed in remote areas with little amenities
- iii. Land Acquisition- Major Bottleneck
- iv. Green Tribunal - Forest and Wildlife clearance
- v. Short Working Window in mountains due to climatic conditions : Coinciding with peak tourist season
- vi. Himalayan ranges : Young mountains prone to landslides
- vii. Natural calamities affect work progress.

2.9 When asked about the current progress regarding Green Tribunal and Forest and Wildlife clearances to BRO, the Director General Border Roads (DG BR) submitted as under:

“सर, मैंने चैलेंज में भी बताया था कि लैंड एक्वीजिशन और जो हमारी क्लियरेंसेज़ हैं फॉरेस्ट और वाइल्ड लाइफ के लिए, उसमें समय लगता है। उस पर सरकार ने स्टेट लेवल पर भी कमेटीज़ बैठाई हैं और तेजी से उस पर काम चल रहा है।”

2.10 The Committee desired written information regarding the specific cases/projects of BRO which are being delayed due to pending clearances and their current position. Till the date of finalization of this Report, the requisite information as assured by the MoD, has not been received.

2.11 On being enquired about the pending permission for mining in a specific State which proved to be a hindrance in execution of projects, the Defence Secretary submitted as under:

“आपका क्वेश्चन कश्मीर के बारे में है। कश्मीर में माइनिंग के लिए समस्या है, हर महीने परमिशन लेना पड़ता है। वहां पर लोकल एडमिनिस्ट्रेशन से हम रिक्वेस्ट कर रहे हैं कि माइनिंग के लिए प्रोजेक्ट वाइज सैंक्शन दिया जाए। यह प्रक्रिया अभी जारी है।”

Safety parameters and features in infrastructure built by BRO

2.12 During discussion on the subject, the Committee enquired about the safety parameters followed by BRO while building infrastructural projects such as roads, tunnels etc. In response, the DG BR submitted as under:

“...the road from Jammu to Srinagar. That road was initially made by BRO but now it has been handed over to the NHAI because this has been declared as a national highway, NH-44. But everything is done as per the Indian Roads Congress (IRC) code. Everything has got the statutory requirement of protective works, especially, the crash barriers or as you were telling us about the landslides. So, there is a requirement of preventing the landslides. Either slope stabilization on the hill side or maybe, some kind of protective works, if the landslide is perpetual, can be taken up there.

That is specified, and that work is under construction by NHAI. So, that is happening.

We are generally making roads much in forward regions, especially where the Army is deployed. They require these roads for the strategic and operational point of view. There also all these norms are followed as per the mandate. So, we do not compromise with quality and other norms. As I showed you, we have done the audit of all roads that we have constructed. Wherever it is required and necessary, we provide the protective works especially the crash

barriers so that there are no accidents on the roads. We try to make it zero fatality corridors.”

2.13 Further on the issue of safety parameters of tunnels, the DG BR elaborated as under:

“When the tunnel construction work is under progress, we undertake all the safety precautions, parameters, and other requirements within the tunnel, during the construction and later on also. So, that is adhered to as per the international norms.

Earlier, when tunnels were used to be constructed, no escape tunnels were made. But now as per the norms, for any tunnel which is longer than 1.5 km, we make an escape tunnel for escaping in the event of an eventuality or accident.”

Labour force deployed by BRO

2.14 During the Sitting in connection with examination of DFG 2023-24, the Committee raised the issue of Memorandum of Understanding (MoU) between Jharkhand Government and BRO regarding the labour in the high altitude areas. When categorically asked whether the agreement has been adhered to, the DG BR submitted as under:

“..about 70 percent of our labour comes from Dumka in Jharkhand, and 30 per cent is the local labour. As it was a large component, we had to get into some kind of an understanding with the State Government. They have been insisting that we should continue it. But then that was a specific case during COVID-19 that we had to get into with the State Government. Otherwise, this is not a standard practice with any State. Any State can send their people to work where we are working.”

2.15 Elaborating on the living conditions of labour deployed by BRO, the DG BR submitted as under:

‘सर, हमारे लोग पहले रहते थे, वह बिटुमिन के बैरक काटकर रहते थे, आज स्पेशली लद्दाख में सेंट्रली हीटेड कन्टेनराइज्ड अकोमेडेशन दी है, जितना भी पहनने के लिए इक्विपमेंट यूज करते हैं, पहले विंड चिटर पहनते थे, आज जैकेट्स, गोगल्स और शूज प्रत्येक चीज प्रोवाइड करा रहे है।“

BRO Cafes

2.16 The Committee have learnt that in order to provide conducive and secure transit of tourists on the roads built by BRO in Northern and Eastern borders, a need to establish multi utility Cafes along the major tourist circuits was felt. In this regard, establishment of

75 BRO Cafes in 12 Border States has been undertaken by BRO on Public Private Partnership (PPP) mode.

2.17 On the issue of BRO Cafes, the DG BR apprised the Committee as under:

“मैं विशेषकर लाहौल स्फीति टूरिज्म के बारे में बताना चाहता हूँ, जब अटल टनल नहीं बनी थी तो सर्दियां में लोग केवल रोहतांग पास के इस तरफ यानी मनाली तक जाते थे और वापस आ जाते थे। अटल टनल के बनने से 602 परसेंट टूरिज्म में इजाफा हुआ है जो छः महीने तक कट ऑफ रहता था।

हमने 75 बीआरओ कैफे लांच किए हैं। अभी तक सड़कों पर कोई फेसिलिटी नहीं होती थी। It was not part of the scope of the road to make cafes. Since people travel on these roads - not only the Army personnel and locals but tourists also - we have identified through a very comprehensive study of all our roads कि कहां पर कैफे आने चाहिए। हमने कुछ जगह का ऑलरेडी कैफे बनाने के लिए एक्सेपटेंस लैटर दे दिया है और बाकी जगह का चल रहा है ताकि टूरिज्म का लोग फायदा उठा सकें। They also give very good comments.”

2.18 The Committee during examination of DFG 2019-20 had raised the issue of lack of mobile banking facilities available to the workforce of Border Roads Organisation, who have to work in very remote and high altitudes.

CHAPTER – III

INDIAN COAST GUARD

The Committee are given to understand that Indian Coast Guard (ICG) was established as an Armed Force of the Union on August 18, 1978. The duties and functions of Coast Guard are broadly enumerated in the Coast Guard Act, 1978. The charter includes;

- (i) Ensuring the safety and protection of the artificial islands, offshore terminals, installation and other structures and devices in any maritime zone.
- (ii) Provide protection to the fishermen including assistance to them at sea while in distress.
- (iii) Taking such measures as are necessary to preserve and protect the Marine Environment and to prevent and control marine pollution.
- (iv) Assisting the Customs and other authorities in Anti-Smuggling Operations.
- (v) Enforcing the provision of such enactments as are for the time being in force in the Maritime Zones
- (vi) Such other matter, including measures for the safety of life and property at sea and collection of scientific data, as may be prescribed.
- (vii) Coastal Security in Territorial Waters.
- (viii) Enforcement, monitoring and surveillance of Deep Sea Fishing.
- (ix) Search and Rescue for mariners.
- (x) Marine oil-spill response measures.
- (xi) Lead Intelligence Agency for coastal and sea borders.
- (xii) Competent National Authority (CNA) under South Asia Cooperative Environment Programme (SACEP) MoU on response to oil and pollution in South Asia Seas Region.

3.2 The Coast Guard organisation is headed by the Director General Indian Coast Guard (DGICG), exercising overall command and superintendence from Coast Guard Headquarters (CGHQ) located at New Delhi. For effective command and control, the Maritime Zones of India have been divided into five Coast Guard Regions with Regional Headquarters at Gandhinagar, Mumbai, Chennai, Kolkata and Port Blair Further, Coast Guard Commander (Western Seaboard) at Mumbai exercises operational and administrative control over West and North-West Regions. Coast Guard Commander (Eastern Seaboard) at Visakhapatnam exercises operational and administrative control over East and North East Regions.

Budget 2023-24

3.3 The Ministry submitted the following information through a written submission regarding the projections made by the Coast Guard, allocations made at BE, RE and actual expenditure during the last five years, both combined and separately for Capital and Revenue heads alongwith BE projection and allocation for 2023-24:

(₹ in crore)

Year	Head	BE Projection	BE Allocation	RE Projection	RE Allocation	MA Allocation	Actual Exp
2017-18	Capital	4805.0000	2200.0000	4150.0000	2200.0000	2200.0000	2178.7308
	Revenue	2214.5530	1829.7900	2314.2700	2148.9700	2148.9700	2155.5224
	Total	7019.5530	4029.7900	6464.2700	4348.9700	4348.9700	4334.2532
2018-19	Capital	4950.0000	2700.0000	3555.0000	2250.0000	2262.1600	2260.9410
	Revenue	2408.4145	2091.4200	2625.0200	2391.4200	2401.5300	2452.2847
	Total	7358.4145	4791.4200	6180.0200	4641.4200	4663.6900	4713.2257
2019-20	Capital	5830.0000	2500.0000	3630.0000	2600.0000	2600.0000	2587.4991
	Revenue	2758.9000	2385.2700	2955.9400	2476.0700	2520.0700	2539.3074
	Total	8588.9000	4885.2700	6585.9400	5076.0700	5120.0700	5126.8065
2020-21	Capital	5350.0000	2500.0000	3100.0000	2500.0000	2500.0000	2503.2090
	Revenue	3246.0300	2532.7600	2987.8359	2432.7600	2522.9200	2546.5406
	Total	8596.0300	5032.7600	6087.8359	4932.7600	5022.9200	5049.7496
2021-22	Capital	3200.0000	2650.0000	3600.0000	3236.4600	3275.4100	3189.1884
	Revenue	3200.0000	2594.7200	3884.6075	2797.2600	2919.1400	2921.8588
	Total	6400.0000	5244.7200	7484.6075	6033.7200	6194.5500	6111.0472
2022-23	Capital	6600.0000	4246.3700	3409.0000	3300.0000	--	2351.3232
	Revenue	4208.8500	3063.9200	4328.1800	3998.3300	--	2865.2600
	Total	10803.8500	7310.2900	7737.1800	7298.3300	--	5216.5832#
2023-24	Capital	4358.0000	3536.0000				
	Revenue	4406.1700	3661.4700				
	Total	8764.1700	7197.4700				

Expenditure upto 6.2.2023 as per CGDA Booking status report

3.4 On this issue of budgetary allocation to Coast Guard, the Committee were informed by the ADG CG & DG ICG (Addl Charge) during oral evidence as under:

“There has been 100 per cent utilisation of the budget by the organisation with focus on capital investment on our ships, aircraft, and technical and operational infrastructure. The period from 2017 to 2018 onwards was a period of linear budgetary allocation with negligible enhancement in non-salary revenue allocation required for operations and maintenance, thereby leading to year-on-year accumulation of carry forward liabilities. However, there has been a big jump in allocation during the current financial year. The allocations for the current financial year, that is, 2022-23 stand testimony to the fact that allocations have been close to the demands placed by the organisation. With the due budget support, the organisation has been able to liquidate carry forward liabilities of the previous years and is well placed to continue with the desired year on year growth in the years to come.”

Force Level and Manpower

3.5 During their Power Point Presentation before the Committee, the representative of the Ministry informed the Committee of the current manpower held by the Coast Guard as under:

Details	Borne strength
Officers	1765
Enrolled Personnel	11584
Civilians	1454
Total	14803

3.6 Regarding manpower strength in the ICG organization, the ADG CG & DG ICG (Addl Charge) submitted as under:

“To perform the ICG charter, which entails physical presence of men and assets at sea, the ships and aircraft need to be manned with due support from shore.The charter being wide and with operational demands from many agencies, additional manpower sanctions for the ICG organisation may necessarily be viewed as operational investment.”

3.7 On this issue, he supplemented by stating:

“As far as manpower shortage is concerned, what I am saying is that when our new ships come, those are the manpower which we are actually looking for. Any operational unit which we are raising, like ships and aircraft, for that the manpower is considered as an operational investment.”

3.8 When enquired whether the Senior Officers in Coast Guard are sent on deputation basis by Navy, the representative of the Ministry submitted as under:

“Sir, it used to be so earlier. Before 2017, the DG, Coast Guard used to be from the Navy. After that, the DG, Coast Guard is a regular Indian Coast Guard Officer only. We are getting medical officers on deputation from the Navy because we do not want to open regular medical cadre because the strength is very small. So, it is best that the medical vacancies are given to the Navy and they recruit on our behalf. Also, there are other officers who come on deputation when the requirement exists. So, in that way, whenever the manpower requirement is asked from the Navy, obviously they are met. We have not faced any problem from the Navy. In fact, not only Navy, even from Army and Air Force also, we have got manpower in the past.”

3.9 When categorically asked whether the Coast Guard is now fully equipped with both in terms of manpower and equipment, the Defence Secretary submitted as under:

“Actually, coastal security is a three-tier security, as you know. The first layer is provided by the Indian Navy in the high seas. They are the ones who will prevent any intrusion into our waters. In the second level, Coast Guard will take over. They will ensure that the coasts are safe. They got 42 coast guard stations along our shore line. Below them, we have the marine police stations of the coastal States and UTs for policing.

Marine police stations are good in some States, like Gujarat, etc., but unfortunately, in several other States marine police stations are either not set up or they are not equipped properly. State Governments have been requested to improve these Stations in terms of the manpower, training, equipment, and transport. They should have patrol vessels. They should also have vehicles. They should have trained manpower to deal with the cases which emerge from

the crime on the seas. This is a continuous process. We need to encourage the States to strengthen the security at the third level.”

3.10 The Committee desired to know the details of the States where the Marine Police system requires improvement. In response, the Defence Secretary deposed as under:

“Sir, almost all States, like Maharashtra, Andhra Pradesh, and Tamil Nadu need to provide vehicles, and patrol vessels to marine police, train them with Coast Guard and Indian Navy on regular basis, and provide necessary revenue budget. It is expensive to maintain a vessel because it is always in a corrosive environment. Also, there is need of diesel, etc. for regular patrolling through boats/vessels. Further, there is a need for a dedicated setup in the State Police Headquarter and the marine police stations for coastal security/marine policing purposes. If this work is handed like a regular police station work under regular charge of the SP, then it will not happen because the concentration will be on the law-and-order duty most of the times. These people will be withdrawn for regular policing work and the coastal crime will be unattended.”

Measures to curb Drug Smuggling

3.11 During oral evidence, in connection with examination of DFG 2023-24, the Committee desired to know about the success achieved by Coast Guard in reigning in drug trafficking and the value of the drugs recovered in 2021 and 2022. In this regard, the ADG CG & DG ICG (Addl Charge) submitted as under:

“सर, हम आंकड़ा आपको लिखित में दे देंगे। लेकिन, हमने पिछले दो सालों में काफी सारा ड्रग्स पकड़ा है। हम ड्रग्स एंटी, एटीस गुजरात, एनसीपी, डीआरआई के जो इंफॉर्मेशन होते हैं, उसके बेसिस पर जब भी हमें इंफॉर्मेशन मिली है, हम लोगों ने ज्वाइंट ऑपरेशन किया है और 80 से 90 परसेंट ड्रग्स पकड़ा है।

दूसरा, कुछ ड्रग्स हमारे जो पड़ोसी देश हैं, श्रीलंका और मालदीव, वहां भी इंफॉर्मेशन दी गई है, चूंकि हमारे जहाज उनके टेरिटोरियल वाटर बॉर्डर में नहीं जा सकते हैं, वहां के जो कोस्टगार्ड हैं, उन्होंने भी वहां काफी ड्रग्स पकड़े हैं। आंकड़ा मैं आपको लिखित में बाद में दूंगा कि हमने कितना ड्रग्स वर्ष 2021-22 और वर्ष 2022-23 में पकड़ा है।”

CHAPTER IV

DEFENCE ESTATES ORGANISATION

The Committee have been informed that Defence Estates Organization, under the Ministry of Defence, is responsible for municipal administration of notified Cantonments and management of about 18.11 lakh acres of Defence land in the country. The Directorate General, Defence Estates (DGDE) is at the apex of the organization. There are six Directorates under it, co-located with each Army Command and the National Institute for Defence Estates Management (NIDEM) which is a training institute. Under the Directorates, there are 39 Defence Estates Circles and 4 Independent Assistant Defence Estates Offices for management of defence land and 62 Cantonment Boards for municipal administration of Cantonments.

4.2. Management of Defence land involves hiring and acquisition of private land and buildings for the Armed Forces; keeping land records to safeguard government's title; defending court cases regarding disputes about defence land; leasing and licensing of land; prevention, detection and removal of encroachments; survey and demarcation; and land audit etc. Ministry of Defence is the largest land owner amongst all Departments in the Central Government and defence land is located in almost all parts of the country. DGDE works with Services, Defence Establishments and State Governments in the matters of hiring, requisitioning, acquiring, transferring land on lease/licences etc.

Administration of Cantonments

4.3 Section 3 (1) of Cantonments Act, 2006 describes Cantonment as a place or places, declared by the Central Government by notification in an official Gazette, in which any part of the Forces is quartered or which, being in the vicinity of such place or places, is or are required for service of such forces. Presently there are 62 Cantonments in the country located in 19 States/UT. Population in the Cantonment areas as per 2011 Census was 20,91,734.

4.4 The salient features of a Cantonment are as under:

- **Land ownership of the Govt.**

Most of the land in the Cantonments is owned by the Government of India, Ministry of Defence. A part of this land has been given on grants and leases. In certain Cantonments, there is private land also, besides land owned by State Governments and other Central Government Departments.

- **Troops centric–health, hygiene, welfare and sanitation has predominance**

The welfare, health and hygiene of forces residing within a Cantonment are of primary concern. The military authorities exercise certain powers in this regard under the Cantonments Act, 2006.

- **Modified democratic set-up requiring harmonious blending of the interests of the troops and civil population of the Cantonments**

The Cantonments Act, 2006 addresses the concerns of civil population as well as the troops.

4.5 The Committee have been apprised that a Cantonment Board is constituted for every Cantonment under section 3 of the Cantonments Act, 2006. It is a 'body corporate' functioning under the overall control of the Central Government in the Ministry of Defence. It comprises of official/nominated and elected members. Parity is maintained between elected and official members in the Board. Station Commander is the President of the Cantonment Board (PCB). Supervision and control over the working of Cantonment Boards are exercised through the General Officer Commanding-in-Chief/Principal Director Defence Estates of the Command at the intermediate level and by the Central Government through the Director General, Defence Estates (DGDE) at the apex level. Principal Directors, Defence Estates report to the Director General, Defence Estates. At the Board level, the Chief Executive Officer (CEO) performs the duties of Member -Secretary of the Board.

4.6 Cantonment Boards, under the provisions of sub-section (2) of section 10 of the Cantonments Act, 2006, are deemed municipalities under clause (e) of Article 243P of the Constitution, for the purposes of receiving grants and allocations; and implementing Central Government schemes relating to development of infrastructure and social welfare.

4.7 **Elections:** Elections to Cantonment Boards are held on expiry of the term of elected members. The term of elected members is five years. In exercise of the powers conferred by Section 31 of the Cantonments Act, 2006, the Central Government has framed rules called the Cantonment Electoral Rules, 2007 for conduct of elections.

The Committee have been informed that as on date, 61 Cantonment Boards are varied under Section 13 of the Cantonments Act, 2006 due to administrative reasons. The term of Pachmarhi Cantonment Board is going to expire on 29.11.2023. The Cantonment Boards whose term has already expired where elections are due and which have been varied are mentioned below:-

Name of Varied Cantonment Board	Date upto which the Board is varied
56 Cantonment Boards	Upto 10.02.2023
03 Cantonment Boards (Jammu, Ramgarh and Badamibagh)	Upto 02.06.2023
Meerut Cantonment Board	Upto 12.07.2023
Khasyol Cantonment Board	Upto 05.12.2023

4.8 During oral evidence, in connection with examination of DFG 2023-24, on the issue of elections in the Cantonment Boards, the Defence Secretary submitted as under:

“..इलेक्शंस तो नोटिफाई हो गए हैं।As per the existing enactment, whatever vacancies have to be filled up in the Cantonment Board, those will be filled in the next two to three months’ period.”

Financial base of Cantonment Boards:

4.9 Cantonment Boards have powers to raise resources through taxation, fees, lease rent in respect of lands under their management and rentals in respect of properties belonging to and vested in the Board. Under Section 66 of the Cantonments Act, 2006, a Cantonment Board shall, with the previous approval of the Central Government, impose property tax and tax on trades, profession callings and employments. In addition to these taxes, Board may, with the previous approval of the Central Government impose any other tax also which may be levied by a municipality in the State in which the Cantonment is situated. The main sources of income of a Cantonment Board are local taxes such as house tax, conservancy tax, water tax, lighting tax, trade and profession tax, Service Charges etc. Expenditure is mostly on establishment and contingencies connected with rendering various civic services including maintenance of hospitals/dispensaries and schools. The other local taxes like Octroi, Local Body Tax etc. have been abolished/ subsumed by GST.

4.10 The Committee have been apprised that the resources of Cantonment Boards are limited as the bulk of the property in Cantonments is government-owned which is exempt from property tax. Moreover the nature of the Cantonments is such that there is only limited trade and business activity and practically no industry. At present, 54 Cantonment Boards are deficit and require financial assistance to balance their budget.

4.11 **Service Charges:** Since properties of the Union are exempt from property tax, the Government of India decided to pay “service charges” to local bodies in respect of Central Government properties falling within municipal limits, at rates ranging from 33-1/3% to 75% of the property tax payable to compensate the loss of normal income of local bodies due to the Constitutional ban on the State Government taxing Central Government properties. Section 109 of the Cantonments Act of 2006 also provides for payment of service charges to Cantonment Boards.

4.12 **Central Finance Commission:** The 15th Central Finance Commission, in its report submitted in November 2019, for the year 2020-21, for the first time recommended that the States should make allotment of grants on population basis for the Cantonment Boards within their territories. Accordingly, the Cantonment Boards have started receiving the share of Finance Commission grant from the State Governments. During the years 2020-21 & 2021-22, 59 Cantonment Boards (except Jammu, Badamibagh and Delhi being UT) received a total of ₹ 142.6 crore and ₹ 106.61 crore respectively as share of Finance Commission grant.

4.13 **Cantonment Land Administrative Rules (CLAR), 2022:** In exercise of the powers conferred by section 346 of the Cantonments Act, 2006 (41 of 2006) in supersession of the CLAR 1937, CLAR 2021 was published in Official Gazette vide S.R.O. 24(E) dated 01.12.2021. While there has not been significant deviation on the basic principle of defence land management as contained in the existing CLAR 1937, the broad provisions introduced in new CLAR are as under: -

- i. Terms & conditions of grant of lease in all cases of expired leases will be as decided by Central Government from time to time.
- ii. Terms & conditions of renewal of subsisting leases will be as decided by Central Government from time to time.
- iii. New classification of B-3(a) land introduced. This category would cover all freehold lands.
- iv. Provision for e-Auction introduced.
- v. Geographic Information System (GIS) -encoded digitization of General Land Register (GLR) plans.
- vi. Entry of leases in digital records.
- vii. Principles for compilation of Standard Table of Rents (STR) as these applicable in adjoining Municipalities/State Governments.
- viii. Central Government can lay down specific policies on any of the following purposes, or any other purpose: -
 - a) Public, utility/Infrastructure project
 - b) Underground pipe/cable
 - c) Mobile Towers
 - d) Cell Towers on Wheels
 - e) KVs
 - f) Petrol Pumps
- ix. Power to approve auction bids delegated to General Officer Commanding-in-Chief (GOC-in-C) & PDS into specific financial limits as prescribed by central Govt.
- x. Vacant A-2 or B-4 land can be given on license by DEO for period exceeding 30 days only with prior approval of Central Govt.
- xi. Schedules of forms have been suitably modified.

4.14 **Implementation of Centrally Sponsored Schemes in Cantonment Boards:**

Many of the CSS are being implemented in most of the cantonments. Some of major Centrally Sponsored Schemes being implemented in Cantonment Boards are AMRUT, Mid-Day Meal, Smart City Mission, Anganwadi Scheme, NUHM (National Urban Health Mission), Beti Bachao Beti Padhao, Ujjawala, PM SVANidhi Scheme, Ayushman Bharat etc.

4.15 **Revision of Building Bye-laws of Cantonments:** The Ministry/DGDE has engaged The Energy Research Institute (TERI) to conduct a study of six Cantonments and make recommendations on revision of Building Bye-Laws for Cantonments and to suggest a scheme for re-development of Cantonments. TERI has submitted its report. Accordingly, draft model building bye-laws based on the recommendations made by TERI is under consideration.

Allocation of funds for 2023-24

4.16 During Power Point Presentation before the Committee, a representative of DEO furnished following information regarding Demands for Grants:

(₹ in crore)

Head	Actual 2021-22	BE 2022-23	RE 2022-23	BE 2023-24
Revenue	363.24	601.95	796.30	620.05
Capital	72.57	173.03	48.50	42.65

4.17 During oral evidence, the Committee desired to know the reason for increase of approximately ₹ 200 crore in allocation to DEO at RE stage in 2022-23 under Revenue Head. In this context, the representatives of the Ministry of Defence submitted as under:

“सर, यह जो बढ़ोतरी हुई है, हमारे कैंट बोर्ड्स की पेंशन और सैलरी लायबिलिटीज़ बहुत ज्यादा थी। जब हमने उसको बजट में प्रपोज़ किया तो 200 करोड़ सितंबर, 2022 तक ऑलरेडी वह है जो हम बिना ग्रांट के पे नहीं कर सकते हैं। सर, उतना ग्रांट अधिक दिया गया है, जिससे यह बढ़ कर 800 रुपये आ गया है।

..... because of the intervention of the Ministry, Defence Secretary and others, हमारी एनएसआर में जितनी लायबिलिटीज़ थीं, जो हम लोग कैरी फॉर्वाड करते थे, इनक्लूडिंग डीजीटी, सबको क्लियर कर दिया गया है, इसीलिए इनका भी क्लियर हुआ है।”

4.18 The Committee have learnt that the Ministry of Defence (MoD) provides financial assistance to Cantonment Boards in the form of ordinary Grant-in-Aid to balance their budgets. During 2021-22, 49 Cantonment Boards out of 62 received Grant-in-Aid from the MoD. Apart from ordinary grant-in-aid, grants for creation of capital assets like, underground sewerage system, water supply schemes, construction of hospitals and schools etc. are also being provided from 2012-13.

4.19 The details regarding Grants-in-aid to the Cantonments, as provided by the Ministry, are as follows:

Particular	Year	Allotment (in crore)
Grant-in-Aid (General)	2020-21	304.60
	2021-22	239.80
	2022-23 (RE)	579.42
	2023-24 (BE)	400.00
Grant for Creation of Capital Assets	2020-21	10.00
	2021-22	8.75
	2022-23 (RE)	53.50
	2023-24 (BE)	44.60

Grant-in-Aid (Swachhta Action Plan)	2020-21	1.00
	2021-22	0.87
	2022-23 (RE)	3.00
	2023-24 (BE)	3.00

Exchange of Defence Lands with State Government

4.20 The Committee desired to know about the proposals received in the Ministry from the State Governments for exchange of lands. In response, the Defence Secretary submitted as under:

“..the policy of the Government is that wherever possible, the Cantonment Administration, that is, the Municipal Administration within the Cantonment shall be done by an elected body. That is why we want to entrust the Administration through State Government to the elected bodies. For that, we have asked the State Government for consent. They have given the NOC. We are processing it. But there is some procedure to be followed because the Defence lands, the Government of India lands have to be segregated, and we have to handover it to the civilian population area. So, that exercise will take some time.”

Merger of civil areas in Cantonments with adjoining municipalities

4.21 The Committee, during deliberations on DFG 2023-24, enquired about the progress regarding merger of civil areas in certain Cantonment areas with adjoining municipalities. In this regard, the Defence Secretary submitted as under:

“The excision of civilian areas and handing over to the State Government will take some time because valuable land will be involved. The State Government also has to give the consent to take over the civilian areas.”

Resolution of grievances of civilians/locals residing in Cantonment areas

4.22 The Committee, during deliberations on DFG 2023-24, raised the issue of various challenges being faced by the civilians residing in the Cantonment areas. One such issue pointed out was thoroughfare through some roads in the Cantonment areas. In this context, the Defence Secretary apprised the Committee as under:

“Recently, hon. Raksha Mantri held a meeting with all the officers concerned, with Cantonment Board Authorities and also the Army, so that the thorough fare problem can be resolved. Wherever possible, permission can be given for the local public to use the road through Cantonment. Wherever it is affecting the security and safety, it can be restricted. So, this exercise is on. We have appointed a Joint Secretary level Committee. It is going and seeing every Cantonment, and we will take action as per the Committee Reports.”

Repair/renovation of civilian structures in Cantonment areas

4.23 When asked about relaxation in permitted limit for carrying out repair/renovation in civilian structures in the Cantonment areas, the Director General of Defence Estates informed the Committee as under:

“सर, इसमें दो इश्यूज हैं। एक तो 5,000 वाली लिमिट है। ओल्ड ग्रांट की जो लैंड्स होती हैं, उसके ऊपर सैंक्शन लेने के लिए हमें हाइएर ऑथोरिटी के पास, केन्द्र सरकार तक आना पड़ता है। इसलिए बिल्डिंग के लिए सैंक्शन नहीं मिल पाती है।

रिपेयर की जो बात है, तो इसके लिए रक्षा मंत्रालय ने वर्ष 2020 में आदेश दे दिया था कि रिपेयर करने के लिए कोई परमिशन की आवश्यकता नहीं है। उसकी गाइडलाइन्स इश्यू हो चुकी है और बहुत सारे लोग इसका लाभ ले रहे हैं।

सर, जहां तक बिल्डिंग बाई-लॉज के रिवीजन की बात है तो उस पर एक्शन चल रहा है। टेरी ने अपनी अनुशंसा हमें दे दी है और रक्षा मंत्रालय इस पर विचार कर रहा है। ”

Amendment in Cantonment Act, 2006

4.24 The Committee have found that after coming into force of the Constitution of India, administration of Cantonments became a Union subject. As per entry 3 of the Seventh Schedule to the Constitution of India, Parliament is the competent legislature to make laws for delimitation of Cantonment areas, local self-government in such areas, the constitution and powers of Cantonment authorities in such areas and the regulation of house accommodation including the control of rents in such areas.

4.25 74th amendment of the Constitution necessitated a de-novo look into administration of Cantonments and the role of Cantonment Boards under the Cantonments Act, 1924. Accordingly, the Cantonments Act, 2006 was enacted to consolidate and amend the law relating to the administration of Cantonments with a view to impart greater democratization, improvement of their financial base, to make provisions for development activities and for other connected matters. The new Cantonments Act, 2006 came into force on 18.12.2006.

4.26 The Committee are aware that draft of new Cantonments Bill was made available in public domain in 2020 for inviting suggestions from all stakeholders and general public. In this context, during discussion on DFG 2023-24, the Committee desired to know when was the new Bill going to be introduced in the Parliament. In this regard, during oral evidence, the Defence Secretary deposed as under:

“ The view of the Government is that civilian area shall not be under the administration of the military commander. That portion which is purely civilian shall go under the Municipality Act or whatever is the relevant Act. For that, we are bringing a better Act which will ensure that the full democratic institutions will start functioning in the civilian areas.”

Court Cases regarding disputes about Defence Land

4.27 The Committee, during discussion on the subject, desired information regarding pending court cases regarding disputes about defence land. Till the date of finalization of this Report, the requisite information has not been received in the Secretariat.

CHAPTER – V

DEFENCE PUBLIC SECTOR UNDERTAKINGS (DPSUs)

Introduction

The Committee have learnt that the Department of Defence Production (DDP) was set up in November 1962 with the objective of developing a comprehensive production infrastructure to produce the weapons, systems, platforms, equipment required for Defence. Over the years, the Department has established wide ranging production facilities for various defence equipment through Defence Public Sector Undertakings (DPSUs). The products manufactured include arms and ammunition, tanks, armoured vehicles, heavy vehicles, fighter aircrafts and helicopters, warships, submarines, missiles, ammunition, electronic equipment, earth moving equipment, special alloys and special purpose steels. DDP plays a pivotal role in the production of defence equipment, boosting indigenisation of imported components, enhanced export potential, development of new technologies, strengthening and participation of Ministry of Micro, Small and Medium Enterprises (MSMEs), Startups and private sector in Defence Sector.

5.2 There are 16 Central Public Sector Undertakings under the administrative control of the Department of Defence Production, Ministry of Defence. This chapter contains examination of the following 9 DPSUs under the administrative control of the Department of Defence Production, Ministry of Defence:

- (i) Hindustan Aeronautics Limited (HAL)
- (ii) Bharat Electronics Limited (BEL)
- (iii) Bharat Dynamics Limited (BDL)
- (iv) BEML Limited
- (v) Mishra Dhatu Nigam Limited (MIDHANI)
- (vi) Mazagon Dock Shipbuilders Limited (MDL)
- (vii) Garden Reach Shipbuilders and Engineers Limited (GRSE)
- (viii) Goa Shipyard Limited (GSL)
- (ix) Hindustan Shipyard Limited (HSL)

The new 7 DPSUs (erstwhile Ordnance Factories) are examined separately in detail in the 38th Report (17th Lok Sabha) of the Committee.

Defence Industry in the country: Major Achievements

5.3 The Committee, during deliberations on the Demands for Grants for the year 2023-24, were apprised of the major achievements of Defence Industry as under:

	2021 - 22	2022 - Jan'23
Defence Production	95000 Cr.	67000 Cr (upto Dec'22)
Defence Export	12845 crore	11050 crore
Components indigenized	4355	6361
MSME vendor base	13050	14000
Startups engaged	106	329
Military Problems opened to Startups	86	256
New Technology/ Products	73	193

5.4 Further, the Committee have learnt about the following reforms and achievements in the field of Defence production through oral submission of the representatives of the Ministry of Defence:

- i. DDP has launched an extensive drive for indigenisation of imported components of various defence equipment. 'Srijan' portal has been launched for this purpose in 2020, and as of now, interest has been shown in more than 6,000 items on this portal.
- ii. The Ministry of Defence has promulgated four positive indigenisation lists comprising of 411 items which will only be procured from Indian sources. Apart from this, DDP has issued three positive indigenisation lists containing 3,738 items which are to be procured from Indian companies after the defined timeline.
- iii. To support indigenisation, Make Procedures have been introduced. The provision of Make category of capital acquisition in Defence procurement is a vital pillar for realising the reason behind Make in India initiatives. There are mainly two categories of Make Procedures. Make-I category is a Government funded category in which 70 per cent or maximum ₹ 250 crore funding for the prototype development can be given by the Government. As of now, 17 projects have been approved in principle, in this category, and for one project procurement contract has been awarded.

- iv. Another procedure for Make-II category has been notified, which is industry funded. In this category, reservation for Micro, Small & Medium Enterprises (MSMEs) is also there for orders less than ₹ 100 crore. So far, 93 projects have been accorded approval in principle, and two procurement contracts have been signed under this category.
- v. Innovation for Defence Excellence (iDEX) has been launched to foster innovation and technology development by engaging industries, Start-ups, individual innovators, R&D institutes and academia. This platform provides them grant or funding to carry out innovations and R&D. A scheme was launched with an outlay of ₹ 498.78 crore to support 300 Start-ups and 20 partner incubators in five years.
- vi. Recently, in Aero-India 2023, ninth edition of Defence India Start-up Challenges (DISC) was launched in cyber security having 29 items by Hon'ble Raksha Mantri. Previous to this, iDEX had interacted with about 7,000 Start-ups in the previous eight Defence India Start-up Challenges out of which 335 Start-ups have been engaged, and 193 contracts have been signed as on date.
- vii. Further, iDEX and MAKE-II routes of procurements have been simplified and timelines compressed from two years to just five months by reforming the trial process.
- viii. In the area of artificial intelligence, 75 defence AI products were launched in AI Def event last year.
- ix. To boost investment in defence sector, two Defence Industrial Corridors (DIC) have been established in the country. The span across Chennai, Hosur, Coimbatore, Salem and Tiruchirappalli in Tamil Nadu, and Aligarh, Agra, Jhansi, Kanpur, Chitrakoot and Lucknow in Uttar Pradesh. The target for attracting investment in these corridors is ₹ 10,000 crore each. The State Governments have already signed MoUs with various industries for investment worth ₹ 24,000 crore. Investment of more than ₹ 6000 crore have already been done in these two DICs.
- x. To develop in-house facilities, Defence Testing Infrastructure Scheme (DTIS) is also being implemented in these two defence corridors. This scheme was launched in 2020 with an outlay of ₹ 4000 crore to boost domestic defence and aerospace testing.
- xi. In September 2020, the Foreign Direct Investment (FDI) limit in defence sector was increased from 49 percent to 74 percent under automatic route and 100 percent under Government route. Post 2014, the FDI is more than ₹ 3400 crore which is nearly 250 percent rise in last eight years.
- xii. The Ministry has taken many steps for promoting exports with friendly countries. Some of the key aspects are exports procedures have been simplified and made industry-friendly. The Government has notified the open general export license for defence export. Open General Export Licence (OGEL) is one-time export license which permits the industry to export specified item to specified destination without seeking export authorisation during the validity of OGEL.

- xiii. The export promotion cell under DDP has also been set up to coordinate and follow up on export related activities. All the DPSUs have been assigned specific geographies for targeted marketing for export. The Ministry has taken various initiatives for the promotion of export. At present, India is exporting to about 84 countries and defence export have reached close to ₹ 13000 in 2021-22 which is almost 8-time jump in the last five years. This year as on January, 2023, export figure stands at more than ₹ 11000 crore.
- xiv. In the area of ease-of-doing business, export procedures are made industry friendly with the introduction of end-to-end online export authorisation system. This has curtailed the details from 86 days to 35 days. Due to these steps, export license have increased to 1089 in 2021-22. Online portals for OGEL and import license have also been launched. Defence products list requiring industrial licenses has been rationalised and now manufacturing of most of the components does not require industrial license. The initial validity of the industrial license has also been increased from 3 years to 15 years and as a result, 599 licenses have been issued to 366 companies till January 2023 for manufacturing of various defences licensed items.

Old DPSUs

5.5 During the Sitting held for examination of DFG 2023-24, the representatives of the old DPSUs in Power Point Presentation before the Committee highlighted their roles, product profile, financial position etc. The gist of these aspects pertaining to each old DPSU is tabulated as under:

Old DPSU	Product profile	Achievements	Financial profile
BEL	<ul style="list-style-type: none"> • Missile Systems (Land & Naval) • Land- based Radar systems • Naval Systems (Sonars, Comm. Systems, Radar & Fire Control Systems) • Military Communication • Electronic Warfare & Avionics • Home Land Security & Smart Cities • EVM/VVPAT • Unmanned Systems • Solar Systems and Solutions • Space Electronics & Systems • Strategic Components/Devices • Medical Electronics 	<ul style="list-style-type: none"> • BEL has been conferred with “Economic Times-Iconic Brand of the year Award 2022”. • BEL Ghaziabad won the twin honour of CII EXIM Bank Business Excellence Award 2022 and the Jury’s commendation for Role Model Organization. • BEL Panchkula was conferred with “Innovative Digital Smart City project Award”. • Patent/Copyrights/IPR application filed : 1040, Granted : 347 • Major MoUs signed: 08 • Established 6 Overseas Marketing offices. • Achieved 78% of turnover from indigenous products. • Total R&D investment (percentage of turnover) during the year 2021-22 was 6.95%. 	<ul style="list-style-type: none"> • Turnover of Rs 15,043.67 Cr in 2021-22 as against Rs 13,818.16 Cr in 2020-21, thereby registering a growth of 8.87%. Turnover of Rs 11,937 Cr achieved during 2022-23 (upto Jan 2023) • Achieved an export sale of USD 33.3 Million during 2021-22. Export sale during 2022-23 (upto Jan 2023) is USD 29.14 Million.

	<ul style="list-style-type: none"> • Cyber & Network Security • Software Solutions & AI • Arms & Ammunitions etc. 	<ul style="list-style-type: none"> • Partnered with global/ Indian entities to cater for production. 	
HAL	<p>Design, Development, Manufacture, Maintenance and Upgrade of Fighter, Trainers, Helicopters, Transport Aircraft, Aero-Engines, Avionics, Systems and Accessories.</p> <p>Currently, HAL is manufacturing only on indigenous platforms which have been designed and developed by HAL.</p>	<ul style="list-style-type: none"> ➤ Hon'ble President inaugurated Integrated Cryogenic Engine Manufacturing Facility (ICMF) in Bengaluru on 27th Sep 2022. ➤ Hon'ble PM dedicated new helicopter factory in Tumakuru to the nation on 6th Feb 2023. ➤ Hon'ble PM unveiled the Light Utility Helicopter (LUH) on 6th Feb 2023. ➤ Hon'ble PM unveiled HTT-40 Basic Trainer Aircraft at DEFEXPO-2022 in Oct 2022. ➤ Hon'ble RM inducted Light Combat Helicopter (LCH) – Prachand into IAF at Jodhpur in Oct 2022. 	<p>During the year 2021-22, the company has recorded the highest ever revenue from operations, that is, almost ₹ 24,620 crore, with profit before tax of ₹ 5,230 crore. The revenue from operations for the Financial Year 2022-23 is expected to cross ₹ 26,500 crore. The company is expected to achieve a revenue growth at an average of around 12 per cent per annum. The order book of the company also stands at ₹ 83,700 crore with additional orders of almost ₹ 56,000 crore in the pipeline.</p>
MDL	<p>Surface Ships, Submarines (Defence sector)</p> <p>Cargo Vessels, Dredgers, Supply Vessels, Trawlers, Tugs, Windmill towers etc. (Commercial Sector)</p> <p>Offshore Platforms, Jack-up rigs (Oil Sector)</p>	<ul style="list-style-type: none"> ➤ Delivery of Guided Missile Destroyer of Project 15B 'INS Mormugao' ➤ Delivery of Scorpene Class Submarine of Project P75 'INS Vagir' ➤ Commenced the indigenous design and development of Midget submarine ➤ India's First Indigenous Hydrogen Powered Fuel Cell Electric Vessel (FCEV) ➤ Total 124 Intellectual Property Rights; 07 Patents granted 	<p>Value of Production in 2021-22: ₹ 5,718 crore</p>
GRSE	<p>Warships, Tankers, frigates, smaller vessels etc.</p>	<p>Achievements:</p> <p>So far, exported Ship to Guyana & Delivered Fast Patrol Vessels (FPVs) to ICG during FY 23.</p> <p>Delivered 106 Warships to IN & ICG and 02 exported</p> <p>Delivered 15 Warships in last 05 FYs & launched 06 warships: Mar to</p>	<p>Value of Production: ₹ 1949.62 crore (upto Q 3 of 2022-23)</p>

		Dec 2022	
		'Raksha Mantri Award 22' on excellence in 'Design & Development of Silent Ship	
BDL	Different types of missiles – anti-tank missiles, surface-to-air missiles, surface-to-surface and strategic missiles, under-water weapons Planning to manufacture rockets and rocket motors.	Indigenisation: <ul style="list-style-type: none"> ✓ Indigenous 3rd Gen. ATGM 'Amogha-III' & Mobile Tracker Emulator (MTE) under Make-II. ✓ 1 kg/ 3.5 kg drone delivered unguided bombs ✓ Development of Warhead , Seekers and Propellants for all missiles ➤ Green Channel certification for Unified Launcher Spares. ➤ MoUs on Very Short range air defence system, integration of Astra & SAAW, manufacture of various missile and Laser Guided Rocket. ➤ Hon'ble Raksha Mantri inaugurated Seeker & Warhead manufacturing facility in Kanchanbagh & Bhanur units at a cost of Rs 75 Cr. ➤ More than 84% of major products are indigenized. ➤ Three products launched: <ul style="list-style-type: none"> a. Vehicle mounted Amogha III ATGM (Sangramika) b. Light Support Vehicle mounted Laser Beam Riding MANPAD (Sanharika). c. ATGM for MBT ARJUN. ➤ Started production of missiles with foreign collaboration under 'Make in India' and establishment of production facility for domestic as well as export business 	Profit Before Tax (PBT) during 2021-22 was Rs 710 Cr & during 2022-23(upto 3rd Qtr) is Rs 276 Cr. For 2023-24, it is planned to achieve turnover of Rs 3800 crore. Total executable export orders in hand is ₹ 74 mn USD
GSL	Domain expertise in offshore patrol vessels	<ul style="list-style-type: none"> ➤ Delivered 11 Offshore Patrol Vessel (OPVs) to ICG in last 5 years all ahead of contractual schedule without cost overrun ➤ Largest Exporter of Defence Platforms of worth 200 MUSD 	Turnover has been modest for the last four years but with the order book position of over ₹14,500 crore, from 2024 onwards there will be

		in last 7 years	going to be a jump in our turnover to the tune of ₹2,000 crore and above, because these projects need to be executed by 2027
HSL	Ocean Surveillance Ship, Diving support vessels, Offshore Patrol Vessels etc.	<p>Ocean Surveillance Ship (15000 T) delivered to Navy - Unique & 1st of its kind in India</p> <p>Delivered four 50 Tonne Bollard Pull (BP) tugs within intervening period of 3 months</p> <p>Launched two Diving Support Vessels concurrently in Sep 2022</p> <p>Repair of USA & Australian Commercial ships (FY 21-22)</p> <p>Repaired 17 Commercial Ships during FY 21-22</p>	<p>Highest ever Value of Production (VoP) of Rs 755 Cr in FY 21-22 (58% increase)</p> <p>Posted Profit of Rs 51 Cr in FY 21-22 (7% of VoP)</p>
BEML	Rail and Metro products, crawler equipment, wheeled equipment, armoured vehicles, rocket motor casing for missiles	<ul style="list-style-type: none"> ➤ Indigenously Designed & Developed Driverless Metro for Mumbai Metro line 2A & 7 and the same was inaugurated by the Hon'ble PM in January'2023. ➤ Indigenously Developed Arjun Repair & Recovery vehicle (ARRV) and Mechanical Mine Field Marking Equipment (MMME), which are under final trials. ➤ Received Raksha Srijan Ratn award for indigenisation during Def Expo 2022. ➤ Hon'ble Raksha Mantri launched AI based operator fatigue monitoring system during "AI in Defence" programme held in July 2022. ➤ IPR filed : 346, IPR granted : 112 ➤ Revenue from R&D developed products: 88% 	<p>Revenue from operations: ₹ 2511 crore (upto Q3 in FY 2022-23)</p> <p>Highest ever revenue of ₹ 4337 Cr. in the year 2021-22 and consistent growth of over 18% in last 2 financial year.</p>
MIDHANI	Developing and supplying materials for Space, Aerospace, Defence and Nuclear Sector	<ul style="list-style-type: none"> ➤ PT 1M Seamless Pipes: Import substitute for Submarine ➤ Titanium alloys for Samudrayan Project, • Developed special materials for healthcare equipment (monopoly of US) ➤ Superni 625 slab and Titanium alloy Cone: Export 	VoP: ₹ 989 crore in 2021-22

		<ul style="list-style-type: none"> ➤ All Materials for Gaganyaan <ul style="list-style-type: none"> • Developed new Materials for Nuclear Reactors ➤ Developed Technology to reduce consumption of Imported raw materials ➤ Working towards indigenization of all materials used in imported Aero engines 	
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5.6 The Committee, during discussion on DFG 2023-24, were apprised of following new contracts secured by HAL, BEL and GSL:

“HAL: almost ₹ 50,000 crore worth of orders are in the pipeline. A major order of 83 Light Combat Aircraft (LCAs) is getting executed. Continuous orders for LCH and LUH programmes are being placed. Other than that, another ₹ 50,000 crore of orders are in the pipeline. They are all in various stages of discussion.

BEL: Almost around ₹ 20,000 crore worth of projects are under pipeline at various stages.

GSL: GSL has emerged as the lowest bidder for the new generation OPV programme which is worth approximately ₹ 6,000 crore.”

Profitability of the DPSUs

5.7 The details of DPSUs, as furnished by the Ministry of Defence that have registered profit/loss during each of the last 5 years are as under:

(₹ in crore)

DPSU	2017-18	2018-19	2019-2020	2020-2021	2021-2022
HAL	1987	2346	2842	3239	5087
BEL	1,399	1,927	1,794	2,065	2,349
BEML	163.79	130.96	24.06	92.81	205.74
BDL	528	423	535	258	500
GRSE*	127.75	178.96	223.87	207.12	257.24
GSL	217.33	131.52	197.77	127.91	101.09
HSL**	20.99	36.24	13.03	(-) 14.00	50.77
MDL	439.93	517.28	408.48	479.57	586.47
MIDHANI	131.26	130.56	159.73	166.29	176.31
TOTAL	5015.05	5821.52	6197.94	6635.7	9313.62

* Profit before tax

** HSL posted profits from FY 2017-18 to FY 2021-22 except in FY 2020-21 which is due to lack of submarine refit orders that reduced the estimated contribution worth ₹ 43 crore from Submarine Division. Adding to this, the loss of Rs 22.65 Cr has been accounted due to crane accident which occurred in August 2020. Further, the production was also affected due to COVID-19 pandemic.

Defence Exports and exports by DPSUs

5.8 The Committee were apprised that value of Defence exports stood at ₹ 12,845 crore in 2021-22 and for FY 2022-23 (upto December 2022), the value reached ₹ 11,050 crore. During the oral evidence of the representatives of the Ministry, the Committee enquired about the steps being taken to increase Defence exports. In this regard, the Defence Secretary deposed as under:

“Sir, export by Indian companies can be from private companies or public sector companies. Public sector companies are also exporting now. They are exporting sensitive system to the countries and also getting a lot of revenue out of that. They will continue to do that. For that, the Government will give full support like necessary permissions. The technology transfer also will be given. So, more than the funds infusion, it is the technology which is important for these companies. Access to technology will give them ability to export more and more systems to other countries.

As regards defence offsets, so far the benefit has been going to DRDO and the public sector companies. We will also ensure that public sector companies benefit through technology transfer from DRDO as well as from other suppliers.”

5.9 The Committee, through written replies of the Ministry, have been informed of the following data regarding Defence export and import by the DPSUs:

Sl. No	Name of Defence PSU	Year	Exports (in crore)	Imports (in crore)
1	HAL	2017-18	314	6384
		2018-19	405	7830
		2019-20	212	7265
		2020-21	240	7278
		2021-22	168	6570
2	BEL	2017-18	26.30 USD million	2200
		2018-19	21.60 USD million	2843
		2019-20	48.59 USD million	3355
		2020-21	51.93 USD million	3307
		2021-22	33.30 USD million	3132
3	BEML	2017-18	28	602
		2018-19	19	884
		2019-20	62	674
		2020-21	463	600
		2021-22	565	624
4	BDL	2017-18	-	362
		2018-19	66	413
		2019-20	171	257
		2020-21	145	277
		2021-22	3	271
5	MIDHANI	2017-18	0.14	112.56
		2018-19	8.05	302.33
		2019-20	10.42	403.67
		2020-21	19.42	231.59
		2021-22	87.02	308.33

6	GRSE	2017-18	3.89	132
		2018-19	4.55	80
		2019-20	1.01	99
		2020-21	87.49	79
		2021-22	60.94	195
7	GSL	2017-18	607.19	86.40
		2018-19	14.54	221.01
		2019-20	0.87	182.49
		2020-21	0.33	82.06
		2021-22	1.10	42.04
8	HSL	2017-18	-	113.58
		2018-19	-	147.35
		2019-20	-	183
		2020-21	-	103
		2021-22	3.27	194.81
9	MDL	2017-18	NIL	1733
		2018-19	NIL	1554
		2019-20	0.11	1503.44
		2020-21	NIL	1364.90
		2021-22	2.15	1684.21

Indigenization efforts

5.10 The Committee, during the Sitting on the subject, were informed that the Ministry has promulgated four positive indigenisation lists comprising of 411 items which would only be procured from Indian sources. Apart from this, the Department of Defence Production (DDP) has issued three positive indigenisation lists containing 3,738 items which are to be procured from Indian companies after the defined timeline. When asked to highlight the differences in the said Indigenization Lists, the Joint Secretary (DIP) clarified as under:

“पहली चार डिपार्टमेंट ऑफ मिलिट्री अफेयर्स ने नोटिफाई की थीं, जो प्लेटफार्म्स और वीपन सिस्टम को इन्कलूड करती हैं, अगेंस्ट पर्टिकुलर डिफाइन टाइमलाइन जिनको कंट्री में मैनुफैक्चर करना है और इम्पोर्ट खत्म करना है।

जहां तक तीन पोजिटिव इंडीजिनाइजेशन लिस्ट की बात है, डीपीएसयूज के लिए डिपार्टमेंट ऑफ डिफेंस प्रोडक्शन ने नोटिफाई किया है। इसमें जो आइटम्स हैं, वे सब-सिस्टम्स एलआरयूज लाइन रिप्लेसेबल यूनिट्स और पार्ट्स एंड कम्पोनेंट्स हैं।”

5.11 In a written reply, the Ministry has submitted following details of Capital Procurement through Foreign sources (₹ in Crore) for the period 2017-18 to 2021-22:-

<u>Year</u>	<u>Total Procurement</u>	<u>Procurement from Foreign Vendors</u>
2017-18	72,732.21	29,035.42
2018-19	75,913.06	36,957.06

2019-20	91,004.94	38,156.83
2020-21	1,18,860.52	42,786.54
2021-22	1,13,511.11	40,325.09

5.12 As seen from the table above, total capital procurement through indigenous and foreign sources in 2021-22 stood at ₹ 1,13,511.11 crore, which included procurement worth ₹ 40,325.09 crore from foreign vendors. In this context, the Committee enquired whether achievement of indigenization of 2761 items, worth ₹ 2700 crore, so far through the said positive indigenisation lists may be deemed as adequate. In response, the Joint Secretary (DIP) submitted as under:

“जहां तक आपने वैल्यू की बात कही, वह पार्ट्स एंड कम्पोनेंट वाला पार्ट है, इसीलिए यह वैल्यू इतनी ज्यादा नहीं दिख रही है और एमएसएमई लेवल पर उसका मैनुफैक्चर हो रहा है। आपने टोटल इम्पोर्ट वैल्यू में सृजन पोर्टल में जिस तरह से बताया गया है कि 26,000 आइटम से ज्यादा लिस्टेड हैं जो इंडस्ट्री को ऑफर किए गए हैं। इसकी टोटल इम्पोर्ट वैल्यू 82,000 करोड़ रुपये से ज्यादा है।”

5.13 The Committee, through written submission of the Ministry, have been informed of the following steps being made/contemplated for indigenisation of Defence production by DPSUs:

- 1) Government of India has notified a 'Policy for indigenisation of components and spares used in Defence Platforms' in March 2019 with the objective to create an industry ecosystem which is able to indigenise the imported components (including alloys & special materials) and sub-assemblies for defence equipment and platform manufactured in India and to leverage the said capability to create components export market.
- 2) Pursuant to 'Atmanirbhar Bharat' announcement, the Department of Defence Production (DDP) under Ministry of Defence/Government of India has developed a portal named 'SRIJAN' (srijandefence.gov.in), as "Opportunities for Make in India in Defence" in Aug 2020. SRIJAN portal is a Common Indigenization Portal for all Defence Public Sector Undertakings (DPSUs) and the Armed Forces (SHQs). It gives access to the Indian Manufacturing Industry of the items which have been imported in the past or are likely to be imported in the future by DPSUs/SHQs. The portal is a non-transactional online market place platform. As on 22.11.2022, 24370 items are available for Public View on SRIJAN portal and 5353 items have been indigenised till date.
- 3) Three Positive Indigenisation Lists (PILs) have already been notified by Department of Defence Production (DDP), MoD with a timeline beyond which they will only be procured from the domestic industry. These three

lists consist of total 3738 items, out of which 2735 items have been indigenised so far. The breakup of these items is as under-

- (a) The 1st PIL which was notified on 27th Dec'21 consists of 2851 items, out of which 2500 items have already been Indigenised and a further 351 Sub-systems/Components to be indigenised within the timelines of Dec'22 to Dec'24. For 351 items to be indigenised, 228 items have been indigenised and balance items are under process.
 - (b) The 2nd PIL was notified on 28th Mar'22. It consists of 107 major LRUs/Sub-systems/Components which are to be indigenised within the timelines of Dec'22 to Dec'28. For 107 items to be indigenised, 7 items have been indigenised and balance items are under process.
 - (c) The 3rd PIL has been notified on 28th Aug'22. It consists of 780 strategically important Line Replacement Units (LRUs)/Sub-systems/Components with the indigenisation timeline of Dec'23 to Dec'28.
- 4) On 07th Oct'22, DDP has notified the revised timeline of the 72 indigenised items (PIL-1: 67 & PIL-2: 5) which have been indigenised by DPSUs well before their original indigenisation timelines of Dec'23, Dec'24 and Dec'25. Now, these items will be procured only from the Indian Industry thereby giving a boost to the domestic industry including MSMEs and will save foreign exchange.
 - 5) Department of Military Affairs (DMA), MoD has also notified Four Positive Indigenisation Lists, 'First Positive Indigenisation List' of 101 items on 21st Aug'20, '2nd Positive Indigenisation List' of 108 items on 31st May'21, the 'Third Positive Indigenisation List' of 101 items on 7th Apr'22 and 4th Positive Indigenisation List of 101 on 19th Oct'22 with the timelines beyond which the items will be procured from domestic industry.
 - 6) On 11th Mar'22, 18 Major platforms have been announced by MoD for industry led Design and Development under various routes: (Make-I, Make-II, iDEX, SPV).
 - 7) A user friendly 'Dashboard' on the SRIJAN Portal has been made available in public domain. This is a platform which can be accessed by the Industry to become a partner in the process of Indigenisation of Defence Production. This is a huge step towards ease of doing business in the Defence Sector. Some of the salient features of the Dashboard are as follows:
 - Accessibility: Industry / Vendors can access PIL items on Home Page.
 - Monitoring: Tiered monitoring of Indigenisation stages by DDP/ DPSUs.
 - Analytics: Graphical representation of Data, Time/ Delay stage wise etc.
 - Reports: Provision for 'Customised Reports' with Various Filters

Level playing field to private players in Defence sector

5.14 When enquired about providing level playing field to private players in Defence production by the Ministry of Defence, the Defence Secretary submitted as under:

“सर, डीआरडीओ टेक्नोलॉजी डेवलप करती है, आज सबसे पहले पीएसयूज को ही मिल रहा है। इसमें हम डिस्क्रिमिनेट नहीं करना चाहते हैं, कोई प्राइवेट इंडस्ट्री भी आगे आता है तो हम देने के लिए तैयार हैं।”

Research & Development (R&D) setup in DPSUs

5.15 During the evidence, on being queried about assistance from private players and academia in R&D in Defence sector, the Chairman and Managing Director (CMD), HAL submitted as under:

“..on the R&D front, we have already dedicated a fund of 15 per cent of our profit on an annual basis to be diverted towards the R&D fund so that the R&D programmes are being taken care of and move faster. So, the efforts, which we have put in the last ten years in the R&D, have only yielded a range of indigenously designed and developed products. We have got almost five manufacturing ranges today which are all our in-house designed and developed programmes.”

Delivery of products/equipment/platforms by DPSUs

5.16 When enquired about delivery schedule of Light Combat Aircraft (LCA) Mk1, the CMD, HAL submitted as under:

“..there is a contract of 83 LCA Mk1. There is a delivery schedule which has been given. We will be able to meet the delivery schedule. As per the delivery contract what has been agreed, we will be able to deliver the aircraft. ”

5.17 During deliberation on the subject, the Committee raised the issue of delay in delivery of TEJAS project. In this regard, the CMD, HAL submitted as under:

“..Tejas has been a project which is designed by DRDO and Aeronautical Development Agency (ADA), where HAL also has been associated. Yes, there have been some delays because the programme has come up after some lapse of time. Due to that, there were some delays. But now, based on the experience we have gained from Tejas, future design and development programmes will move faster.”

5.18 In line with the discussion, the Defence Secretary supplemented as under:

“..actually, we had to develop everything on our own with great difficulty. In fact, sanctions were imposed on India after 1998 because of which we could not get access to many of the technologies. So, in a way, the effort of Indian scientists,

DRDO, and ADA has to be lauded. Yes, there were delays. Delays were not exclusively due to HAL. There were delays at various levels. The hon. Committee is aware of all those delays and reasons. All of them played a very minor part in the entire development process. As regards manufacturing, of course, they have set up the assembly line and they will be able to deliver as per the schedule. In future if any order is given, they will expand the assembly line and they will be able to produce as many aircraft required by the Air Force. With regard to capabilities, Tejas in its class of aircraft is the best. There is no doubt about that. There is interest from other countries also....”

5.19 When asked whether Tejas would be able to fulfill state-of-the-art requirements, the CMD, HAL submitted as under:

“Sir, this aircraft has been updated with all the latest technologies even though it is a fourth-generation aircraft. Today, there are a very few aircraft of fifth generation. We are also into the Advanced Medium Combat Aircraft (AMCA) programme which is of fifth generation, which we will be developing. But this aircraft in today’s condition has got all the upgraded systems which have been developed. So, it is quite capable of performing its role.”

Order Book position of the DPSUs

5.20 The data regarding order Book status of DPSUs for the five years (2022-23 onwards), as provided by the Ministry, is as under:

SI No	Name of DPSU	Year	Order Book Position in Crore
1	HAL	2022-23	26156
		2023-24	28717
		2024-25	31328
		2025-26	34174
		2026-27	36050
2	BEL	2022-23	61372
		2023-24	66494
		2024-25	73210
		2025-26	81840
		2026-27	92764
3	BEML	2022-23	9500
		2023-24	11000
		2024-25	12500
		2025-26	14000
		2026-27	16000
4	BDL	2022-23	320
		2023-24	940
		2024-25	3585
		2025-26	8080
		2026-27	9940
5	MIDHANI	2022-23	990
		2023-24	990
		2024-25	970
		2025-26	1075
		2026-27	1190

6	GRSE	2022-23	3500
		2023-24	Rs 6500 Cr over the period
		2024-25	
		2025-26	
		2026-27	
7	GSL	2023-24	20861
		2024-25	15889
		2025-26	15318
		2026-27	57863
		2027-28	49295
8	HSL	2022-23	1640
		2023-24	1880
		2024-25	3261
		2025-26	3600
		2026-27	3500
9	GIL	2023-24	131.5
		2024-25	89.66
		2025-26	55.31
		2026-27	3.72
		2027-28	-
10	IOL	2023-24	2004.98
		2024-25	2255.79
		2025-26	1636.07
		2026-27	16.96
		2027-28	8.39
11	TCL	2023-24	88.89
		2024-25	17.94
		2025-26	2.37
		2026-27	-
		2027-28	-
12	YIL	2022-23	2350
		2023-24	700
		2024-25	-
		2025-26	-
		2026-27	-
13	MDL	2022-23	38220.00
		2023-24	30160.00
		2024-25	18617.52
		2025-26	10119.02
		2026-27	-
13	MIL	2022-23	22,688
		2023-24	6788.81
		2024-25	4573.12
		2025-26	4828.92
		2026-27	-

Challenges encountered by DPSUs

5.21 The Committee, through written submission of the Ministry of Defence, have learnt that some challenges are being encountered by certain DPSUs. These are tabulated as under:

DPSU	Challenges being faced
HAL	<p>Shortage of Semiconductor chips:</p> <p>Demand of semi-conductor chips surged due to pandemic. HAL has faced shortage of semi-conductor chips in some cases due to non-receipt of items.</p> <p>Oil PSUs are allowing overhauling of Industrial Marine Gas Turbine engines (considerable volumes) outside India whereas exclusive facility developed at HAL for India.</p> <p>Expediting the placement of orders/Repair and Overhaul tasks for various requirements of Services for which production infrastructure is already in place at HAL.</p>
HSL	<p>HSL was transferred from Ministry of Shipping to MoD on 22 Feb 2010 due to its strategic location. HSL has been facing various legacy issues i.e. Accumulated losses, negative Networth and contingent liabilities. The Financial Restructuring of HSL was done in the year 2011 after its transfer to MoD in 2010.</p>
MDL	<p>There is a long pending tax issue with Maharashtra State Sales Tax Department related to Sales Tax on sale of ships under Cost plus contracts. MDL is in appeal at Maharashtra Sales Tax Tribunal (MSTT) under the repealed Bombay Sales Tax Act, 1956 (BST Act) and Maharashtra Value Added Tax Act, 2002 (MVAT Act). The tax demands aggregate to ₹997.21 crore in respect of the years 1980-81 to 1982-83 and 1992-93 to 2012-13. Navy has reimbursed total Part Payments of Rs 1.68 Cr made by MDL towards demand.</p> <p>The Maharashtra Sales Tax Appellate Tribunal has granted a permanent stay on the recovery proceedings on 19 Jul 10 till final disposal of the appeals. Tribunal has now taken up these cases for hearing. 1st hearing was scheduled on 09 Dec 22 and has been adjourned and fresh date of hearing is yet to be fixed. In the event of the MSTT confirming the tax demands, there is a risk of commencement of recovery proceedings since further stay from recovery of tax demands may not be possible, even if MDL proceeds further in appeal at Bombay High Court. Navy has been requested for allocation of the requisite funds in FY 2022-23. However, the demand is most likely to come up in FY 2023-24 and MDL will require the requisite allocation of funds in FY 2023-24.</p>

Defence Start-ups

5.22 During the evidence, the Committee were informed by CMD, HAL of the following measures taken for coordination with MSMEs in the country:

“So far as start-ups are concerned, we have also dedicated another three per cent of our profit towards developing the start-up ecosystem because we have realised that in the futuristic technologies, start-ups are quite involved. In fact, in one of our programmes called CATS, where the unmanned and manned systems are being aligned together, we have engaged start-ups in a big way. We are also trying to fund them. We are also engaging the start-ups.”

CHAPTER – VI

WELFARE OF EX-SERVICEMEN

The Committee have learnt that Department of Welfare of Ex-Servicemen (DESW) is mandated to formulate and implement various policies and programmes for the welfare and resettlement of Ex-Servicemen in the country. The Department consists of two Divisions i.e. Pension and Resettlement Division. The Pension Division of the Department of Ex-Servicemen Welfare deals with pension policies for the Armed Forces personnel and redressal of grievances of Ex-Servicemen whereas the Resettlement Division looks after the remaining matters. Further, DESW has 3 Attached offices namely, Kendriya Sainik Board Secretariat (KSB Sectt.), Directorate General of Resettlement (DGR) and Central Organisation, Ex-servicemen Contributory Health Scheme (CO, ECHS).

6.2 The office of Directorate General of Resettlement implements various Policies / Schemes / Programmes for pre and post retirement training, re-employment and self-employment of ex-servicemen. The DGR is assisted in its task by 5 Directorate Resettlement Zones (DRZs) co-located with the Army Command Headquarters at Udhampur, Chandimandir, Lucknow, Kolkata and Pune.

Role of Directorate General of Resettlement (DGR)

6.3 The Committee, during examination of DFG 2023-24, were apprised about various functions of DESW and its subordinate Organisations and various schemes and welfare activities undertaken by them for ESM as under:

“फंक्शन्स ऑफ केन्द्रीय सैनिक बोर्ड सैक्रेटेरियट में सरकार जो पॉलिसी बनाती है और स्कीम्स चलाती है, उसकी स्कूटनी करके ऑनलाइन माध्यम से इम्प्लीमेंट की जाती हैं। 34 राज्य सैनिक बोर्ड और 409 जिला सैनिक बोर्ड हैं। इसकी मेन फंडिंग सोर्स आर्म्ड फोर्सिस फ्लैग डे फंड है। यह नॉन पब्लिक फंड है, बल्कि सिटीजन्स और कार्पोरेट की कंट्रीब्यूशन से चलता है, जब भी कम पड़ता है तो डिफेंस सर्विस एस्टीमेट से बजट प्रोवीजन के हिसाब से डालते रहते हैं। हम स्टेट की एस्टाबलिशमेंट कॉस्ट भी भरते रहते हैं, स्पेशल स्टेट्स को 75 परसेंट देते हैं और 60 परसेंट नॉन स्पेशल स्टेट्स को देते हैं।

नेपाल में करीब 90,000 एक्स सर्विसमैन हैं तो इंडियन आर्मी में काम करके वहां सैटल होते हैं, नेपाल गोरखा सैनिक बोर्ड एम्बेसेडर के नेतृत्व में गठित है। पेंशन और ईसीएचएस का काम देखते हैं और इसकी एस्टाबलिशमेंट कॉस्ट केंद्रीय सैनिक बोर्ड के थ्रू वितरित की जाती है। पेरा प्लेजिक रिहेबिलिटेशन सेंटर किरकी और मोहाली में हैं।

बेनिफिशरीज़ एवरेज में 30,000 के करीब हैं। There are 13 flagship schemes. इन सबमें मिलाकर 70-80 करोड़ इश्यू होते हैं। हमने पिछले साल काफी बैकलॉग क्लियर किया है। प्राइम

मिनिस्टर स्कॉलरशिप स्कीम स्पेशल नेशनल डैवलपमेंट फंड में पीएम ऑफिस की तरफ से मैनेज होता है। इसकी एग्जीक्यूटिव आर्म केंद्रीय सैनिक बोर्ड है। यह नेशनल स्कॉलरशिप पोर्टल के थ्रू एप्लीकेशन मांगते हैं और स्क्रूटनी करते हैं। यह बेसिकली प्रोफेशनल कोर्सिस के लिए है। इसमें लड़कों को 30,000 और लड़कियों को 36,000 रुपये मिलते हैं।

रिसैटलमेंट में काफी स्कीम्स भी सम्मिलित हैं और इसमें स्टेटुएटरी रिजर्वेशन को भी मॉनिटर किया जाता है। इसके साथ एन्टरप्रियोनरल स्कीम्स भी चलाते हैं। आजकल काफी आईआईएम और सरकारी इंस्टीट्यूट्स में प्री रिटायरमेंट कोर्स कंडक्ट कराए जा रहे हैं। रिजर्वेशन ग्रुप सी में दस परसेंट है और पीएसयू में ज्यादा है।

हमारे ज्यादातर लोग पीएसयू बैंक में ही ऑब्जर्व होते रहते हैं। सेंट्रल पुलिस फोर्स और सीएपीएफ में अप टू 10 परसेंट है। ग्रुप-ए असिस्टेंट कमांडेंट तक है। हमारे डिफेंस सिक्योरिटी कोर में हंड्रेड परसेंट है, क्योंकि वह डिफेंस मिनिस्ट्री के खुद का एक सेपरेट कोर है। कॉरपोरेट और प्राइवेट ऑर्गेनाइजेशन में, जैसे आमेजन, फ्लीप कार्ट आदि से एमओयू करके रिसैटलमेंट और जॉब्स डीजीआर के माध्यम से हमारे फौजी भाई लोग जाते रहते हैं। हमारा सेल्फ एंड इंडिपेंडेंट स्कीम काफी सक्सेसफुल रहा है।

इस स्लाइड में मदर डेयरी बूथ्स और बाकी सब सिक्योरिटी एजेंसी स्कीम्स हैं। इसमें भी करीब-करीब 32000 से 34000 लोग सिक्योरिटी स्कीम में ही एब्जॉर्ब होते हैं। इसके अलावा और 10 छोटी-छोटी स्कीम्स हैं। उसमें स्पांसर्ड प्लेसमेंट पर डीजीआर डायरेक्टोरेट, डायरेक्टली नेक्स्ट बेस्ट आता है।”

6.4 On being enquired about ways in which the ESM can approach DGR and whether registration is mandatory for ESM in DGR, the Director General (Resettlement) submitted as under:

“First question is with respect to the officers and men joining the DGR. All can join. All are allowed to be part of it. We have our online website where they get registered online and from their homes also. They need not come physically. When we do the empanelment for Security Agency, we have to see that he is a confirmed officer because he has to download certain documents in front of us with respect to his income tax returns, etc., at that time we call him physically. After the directions from our hon. Secretary, we have started the online registration programme for JCOs/ORs also. The portal is available. That deals not only with his grievances but also information-related activities. He can do that online only. He need not come physically to us. But those who live in and around Delhi can come to us. Anybody can join us. There is no embargo. Only certain categories are not allowed. Those who do not fall under the category of ex-servicemen, they cannot register with us. Otherwise, everybody can register with us, including all officers and even widows can get registered with us.

..... we have five out offices, co-located with each Army Command of the Army. North is looked after from Udampur, West is looked after from Chandigarh, South is looked after from Pune, Central is looked after from Lucknow, and East is looked after from Kolkata. So, they (ESM) can approach them as they are nearby. Each has been given certain States where they are also in touch with them. Otherwise, through KSB or the RSB /ZSB also deals with such requests.”

Budget utilisation

6.5 The Ministry of Defence submitted the following details of budget utilisation in DESW during their Power Point Presentation before the Committee:-

	2021-22 (Rs Cr)			2022-23 (Rs Cr)			2023-24 (Rs Cr)
	BE	RE/MA	ACTUAL	BE	RE	ACTUAL Exp	BE Allotment
DESW	6.86	9	6	9	9	6.96	9
Pension	1,15,850	1,16,878	1,13,134.48 (Pre Mar 2022)	119696	153414.49	98,214 (up to Dec., 2022)	1,38,205
DGR	6.80	6.80	6.77	20.00	29.49	14.22	33.80
CO, ECHS	3,332.51	4,870.74	4542.28	4,582.51	5,429.07	4,832.05	5,431.56
KSB Sectt	100	420	420	150.00	350.25	143.72	304.30

6.6 During oral evidence of the representatives of the Ministry of Defence in connection with examination of DFG 2023-24, the Joint Secretary (ESW) elaborated on the budgetary allocation to DESW as under:

“बजट यूटिलाइजेशन में पिछले दो-तीन साल का स्टैंडिंग कमेटी का अनुग्रह था, इसमें काफी बजट की बाधाएं दूर हो गई हैं। पहले कम बजट मिलता था, पिछले तीन-चार साल में ईसीएचएस में 5400 करोड़ रुपये मिलने लग गए। पेंशन में कभी प्रॉब्लम नहीं थी, कभी 1 लाख 20 हजार करोड़ इधर-उधर चलता रहता है। इस बार वन रैंक वन पेंशन की दूसरी रिवीजन सीजीडीए साहब एफएडीएस मैडम के सहयोग से शुरू कर दी है और करीब आठ लाख लोगों को पेंशन का वितरण हो गया है।

डीजीआर के बेसिकली रिसेटलमेंट कोर्सिस में 20-30 करोड़ रुपये की जरूरत पड़ती है और यह मिल जाते हैं। ईसीएचएस में काफी इम्प्रूवमेंट हो गई है। केन्द्रीय सैनिक बोर्ड में पहले जो बैकलॉग रह गया है, पिछले साल में एक बजट पेमेंट 390 करोड़ रुपये मिलने के कारण काफी बैकलॉग क्लियर हो गया है, कुल मिलाकर प्रेजेंट में कोई बाधा नहीं है।

6.7 In a written submission, the Ministry submitted following details of budget from the Defence Service Estimates (DSE) for welfare and resettlement allotted to Kendriya Sainik Board (KSB) and Directorate General Resettlement (DGR):

KSB

FY	Projection (₹ in Crs)	Allocation (₹ in Crs)	Expenditure (₹ in Crs)
2018-19	172.41	62.88	61.59
2019-20	266.39	53.27	53.27
2020-21	302.93	234.08	234.08
2021-22	486.79	420.00	420.00
2022-23	350.25	150.00	143.70 (as on 09.01.2023)
2023-24	304.30	-	-

DGR

FY	Projection (₹ In Crs)	Allocation (₹ In Crs)	Expenditure (₹ In Crs)
2018-19	16.00	14.04	13.94
2019-20	15.50	15.50	15.49
2020-21	8.78	6.58	6.55
2021-22	6.80	6.80	6.77
2022-23	20.00	29.49	14.22 (till 19 Jan 2022)
2023-24	33.80		

6.8 During discussion on budgetary aspect, the Committee desired to know the reasons for relatively more expenditure by KSB in 2020-21 and 2021-22 compared to 2022-23. They also desired to be apprised of the cause for mismatch between projected and allocated amount to KSB for the past few financial years. In response, the Secretary (ESW) submitted as under:

“सर, जो केंद्रीय सैनिक बोर्ड है, इसका पहले केवल पब्लिक कंट्रीब्यूटरी फंड ही सोर्स होता था। इसमें हम जो मदद देते हैं, वह केवल हवलदार लेवल तक के लोगों को ही देते हैं, जो अदर रैंक पर जूनियर हैं। यह ज्यादातर उन लोगों को मिलता है, जिनको पेंशन नहीं मिलती थी। यह थोड़ी वेलफेयर ओरिएंटेड है। क्योंकि जिनको पेंशन मिलती है, उनकी दूसरी तरह की प्रॉब्लम है। जिनकी ज्यादा एक्यूट प्रॉब्लम होती थी, जिनको किसी कारण से पहले पेंशन नहीं मिलता था, उसके लिए था। यह कंट्रीब्यूटरी फंड से होता था। चूंकि लोग इसको ऑनलाइन पोर्टल पर अप्लाई करते हैं। लोगों की एप्लीकेशन से डिमांड जेनरेट होती थी, लेकिन पैसे कंट्रीब्यूट नहीं होते थे, जिसके कारण यह पेंडिंग रह जाती थी। पिछले दो सालों में वर्ष 2020-21 और वर्ष 2021-22 में जितनी पेंडिंग्स थीं, वे सारी डिमांड जेनरेट हो रही थीं। दो-तीन साल के लोगों के एप्लीकेशन, जो उनके वेलफेयर मेजर के रह गए थे, जो पूरे नहीं हो सके थे, उसको सरकार ने

अपने बजट से पैसा देकर पूरा कर दिया। अब इस साल पेंडेंसी नहीं है। कम कंट्रीब्यूशन से भी काम चल रहा है। केंद्रीय सैनिक बोर्ड की यही स्थिति है।”

6.9 During course of the evidence, the Committee further pointed out the expenditure of ₹ 14.22 crore by DGR till 19.1.2023 out of the allocated amount of ₹ 29.49 at RE stage for FY 2022-23. In this context, the Director General (Resettlement) deposed as under:

“सर, आपका प्रश्न यह है कि हमें एलॉट साढ़े 29 करोड़ रुपये हुए हैं और अभी हम 14 करोड़ पर हैं। जैसा हमारे सेक्रेटरी महोदय ने बताया कि पूरे साल हमारे ऑफिसर्स और जेसीओज़ और जवानों की की ट्रेनिंग चलती रहती है। जैसे-जैसे ट्रेनिंग कम्प्लीट होती है, उसके बाद उस इंस्टिट्यूट से बिल जनरेट होते हैं जैसे आज ही दो प्रोग्राम्स खत्म हो रहे हैं। एक आईआईएफटी, दिल्ली में खत्म हो रहा है और एक NIESBUD, नोएडा में जेसीओज़ और जवानों का खत्म हो रहा है। मैं आज भी सुबह आने पहले तीन करोड़ रुपये तक के पुराने बिल क्लियर करके आया हूँ। चूंकि ट्रेनिंग खत्म होने के बाद ही बिल जनरेट हो सकता है कि कितने जवानों ने कोर्स किये, कितना खर्चा आया। इस तरीके के अगर आप हर साल का देखेंगे तो वर्ष 2021-22 में देखेंगे तो 6.8 करोड़ का एलोकेशन था और हमने 6.77 करोड़ रुपये खर्च कर दिए थे। हम 31 मार्च से पहले इन बिल्स को क्लोज कर देंगे। आप देखेंगे कि यहां पर जो एकचुअल एक्सपेंडीचर दिखा रहा है, वह एकचुअल एक्सपेंडीचर है, जो हम खर्च कर चुके हैं। जैसे ही हमारे बिल पीसीडीए में सबमिट हो जाएंगे, वैसे ही हम उनको इसमें दिखाना शुरू कर देंगे। इस तरीके से हमारा खर्चा कम्प्लीट हो जाता है।”

6.10 During discussion on the subject, the Committee desired to be apprised of the details of various funds being run under the ambit of the Ministry of Defence from which assistance is provided to various beneficiaries in the Armed Forces for which contributions are received from the general public. They also wanted to know about the monitoring mechanism for such funds and efforts being made to enable the general public/donors to contribute to these funds through various payment modes apart from conventional modes such as cheques etc. In this connection, the Secretary (ESW) deposed as under:

“जो केंद्रीय सैनिक बोर्ड है, जैसे आर्म्ड फोर्स फ्लैग डे पर काफी कलेक्शन ड्राइव होता है। उसमें जनता भी कंट्रिब्यूट करती है। अब एक ऑनलाइन पोर्टल भी बनाया गया है। हमने कुछ वीडियो बनाकर डाले थे, उससे लोगों को प्रेरित करने की कोशिश की है। अब देश भर से लोग उसमें छोटे-छोटे ऑनलाइन कंट्रिब्यूशन कर रहे हैं। फ्लैग डे तो 7 दिसंबर को ही मनाया जाता है, लेकिन कंट्रिब्यूशन साल भर चलता रहता है। इसमें जो कंट्रिब्यूशन होता है, वह कॉर्पोरेट सोशल रिस्पॉसिबिलिटी के अंदर भी परमीटेड है। उसका जो खर्चा है, मिनिस्ट्री ऑफ कॉर्पोरेट अफेयर्स ने कंपनी के लिए अलाऊ कर दिया है कि वे अपना खर्चा ट्रीट कर सकते हैं। हम कॉर्पोरेट सोशल रिस्पॉसिबिलिटी के लिए कॉन्क्लेव करते हैं। अभी हमने दिल्ली में किया था, जिसमें प्राइवेट कंपनियों के बड़े-बड़े लोग आते हैं, वे कंट्रिब्यूट कर सकते हैं। उन्होंने बड़े-बड़े अमाउंट्स भी कंट्रिब्यूट करना शुरू किया है। हमने बेंगलुरु में भी सीएसआर की एक्टिविटी की थी, जो सॉफ्टवेयर्स कंपनी हैं, हम उनको प्रेरित करते हैं कि आप देश के लिए कुछ करिए। देश के लिए जिन लोगों ने अपना वर्तमान और भविष्य दिया है, ताकि उनके आश्रितों की कुछ मदद की जा सके। इस तरह से कर रहे हैं। उसका ऑडिट होता है। जो केंद्रीय सैनिक बोर्ड है, वह सीएंडएजी

के ऑडिट में आता है। रक्षा मंत्रालय का जो सिस्टम है, क्योंकि रक्षा मंत्री जी उसके अध्यक्ष हैं। मैं खुद उसकी निगरानी करता हूँ। बेसिकली इसके पैसे केवल नेक कामों के लिए ही खर्च होते हैं। जैसे पैन्थ्री ग्रांट है, एजुकेशन ग्रांट है, मैरिज ग्रांट है, पूर्व सैनिक ऑनलाइन अप्लाई करते हैं, तो जिला सैनिक बोर्ड वाले उसको वैरिफाई करते हैं। ये हमारे यहां का पूर्व सैनिक है, उसकी आर्थिक स्थिति वाकई खराब है। उनकी वेटिंग होती है, फिर सारा पेमेंट ऑनलाइन उनके अकाउंट में जाता है। कहीं किसी को कुछ कहने की जरूरत नहीं पड़ती है।”

New Avenues for resettlement of Ex-Servicemen

6.11 The Ministry submitted following information regarding some of the new initiatives being undertaken for opening of new avenues for resettlement of Ex-Servicemen:

i. **Self Employment (Corporate Initiatives).** DGR office is in continuous communication with the major companies to tie up for assured jobs for Ex-Servicemen based on the skill available with the Ex-Servicemen. The major companies include Kotak Mahindra, HDFC life, Citibank, Adani Defence & Aerospace, Hindustan Coca Cola Beverages Ltd, Genepact, Vita etc.

ii. **Project Puneh Sthapan.** To increase the number of employment opportunities for ESM in the civil job market the skill development courses for JCOs/OR and their equivalent in IN/ IAF being re-organised through Project Puneh Sthapan. Project to be completed in three phases. **Stage I**, an internal task of Armed Forces, has already been completed by CDM, Secunderabad in Mar 2020. **Stage II** is planned during the current financial year. Professional management consultants are being identified through tendering process. This stage has been delayed due to Covid-19 related restrictions. **Stage III** is planned to be undertaken by various Sector Skill Councils (SSCs) and National Skill Development Council (NSDC) during the next Financial Year. However, this stage will be initiated only on completion of Stage II. On successful completion, this project will pave way for better employability of ESM in Corporate Sector as well.

iii. **Request for Proposal (RFP) for Civil/ Private Institutes.** As per the mandate of DGR, private institutes can be empanelled for conduct of courses only through RFP route. A Board of Officers has been convened to identify the parameters required for selection of private institutes to conduct courses for retired/ retiring military personnel. The RFP is being prepared for identifying premiere private institutes and courses to give better re-employment opportunities for military personnel.

iv. **DGR Security Agency Scheme (Migration to GeM).** The scheme at present is functioning under MoD/ DESW Guidelines for operation/ functioning of DGR empanelled ESM Security Services vide letter No 28(75) /2020-D/ (Res- I) dated 13 May 2021 and corrigendum dated 23 June 2021. The process for migration of scheme to GeM Portal is under progress, a framework being jointly planned and designed by GeM/MoD/DGR. This will likely to

increase the clientele (PE/PSU's) of guards from 60,000 to 2lac. This will increase the satisfaction level of the applicants in the scheme.

6.12 During course of the evidence, to the Committee's recommendation of facilitating skill development, land allotment, starting of Start-ups etc. for resettlement of ESM, the Secretary (ESW) submitted as under:

“सर, यह बहुत सही सुझाव है और हम इस पर काम भी कर रहे हैं। अगर आप यहां से अमृतसर तक ग्रैंड ट्रंक रोड देखें तो पंजाब और हरयाणा का ज्यादा विकास जीटी रोड के साथ ही हुआ है। अगर उससे 20 से 25 किलोमीटर हटकर देखें तो वहां जमीन की कीमतों और लोगों के विकास की स्थिति में बहुत फर्क है। अब देश में बड़े-बड़े एक्सप्रेस वे बन रहे हैं, सड़कों का जाल बिछ रहा है और उन पर बहुत सी अपॉर्च्युनिटीज आ रही हैं। इस बारे में हाइवेज सेक्रेटरी से भी हमारी बात हो रही है।। हमारे पूर्व फौजी हर गांव में हैं। मेरी इच्छा है कि हम उन सभी की गांवों में लोकेशन इलेक्ट्रॉनिकली प्लॉट कर लें और जो पीएम गतशक्ति पोर्टल है, उसके थ्रू हम उनको लोकेट करके मिला लें। वहां उनकी कोऑपरेटिव बनाकर चाहे उनका ढाबा खोल दें या आज इलेक्ट्रिक व्हीकल चार्जिंग स्टेशन लगाने की जरूरत है, हमारे दस फौजी लोगों को मिलाकर उनका चार्जिंग स्टेशन शुरू करा दें। इस तरह के काम हो सकते हैं। अगर इसमें समिति की रिकमेंडेशन मिले तो अच्छा होगा, क्योंकि अभी तक सिस्टम में इसके लिए फण्ड्स की उपलब्धता नहीं है। इस पर काम चल रहा है और कोशिश कर रहे हैं कि इसको किसी तरह से शुरू करें। इसी तरीके से हम ज्यादा तेजी से आगे बढ़ सकते हैं।”

Reservation benefits for ESM

6.13 The Committee were informed by the Ministry, during the course of oral evidence, about following reservation benefits for ESM in various establishments:

- i) Reservation in Central Govt (10% in Group 'C' posts).
- ii) Reservation in PSUs/ Banks (14.5 % in Group 'C' & 24.5% in Group 'D' including 4.5% for disabled ESM/ dependents of servicemen killed in action).
- iii) Central Police Organizations/Para Military Forces -10% upto the rank of Astt Comdt.
- iv) Defence Security Corps (DSC)- 100%.

6.14 When enquired about percentage of availing reservation benefits by ESM in Defence Service Corps (DSC), Central Armed Police Forces (CAPF) etc., the Secretary (ESW) submitted as under:

“सर हम बारे में हमने पता किया है वह मैट्रिफैक्टरी नहीं है। हमके तो-तीन कारण हैं। एकम प्रोविजमेंट का कोर्द गेम्टर नहीं बना दसा था। अभी वीओपीटी के साथ हमारी बातचीत चल रही है। वह काफी एवतांस स्पेस में है। हमने एक वाफ्ट गेम्टर बनाया है। अभी होना यह है कि एवतर्तदल कर लेते हैं कि हमें भी एंड वी में 10 परसेंट चाहिए। लेकिन अगर एप्लीकेशन नहीं आया या कोई क्वालिफिकेशन क्राइटेरिया में फीट नहीं हुआ तो उसको नहीं करते हैं। जो

एजलीकेशन नहीं आती है उसको हमारे पोस्ट में भर लेते हैं। अब जब गेम्स बन जाएगा तो वे पोस्टें खाली रहेंगी जब तक कोर्स का पोस्ट पर आता नहीं है। उसके बाद ही रोस्टर फील होगा। वह अभी प्रोसेस में है। हमें उसमें इम्प्रूवमेंट होने का पूरा विश्वास है।”

Kendriya Sainik Board (KSB) and Zila Sainik Boards (ZSBs)

6.15 KSB Secretariat is responsible for the welfare of Ex-Servicemen and their dependents and administration of welfare funds. It is assisted in its task by 34 Rajya Sainik Boards (RSBs) and 403 Zila Sainik Boards (ZSBs), which are under the administrative control of respective State Governments/Union Territory Administrations. The Government of India shares 75% of the expenditure incurred on the maintenance of RSBs/ZSBs in respect of the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Uttarakhand, Jammu & Kashmir, and Himachal Pradesh and 60% for other States/UTs while the remaining expenditure is borne by respective State Governments.

6.16 The Secretary (ESW), during his deposition on the subject, threw light on functioning, responsibilities, funding arrangements of Kendriya, Rajya and Zila Sainik Boards as under:

“महोदय, जिला सैनिक बोर्ड, राज्य सैनिक बोर्ड और केन्द्रीय सैनिक बोर्ड जो है, ये एक स्वायत्त संस्थाएं हैं। ऐसा नहीं है कि राज्य सैनिक बोर्ड हमारे मातहत संस्था है। जो केन्द्रीय सैनिक बोर्ड है, उसको रक्षा मंत्री चेर करतें हैं, सीनियर ऑफिसर्स हैं, लोक सभा और राज्य सभा के माननीय सदस्य हैं, फौज के रिटायर्ड ऑफिसर्स हैं। उसमें अन्य रैंक के प्रतिनिधि उसके मेंबर्स होते हैं एवं सारे राज्यों के मुख्यमंत्री और केन्द्र शासित प्रदेशों के लेफ्टिनेंट गवर्नर और गवर्नर्स भी होते हैं। यूजअली मीटिंग में सैनिक कल्याण के मंत्री होते हैं, वे आते हैं। कई बार मुख्यमंत्रीगण नहीं आ पाते हैं। इस तरीके से होता है।

जो राज्य सैनिक बोर्ड है, उसकी जो प्रधानगी है, कई जगहों पर मुख्यमंत्री कर रहे हैं और कई जगहों पर गवर्नर्स कर रहे हैं। उनके लेवल पर होता है। जो सीनियर सेक्रेटरी होते हैं, वे चीफ एग्जिक्यूटिव के तौर देखभाल करते हैं। राज्य सैनिक बोर्ड में फौज का एक सीनियर ऑफिसर डायरेक्टर होता है। जैसे केन्द्रीय सैनिक बोर्ड सभी राज्यों के कार्यकलापों को क्वॉर्डिनेट करता है। राज्य सैनिक बोर्ड वाले सभी जिला सैनिक बोर्ड को क्वॉर्डिनेट करते हैं। जिला सैनिक बोर्ड में जो प्रधानगी है, वह जिला कलेक्टर करता है। अगर उस जिले में कोई एक्स सर्विसमैन ऑफिसर होता है, तो वह भी मेंबर होता है। एक ऑफिसर होता है, ज्यादातर राज्यों में फौज के रिटायर्ड ऑफिसर होते हैं। कुछ राज्यों में अदर सिविल सर्वेण्ट्स हैं, उन्होंने पब्लिक सर्विस कमीशन के थ्रू रूल बना रखे हैं। वे जिला सैनिक कल्याण अधिकारियों को रिक्रूट करते हैं। वह उसका सेक्रेटरी होता है। उनकी स्टैब्लिशमेंट का जो खर्चा है, हम उसमें भारत सरकार की तरफ से उनको ग्रांट देते हैं। हम उनकी बिल्डिंग बनाने के लिए भी ग्रांट देते हैं, लेकिन सभी जिलों में जिला सैनिक बोर्ड नहीं होता है। जहां 7,500 से ज्यादा पूर्व सैनिक हैं, उसी जिले में बनाने की

सिफारिश होती है। नहीं तो दो या तीन जिले को मिलाकर एक जिला सैनिक बोर्ड होता है। इसका ये सिस्टम है।”

6.17 When queried about the scheduled meeting of KSB, the Secretary (ESW) submitted as under:

“सर, इसकी अगली मीटिंग अप्रैल महीने में तय हो गई है। इस बारे में माननीय मुख्यमंत्री को माननीय रक्षा मंत्री की तरफ से पत्र भी लिखा गया है। हम इसकी कार्रवाई कर रहे हैं। हम इसके बारे में ब्रीफ करेंगे। इसके लिए 11 अप्रैल डेट फिक्स है।”

6.18 The Committee have learnt that composition of Zila Sainik Board is as follows:

- President: District Collector
- Vice President: Senior Ex-service Officer
- Ex-officious Members: Heads of State Government Departments/ Recruiting Officer
- Nonofficial: Two Ex-Servicemen
- Members: Four Prominent Citizens
- Secretary: Zila Sainik Welfare Officer

6.19 During deliberations on the subject, the Committee raised the issue of improper functioning of Zila Sainik Boards in some States and lack of guidance/co-ordination for ESM in those Boards. In this context, the Secretary (ESW) submitted as under:

“सर, आपकी बात सही है। अलग-अलग स्टेट्स का अलग-अलग कल्चर है जैसे कई जगहों पर इन्होंने क्लियर किया हुआ है कि हम फौज के अफसर को ही जिला सैनिक बोर्ड का अधिकारी बनाएंगे। जैसे 25 जिले हैं तो उनका अपना कास्ट बेस्ड रिजर्वेशन होता है और जब वे एप्लीकेशन इन्वाइट करते हैं तो एप्रोप्रिएट एप्लीकेशन्स नहीं आती हैं। कई स्टेट्स में जहां पर शहर अच्छे नहीं हैं तो अधिकारी रिटायरमेंट के बाद दिल्ली में रहना चाहता है। अगर आप बिहार के किसी जिले में चले जाए तो वहां अफसर मिलता भी नहीं है। इस कारण से वे किसी को टेम्परेरी चार्ज देते हैं। उन सब जगहों की हालत खराब है। इसको हल करने के लिए हम एक नए आइडिया पर काम कर रहे हैं। हमने ‘स्पर्श’ नाम से एक नया सॉफ्टवेयर बनाया है, उसमें सभी पेशन्स का डेटा ऑनलाइन हो रहा है। अब हम उसको डेटा ड्रिवन करना चाह रहे हैं। उसमें पेंशन का काम तो हो रहा है। करीब 26 लाख पेंशन्स में से 17-18 लाख पेंशन्स का पूरा काम ऑनलाइन चल रहा है और जो बाकी हैं, उनका भी हो जाएगा। उसको हम लिवरेज करना चाह रहे हैं। अगर आज मैं रिटायर हो रहा हूँ तो मुझे पता है कि मैं कहां रहूंगा, मैंने फौज में कौन से डिपार्टमेंट में काम किया है, मुझे क्या आता है जैसे इलेक्ट्रॉनिक्स आता है या मैकेनिकल आता है। मैं क्या जानता हूँ। मेरी किस लेवल की अंडरस्टैंडिंग है। ये सारी सूचनाएं हम रिटायरमेंट के पहले फीड करेंगे। एक फौज का रिकॉर्ड ऑफिस है, वह बताएगा कि हमारा जो रिटायर होने वाला आदमी है, वह किस तरह का है।”

6.20 During the discussion on DFG 2023-24, the issue of feasibility of inclusion of local MPs in Zila Sainik Boards was also discussed. Another suggestion was to call the Sainik Board Secretaries to DISHA Committee meetings. The Committee observe that District Development Coordination and Monitoring Committees (DISHAs) have been formed to ensure better coordination among all the elected representatives in Parliament, State Legislatures and Local Governments (Panchayati Raj Institutions/Municipal Bodies) for efficient and time-bound development. DISHA seeks to achieve this by facilitating a quarterly review of all development activity at the district level. The Chairperson of a DISHA committee is the senior most Member of Parliament (Lok Sabha) elected from the district and nominated by the Ministry of Rural Development. DISHA committee meetings are held under the chairmanship of the MP, and are attended by all elected representatives and officials from the district. The District Collector is the Member Secretary responsible for convening the meeting and ensuring effective and timely follow up.

6.21 Expressing optimism regarding the opportunities available to ESM in the future, the Secretary (ESW) further deposed as under:

“... देश का डेमोग्राफिक ट्रेन्ड चेंज हो रहा है, लेकिन जो डेवलप पार्ट है, जो नार्थ से वेस्ट होते हुए साउथ तक चला जाता है, वहां बहुत चेंज हो चुका है। वहां टोटल फर्टिलिटी रेट 1.67 के आसपास आ गई है और पापुलेशन मेंटेन करने के लिए 2.1 होना चाहिए। वहां पर वर्कर्स की शॉर्टेज फील हो रही है। मेरी इंडस्ट्रीज वालों से कई बार बात होती है तो इन सब जगहों पर अब काम करने के लिए आदमी आसानी से नहीं मिलते हैं। यह लार्जली माइग्रेंट वर्कफोर्स पर ही डिपेंडेंट है। इस सिचुएशन में इकोनॉमी में काफी ग्रोथ की संभावना है। डिफेंस इंडस्ट्री काफी ग्रो कर रही है। इलेक्ट्रॉनिक इंडस्ट्री ग्रो कर रही है तो हमारे फौज से रिटायर्ड जो ट्रेन्ड मैनुपावर हैं या इवन जब बाद में अग्निवीर आएं तो उनके लिए नौकरी की कमी नहीं होनी चाहिए, क्योंकि डिमांड बहुत है और वर्कफोर्स में जो एडीशन है, वह अब कम होने लगेगा। अगर हम डेटा बना ले और कंपनी वालों को शेयर कर दें तो बहुत अच्छी रिसेटलमेंट होने लगेगी। मैं इन चीजों के लिए बहुत आशान्वित हूँ। हम इस पर भी कार्रवाई कर रहे हैं।”

Training of Ex-Servicemen

6.22 With regard to the issue of training provided to the Ex-Servicemen by DGR, the DG (Resettlement) submitted as under:

“..ट्रेनिंग होती है और दो तरीके की होती है। एक तो ऑफिसर्स, जेसीओज और जवानों की होती है, जिसमें जवानों के लिए दो साल है, ऑफिसर्स के लिए एक साल है। ट्रेनिंग करने के लिए रिटायर्ड सैनिक भी आ सकते हैं। अगर वे किसी तरीके की मदद चाहते हैं जैसे उनको बिजनेस एडमिनिस्ट्रेशन करना है, एन्टरप्रेन्योरशिप करना है, डेटा एनालिस्ट बनना है तो हमने उस तरीके की ट्रेनिंग गवर्नमेंट इंस्टिट्यूट्स के साथ टाइप की हुई है। उनको तीन से छः महीने तक की ट्रेनिंग दी जाती है। उसके बाद उनको जॉब में काफी सहूलियत मिलती है।

...ऑफिसर्स का 60 परसेंट खर्चा गवर्नमेंट ऑफ इंडिया देती है, 40 परसेंट वे खुद देते हैं। जेसीओज़ और ओ.आर. का 100 परसेंट गवर्नमेंट ऑफ इंडिया देती है। यह प्रावधान है।

...हमारा इंस्टिट्यूट्स के साथ मिलाप रहता है जैसे NIESBUD, NIELIT इस तरीके के गवर्नमेंट इंस्टिट्यूट्स हैं। हमारे यहां पैन इंडिया ट्रेनिंग प्रोग्राम्स चलते हैं तो उसको जैसा इलाका सूट करता है कि वह घर के पास है या अपने इलाके के पास है या यूनिट के पास है, वहां पर उसको एडमिनिस्ट्रेटिव तीनों सर्विसेज़ देखती है ताकि वह वहां पर अटैच हो सके और उसका खर्चा न हो और वह वहां पर फ्री में ट्रेनिंग पाता है, ताकि वह अगले कैरियर को चुन सके, जिससे उनको जॉब मिल जाती है। इस तरीके से उनको नौकरी में प्रावधान है।”

Agnipath Scheme

6.23 When specifically asked whether Agniveers will be categorised as ‘Ex-Servicemen’ after completion of the service and will be entitled for reservation and other benefits such as Canteen Stores, welfare schemes etc., the Secretary (ESW) submitted as under:

“जो अग्निवीर की स्थिति है, अग्निवीर के लिए स्पेशल रिक्रूटमेंट का इंतजाम किया गया है। उनकी रिजर्वेशन अगर कहीं पैरा मिलिट्री फोर्स में या प्राइवेट कंपनी वाले कर रहे हैं, तो उसके लिए अलग से एक सेपरेट सिस्टम है। जो एक्स सर्विसमैन वाला रिजर्वेशन है, उसमें उनको सहूलियत नहीं है।”

Other Relevant Issues

6.24 During the course of evidence, the Committee raised the issue of exploring the possibility of providing the posts in Officer cadre in Armed Forces to the medal winners, especially Olympic medal winners, in the country. In this regard, the Adjutant General, Army submitted as under:

“महोदय, मैंने आपका ये पाइंट नोट कर लिया है। We will take this forward. We will process it within the Services for necessary examination.”

6.25 The Committee have learnt that relaxations are being given to Sons of Ex Servicemen, War Widows and Widows of Ex-Servicemen for recruitment into Army as Officers & JCOs/OR. During discussion on DFG 2023-24, the Committee raised the issue of delay in notification of vacancies for War Widows, even after they clear the requisite exam.

6.26 During the course of examination of Demands for Grants 2023-24, the Committee also raised the issue regarding uneven amount of ex-gratia compensation/monetary benefits given to the martyrs by the Centre and various States. In this context, the Secretary (ESW) deposed as under:

“महोदय, एक्स ग्रेशिया को यूनिफार्म या रेज करने के लिए हम केन्द्रीय सैनिक बोर्ड की मीटिंग में एजेंडा लाकर उसको करने की कोशिश कर रहे हैं। जहां एक्स सर्विसमैन की संख्या ज्यादा है, वहां अपने आप स्टेट में चाह होती है। जैसे पश्चिम बंगाल या कुछ राज्यों में कम है, तो उनको करना है।”

CHAPTER – VII

DEFENCE PENSION

The Committee have been apprised that Pension Division in the Department of Ex-Servicemen Welfare (DESW) deals with pension policies for the Armed Forces personnel and redressal of their grievances. As on 1.4.2022, the total number of Defence pensioners in the country is 32,94,181 including 6,14,536 Defence Civilian Pensioners and 26,79,645 Armed Forces Pensioners.

Defence Pension Budget

7.2 The Committee have found that Defence Pensions, under the Ministry of Defence provides for Pensionary charges in respect of retired Defence personnel (including Defence civilian employees) of the three services *viz.* Army, Navy and Air Force and employees of erstwhile Indian Ordnance Factories etc. It covers payment of Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment etc.

The position of budgetary allocation under this head is as under:

(₹ in crore)		
BE 2022-23	RE 2022-23	BE 2023-24
1,19,696	1,53,414.49	1,38,205

7.3 The Committee have been given to understand that the additional requirement of ₹33,718.49 crore for RE 2022-23 (₹ 1,53,414.49 crore) over BE 2022-23 (₹ 1,19,696 crore) is mainly due to normal growth in pension, impact of Dearness Relief and an additional amount on account of regular pension due to enhanced One Rank One Pension (OROP) rates and also the provision for payment of arrear component of OROP. The arrear component of ₹ 28,137.49 crore is to be transferred to a Deposit Account (non-interest bearing section) of the Public Account. The liabilities arising out of the arrear payments to the eligible pensioners may be met from the Deposit Account in accordance with the extant orders.

7.4 The Committee have also been apprised that the additional requirement of ₹ 18,509.00 crore for BE 2023-24 (₹ 1,38,205.00 crore) over BE 2022-23 (₹ 1,19,696.00 crore) is due to normal growth in pension, dearness relief and additional amount on account of regular pension due to enhanced OROP rates.

7.5 In a Power Point Presentation made before the Committee, the details of Defence Pension Budget for the last six years were submitted as under:

Defence Pension Budget (₹ in crore-rounded off to the nearest decimal)			
Year	Budget Estimate	Revised Estimate	Actual Expenditure
2018-19	1,08,853	1,06,775	1,01,775
2019-20	1,12,080	1,17,810	1,17,810
2020-21	1,33,825	1,29,000	1,28,066
2021-22	1,15,850	1,16,878	1,16,799.85 (Net)
2022-23	1,19,696	1,53,414.49	98,214 (upto December 2022)
2023-24	1,38,205		

7.6 During the course of examination of the subject, the Committee desired to know that considering the allocated amount for RE 2022-23, whether the funds allocated for BE 2023-24 will suffice for Defence Pension. In this regard, the Secretary (Ex-Servicemen Welfare) submitted as under:

“सर, क्योंकि रिवीजन का एरियर देना था, इसलिए यह 1 लाख 53 हजार करोड़ हुआ। हमारी एक्सपेक्टेड है कि 2023-24 में इससे कम खर्च होगा। पेंशन में अगर जरूरत पड़ती है तो सरकार फिर से दे देती है।”

SPARSH-SYSTEM FOR PENSION ADMINISTRATION (RAKSHA)

7.7 The Committee have learnt that the System for Pension Administration (Raksha) (SPARSH), announced in the Budget Speech of 2017-18, is an initiative of the Ministry of Defence which aims at providing comprehensive solution to the administration of pension to the Defence Pensioners. The SPARSH Portal provides the following facilities to the Pensioner:

- Identification and furnishing of Life certificate through Manual Certificate based process or Aadhaar Based Digital process.
- Management of Pensioner's Profile
- Disbursement related services
- Service Requests
- Interactive Grievance Management

7.8 SPARSH is the largest pension platform in Government covering 33 lakh pensioners with around 85,000 pensioners getting added each year. Under SPARSH, total 1,31,355 claims have been initiated and 1,23,667 sanctions have been issued till date. 19,33,233 legacy pensioners(both pre and post 7th CPC Pensioners)have been

migrated to SPARSH from various Pension Disbursing Agencies (PDAs) as on 15.1.2023. Further, migration of remaining pensioners from existing banks is also in process.

7.9 During deliberations on the matter, the Committee were apprised that following benefits have been accrued after implementation of SPARSH:

	Before SPARSH	After SPARSH
Sanction of Pension	4 to 6 months	Average 16 days
Disbursement of First Payment	30 to 90 days	1 to 2 days
Corrigendum Implementation	6 months to 1 year	Next monthly payment cycle
Family Pension Start	1 to 3 months	Average 15 days

7.10 During the course of examination of the subject, on being enquired about the category of pensioners which are to be covered under SPARSH, the Additional CGDA submitted as under:

“जहां तक ‘स्पर्श’ का प्रश्न है। इसमें सारे डिफेंस पेंशनर्स अल्टीमेटली आने वाले हैं। अभी 21.5 लाख पेंशनर्स स्पर्श में आ चुके हैं। हमारी जो पेंशनर्स संख्या है, जैसा आपने देखा था, वह 32 लाख से ऊपर है। इसमें से 1 लाख गोरखा के पेंशनर्स हैं, जो इंडियन एम्बेसी नेपाल से लेते हैं और 30 पेंशनर्स ट्रेजरी के हैं। ये दोनों स्टेट गवर्नमेंट्स या मिनिस्ट्री ऑफ एक्स्टर्नल अफेयर्स कर रही है। उसको छोड़ कर जितने बैंक के पेंशनर्स हैं, वे सारे इसी सिस्टम पर आने वाले हैं। इस पर हमारी कार्रवाई चल रही है। चूंकि ओआरओपी का पेमेंट देना था, उसकी वजह से थोड़ा स्लो हो गया था। अब हम फिर से माइग्रेशन करने जा रहे हैं और इसमें सभी को ले जाएंगे।”

7.11 He further deposed as under:

“माइग्रेशन की यह स्थिति है, हम सबको माइग्रेट करने वाले हैं। जहां तक आपने रजिस्ट्रेशन ऑफ पेंशनर्स की बात कही, तो इसमें कोई रजिस्ट्रेशन अनिवार्य नहीं है। यह ऑटोमैटिक होगा। पेंशनर्स को पता नहीं चलेगा और ये धीरे-धीरे सिस्टम स्पर्श में आ जाएंगे। स्पर्श के आने से पेंशनर्स के हाथ में सारी चीजें आ जा रही हैं। उनको पता चल रहा है कि उनकी पीपीओ है, उनका क्या रिवीजन हुआ है, ओआरओपी रिवीजन हुआ तो पता चल जाएगा कि कितना ओआरओपी का पेमेंट हुआ। पेंशनर को कोई डाक्युमेंटेशन नहीं करना है। पेंशनर को केवल एक लॉग इन आईडी और पासवर्ड

उसके मोबाइल पर मुहैया करा देते हैं, जिससे वह स्पर्श में जाकर चेक कर सकता है कि उसको क्या मिल रहा है? यह इंफॉर्मेशन टू दी पेशनर्स है। उसी के मद्देनजर यह सिस्टम डिजाइन किया गया। पहले कुछ पता ही नहीं चलता था, कुछ क्लेरिटी नहीं रहती थी कि उनकी पेंशन कब रिवीजन होनी है, कब नहीं होनी है। यहां रिवीजन भी ऑटोमैटिक होगा, सैंक्शन भी ऑटोमैटिक हो रहा है, डिस्बर्समेंट भी ऑटोमैटिक हो रहा है।”

7.12 When enquired about the outreach efforts done by the Ministry for resolution of grievances and to ensure that every entitled pensioner, especially one who is not proficient in use of technology, is covered under SPARSH, the Secretary (ESW) submitted as under:

“ग्रिवेंस से संबंधित बात कही गई। कुछ ग्रीवेंसेज़ होते हैं, जिनमें कई बार कई तरह की प्रॉबलम्स आती हैं। हालांकि ग्रिवेंस रिड्रेस हो रहे हैं, फिर भी पेंडेंसी है। हम लोग लगे हुए हैं कि ग्रिवेंसेज़ कम से कम हों। It is an on-going process. We hope that within two-three months, it will stabilize. हम बहुत ही इंटेंसिव डिस्ट्रिक्ट लेवल पर आउट रीच प्रोग्राम करने की कोशिश कर रहे हैं। इसमें कॉमन सर्विस सेंटर होता है मिनिस्ट्री ऑफ आईटी का। उसके जो विलेज लेवल इंटरप्रिन्योर हैं, वे उनको ट्रेड कर रहे हैं। कुछ लोगों का डेटा मिसमैच हो रहा है। कुछ लोगों की ईमेल गलत दे रखी है, कुछ लोगों का मोबाइल नंबर गलत है, तो गलत जगह इन्फोर्मेशन जा रही है। डिपेंडेंट के नेम में किसी की गलती होती है। गलतियां कई जगह हैं। उसकी गलतियों के लिए वहीं से रिक्वेस्ट डालेगा, फिर रिकार्ड ऑफिस और सारे मिलकर हम उसको करेंगे। उसको मिशन मोड में करने की तैयारी चल रही है।”

One Rank One Pension (OROP)

7.13 The Committee have been given to understand that OROP implies that uniform pension be paid to the Armed Forces Personnel retiring in the same rank with the same length of service regardless of their date of retirement. Thus, OROP implies bridging the gap between the rate of pension of the current pensioners and the past pensioners at periodic intervals. OROP was implemented w.e.f. 01.07.2014 vide MoD order dated 07.11.2015.

7.14 During the examination of DFG 2023-24, the Committee were apprised of the following financial implications of implementation of OROP:

- For about eight years, starting from 01.07.2014, the total expenditure works out to approximately ₹ 57,000 crore @ ₹7123/- crore per year. 20.60 Lakh Defence Forces Pensioners/Family Pensioners have been benefitted so far.
- Order for revision of pension for the Armed Forces pensioners/family pensioners w.e.f 1.7.2019 under OROP has been issued on 04.01.2023.

- Armed Forces Personnel retired upto 30.06.2019 {excluding Premature Retirement (PMR) retired w.e.f 01.07.2014} have been covered under this revision. Total beneficiaries are approximately 25.13 lakh (including 4.52 lakh new beneficiaries).
- The estimated annual financial implication is ₹ 8,450.04 Crore @ 31% Dearness Relief (DR). Arrears w.e.f. 01.07.2019 to 30.06.2022 have been estimated as ₹23,638.07 crore as per the applicable dearness relief. This expenditure is over and above the ongoing expenditure on account of OROP.

7.15 Elaborating on the matter of OROP, the Secretary (ESW) deposed as under:

“सर, जब पहली बार पार्लियामेंट की पिटीशन कमेटी ने वन रैंक वन पेंशन के बारे में विचार किया था, तो उस समय एक कैलकुलेशन हुई थी कि इसका एनुअल खर्च 1 हजार करोड़ रुपये साल का होगा, लेकिन जब इंप्लीमेंट हुआ तो हर साल के 8 हजार करोड़ रुपये खर्च हुए। पहले सात हजार हुए, अब आठ हजार और जुड़कर के पन्द्रह हजार करोड़ हर साल के इसमें खर्च हुए हैं। जो एस्टीमेशन पहले हुई थी, वह शायद प्रापर्टी नहीं हो पाई थी। That is the understanding.”

Agnipath Scheme

7.16 During discussion on the subject, the Committee desired to be apprised of the pensionary aspect of the Agnipath scheme. In this context, the Adjutant General, Army submitted as under:

“सर, जो अग्निवीर स्कीम है, उसके ऊपर बताऊंगा। जब चार साल खत्म हो जाएंगे, तब उनको एक फिक्स्ड एमाउंट दिया जाएगा, as part of the ex-gratia, as also the Seva Nidhi Package. एक पूरा कॉरपस है, जो तकरीबन 12 लाख के आसपास का एमाउंट है, which includes almost 50 per cent of the Government contribution to Seva Nidhi Package. उनका खुद का प्लस है। अग्निवीर का जो ब्रॉडली पैकेज है, वह उनको वापस जाते वक्त मिलेगा।

उनमें से जो वापस आएंगे और उनमें से 25 परसेंट फिर से आर्मी में इनरॉल हो जाएंगे या रिस्पेक्टिव सर्विसेज में जाएंगे, उनको गवर्नमेंट कंट्रीब्यूशन नहीं मिलेगा, आज की डेट में यही प्रोसेस है।”

7.17 When enquired about the entitlement of a martyred Agniveer, a representative of the Ministry informed the Committee that the amount is ₹ 50 lakh.

Disability Pension

7.18 To a query of the Committee regarding such cadets who have been declared unfit to continue military service due to injuries during training in various Defence Training Academies/Institutions such as NDA, IMA, Air Force, Naval and Coast Guard Academies etc. and disability pension or any other financial support extended to such cadets, the representatives of the Ministry of Defence deposed as under:

“सर, ट्रेनिंग के दौरान कुछ हो जाता है तो उनको डिसेबिलिटी पेन्शन मिलेगी, पेंशन में डिसेबिलिटी एलिमेंट होता है, एक सर्विस एलिमेंट होता है। सर्विस एलिमेंट एक पेंशन की तरह है तब उस समय ईसीएचएस का मेंबर हो सकता है, अगर उसको पेंशन नहीं मिलेगा तो ईसीएचएस का मेंबर नहीं बन सकता है।

सर, जो सर्विस से इनवैलिड हो जाते हैं या जिनको डीम्ड इनवैलिड होते हैं, उनको पेंशन डिसेबिलिटी मिलता है, along with the pension. उनको वही चीज लागू है, as far as canteen services are concerned.”

PART – II

OBSERVATIONS/RECOMMENDATIONS

GENERAL DEFENCE BUDGET

Summary of Ministry of Defence Budget and Demands for Grants 2023-24

The Committee note that the Defence Budget is categorised/grouped under four Demands for Grants *viz.* Demand No. 19 – Ministry of Defence (Civil), Demand No. 20– Defence Services (Revenue), Demand No. 21 – Capital Outlay on Defence Service and Demand No. 22 – Defence (Pension). Demand Nos. 19 and 22 come under Civil/Pension Estimates and Demand Nos. 20 and 21 constitute Defence Services Estimates. They also note that the requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department, Defence Estates Organisation, Coast Guard Organisation, Jammu & Kashmir Light Infantry (J&K LI), Border Roads Organization etc. are provided for in Demand No. 19- MoD(Civil). The Defence Services Estimates (DSE) reflect the detailed estimates for the Defence Services and Organizations/Services covered under Grant Number 20 and 21 of the Ministry of Defence. The Services and Organizations covered under DSE are Army (including National Cadet Corps, Director General Quality Assurance, Military Farms and Ex-Servicemen Contributory Health Scheme), Navy (including Joint Staff), Air Force, Defence Research and Development Organization (DRDO) and Directorate of Ordnance (Coordination & Services). Grant Number 20 caters to revenue expenditure which includes expenditure on pay & allowances, transportation, revenue stores (like ordnance stores, ration, petrol, oil and lubricants, spares, maintenance of various platforms / equipments etc.), revenue works (which include maintenance of

buildings, water and electricity charges, rents, rates and taxes, etc) and other miscellaneous expenditure. Grant Number 21 caters to Capital expenditure which includes expenditure on land, construction works, plant and machinery, equipment, heavy and medium vehicles, Naval Vessels, Aircraft and Aero engines, Dockyards, etc. Demand No. 22 provides for Pensionary charges {Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment etc.} in respect of retired Defence personnel (including Defence civilian employees) of the three Services viz. Army, Navy and Air Force and also employees of erstwhile Ordnance Factories.

The Committee learn that the total allocated budget for the Ministry of Defence for Financial Year 2023-24 is ₹ 5,93,537.64 crore. Out of this amount, the largest share of 72.91 percent, i.e. ₹ 4,32,720.14 crore has been allocated for Defence Services Estimates (Grant Number 20 and 21). An amount of ₹ 2,70,120.14 crore has been allocated to Defence Services Revenue (Grant Number 20). The Capital Outlay on Defence Services (Grant number 21) has been allocated an amount of ₹ 1,62,600 crore for the succeeding Financial Year. Defence Pensions (Grant Number 22) has secured 23.28 percent i.e. ₹ 1,38,205 crore of the total Defence budget. The remaining 3.81 percent i.e. ₹ 22,612.50 crore of the total Defence budget have been allocated to Ministry of Defence (Civil) (Grant Number 19).

Projection and allocation under Defence Budget 2022-23

2. During examination of Demands for Grants of the Ministry of Defence for 2023-24, the Committee observe that inspite of an increase of ₹ 68,371.49 crore in total outlay for the Defence budget in 2023-24 in comparison to Budget Estimates in 2022-23, there is a shortfall of ₹ 43,575.87 crore in the allocated Defence budget

i.e. ₹ 5,93,537.64 crore as compared to the projected amount of ₹ 6,37,113.51 crore for Financial Year 2023-24. The Committee note the Ministry's submission in this regard that being a preliminary estimate, the projected Defence Budget has some margin in terms of calculations. This estimate is later rectified by the Ministry of Finance depending on the requirements of the Ministry. Further at the stage of budgetary discussion, the Ministry of Defence was informed that all its requirements were being met without any deduction. The Committee note that pursuant to their recommendation in their Twenty-sixth report (17th Lok Sabha) on Demands for Grants of the Ministry of Defence for 2022-23 for pragmatic budgetary projections by the Ministry of Defence, the difference between projection and allocation in Defence Budget has reduced from approximately ₹ 1 lakh crore in Budget Estimates 2022-23 to approximately ₹ 44,000 crore in Budget Estimates 2023-24. The Committee also take cognizance of the fact that a country's budget caters to all sectors of the economy. Also, the procedure followed for allocation involves trend of expenditure, projections made, Committed Liabilities to be fulfilled etc. In this context, the Committee recommend that rigorous planning mechanism may be adopted and implemented by the Ministry of Defence for ensuring that the projected Defence budget is kept as close to actual requirements for a particular financial year. However, they are not averse for seeking supplementary grants at the subsequent stages to maintain the critical capabilities of the Forces at all times. It goes without saying that such supplementary grants whenever sought must take into consideration the unforeseen circumstances such as natural disasters, wars, inflationary impact etc. which may affect not only the domestic manufacturing and supplies but also the procurement from the Original Equipment Manufacturers (OEMs) and International Suppliers. This point has further been dwelt upon in the succeeding paragraphs of this Report.

Growth of Defence Budget

3. The Committee learn that as per Economic Survey 2022-23, Consumer Price Index (CPI) in India went up to 7.8 percent in April, 2022 then declined around 5.7 percent by December, 2022. The monthly trend of inflation rates based on Wholesale Price Index (WPI), has been sliding downwards from its peak of 16.6 percent in May, 2022 to 10.6 per cent in September, 2022 and further to 5.0 percent in December, 2022. The Committee note that while the growth in Defence Budget in Revised Estimates 2022-23 over 2021-22 (Actuals) amounts to 16.80 percent, actual increase in Defence Budget at the stage of Revised Estimates 2022-23 over 2021-22 (Actuals) amounts to 11.10 percent after adjusting provisional inflation rate of 5.70 percent. The Committee also note from the Defence Secretary's deposition in this regard that salary and pension estimates for FY 2023-24 may not vary much unless there is huge inflation. The Committee, in order to gauge the growth in Defence budget *vis a vis* actual inflation, desire that information regarding increase in Defence Budget after adjusting actual inflation rate for FY 2022-23 may be furnished at the time of submitting Action Taken Replies by the Ministry. Nevertheless, they recommend that factoring in the expected rise in inflation, the additional funds sought by the Ministry of Defence at the Revised Estimates stage in Financial Year 2023-24 should be allocated in order to cater to modernisation and acquisition plans of the Services and other Departments/Organisations under the ambit of the Ministry of Defence.

4. The Committee learn that the total Defence Budget (including MoD (Civil) and Defence Pensions) is ₹ 5,93,537.64 crore for FY 2023-24, which is 13.18% of total Central Government Expenditure and 1.97% of Gross Domestic Product (GDP) for the year 2023-24. Also, Capital Budget of Ministry of Defence for 2023-24

is approximately 17.12% of the total capital expenditure of the Central Government Expenditure. A close examination of the data furnished by the Ministry reveals that from the year 2020-21 onwards, Defence Expenditure as percentage of Central Government Expenditure has hovered around 13-14 percent (approximately). Defence Expenditure, as a percentage of GDP, which has been in the range of 2-3 percent 2018-19 onwards, stands at 1.97 percent for 2023-24 (BE).

The Committee note the Ministry's submission in this context that the global ideal estimated for Defence Expenditure as a percentage of GDP is 3 percent. This is done on the assumption that Tax to GDP ratio is in the range of 10 to 13 percent. Further, it was stated by the Defence Secretary that taking into account the increase in the country's GDP, the Ministry may not be able to absorb 3 percent of the GDP. The Committee understand that there are some constraints in having a benchmark percentage of GDP earmarked for deciding on the allocation to the Defence Sector. However, they are of the considered view that requirements of capital acquisition and modernization, ascending salary and pension bills, position of Rupee *vis a vis* dollar and Defence expenditure by the neighbouring countries warrant introspection for arriving at a definite benchmark percentage of Defence expenditure as the country's GDP. Therefore, the Committee recommend in unequivocal terms that if not the global parameter of 3 percent, feasibility may be explored to fix parameter for Defence expenditure as the country's GDP which will help in forming a right trajectory for the Defence Expenditure for our country.

Expenditure on Research & Development (R&D)

5. The Committee learn that Capital allocation of Defence Services for FY 2023-24 is ₹ 1,62,600 crore. This head has seen a jump of ₹ 10,230 crore i.e. 6.7 percent over FY 2022-23. The allocation to Defence Research & Development Organization (DRDO) has been enhanced by 9 percent to ₹ 23,264 crore for BE 2023-24. Further, 75 percent of Defence Capital procurement budget has been earmarked for domestic industry in FY 2023-24. In this regard, the Ministry has submitted that apart from allocation to DRDO, to strengthen the Defence Industrial eco-system in the country, Innovations for Defence Excellence (iDEX) and Defence Testing Infrastructure Scheme (DTIS) allocations have been enhanced to ₹ 116 crore and ₹ 45 crore, respectively. It was also brought to the notice of the Committee that research and development do not require astronomical amount at one go. It was also assured that no R&D project will be allowed to languish for lack of budgetary support.

The Committee, on scrutiny of the documents provided by the Ministry of Defence in connection with examination of Demands for Grants for the year 2023-24, observe that the actual expenditure on R&D in 2019-20, 2020-21 and 2021-22 amounted to ₹ 17,779.24 crore against BE allocation of ₹ 19,421.02 crore, ₹ 16,075.07 crore against BE allocation of ₹ 19,627.35 crore and ₹ 18,669.66 crore against BE allocation of ₹ 20,757.44 crore, respectively. The Committee are of the considered view that in the competitive Defence field, our nation has to be self-reliant for inventing, developing and producing cutting edge Defence technology. Moreover, the private Defence industry is in a nascent stage in our country and is not in a position to spend huge sum on research and development and come out with very critical and protected technologies which could be adapted by our manufacturing sector. Therefore, in order to equip our Forces with state-of-the-art

Defence technology, the Committee recommend that stringent mechanism to ensure full and prudent utilisation of the funds allocated for Defence Research & Development may be instituted by the Ministry. Further, the figures regarding allocated amount at Revised Estimates stage and actual expenditure incurred on R&D including those of IDEX and DTIS and other related schemes for Financial Year 2022-23 may be intimated to the Committee within one month of the presentation of this Report.

Modern warfare

6. The Committee are cognizant that the world is witnessing a shift in the strategy of warfare where 'small' arms/weapons are proving to be more lethal and potent than bigger platforms in certain areas. The Committee learn that programme for weaponization of drones is ongoing in the country and certain degree of success has been achieved in this field. Taking into account this paradigm shift in threat perception, the Committee recommend that synergized efforts by DRDO and the Services may be made on war footing mode to develop and adopt these small and potent arms/equipment so that combat readiness of our Forces is commensurate with hybrid and modern war tactics. In regard to the drone capabilities, the Committee would highlight whether by DRDO or by private sector specialized drones such as Anti Drone/Interceptive Drone/Combat Drone/Sea Drone etc should be developed with a fast pace so that we are not left behind in this area. In another context, the Committee would like to know in general the developments, if any, in regard to Jetpack suits to be used by the Army Personnel in future warfare.

Manpower

7. The Committee, through oral evidence of the representatives of the Ministry of Defence, learn that the Armed Forces are undergoing a phase where there is slight reduction in manpower as a result of COVID. Further, Agnipath scheme has been introduced in 2022 as recruitment scheme for youth to serve in the Armed Forces. The roadmap under Agnipath scheme is recruitment of 40,000 soldiers next year; and 45,000 and 50,000 in the subsequent years. Also, based on operational requirements, the Defence Minister is empowered to increase the number of recruited Agniveers. The Committee, in this regard, recommend that efforts for recruitment of Agniveers in the Forces may now be intensified so that combat capabilities of the Armed Forces on the ground are not negatively affected due to COVID. They also recommend that a pool of Agniveers, apart from the ones absorbed as regular cadre in the Forces, may be kept ready to serve the nation in times of any eventuality.

Agnipath scheme

8. Agnipath scheme has been introduced in 2022 as recruitment scheme for youth to serve in the Armed Forces. The Committee have been informed that new minor head of Agnipath scheme have been introduced under provision of Army, Navy and Air Force which will cater to the pay and allowances, contribution towards their Sewa Nidhi Fund, insurance cover, ex-gratia payment to Agniveers. Union Budget 2023-24 has provided exempt-exempt-exempt status for income tax purposes to the Agniveer Fund. An amount of ₹ 453 crore in RE of 2022-23 and ₹ 4,266 crore in BE 2023-24 has been provided to cater to training aids and simulators. The Committee note that training of the first batch of Agniveers has commenced, however, the calculation regarding estimated savings on account of

rolling out of Agnipath scheme has not yet been quantified as the scheme has started in 2022. In a written reply, the Ministry has submitted that the scheme is not an expenditure controlling exercise. In this context, the Committee recommend that as the aim of the Scheme is to ensure selection of young and agile manpower, adequate allocation for training aids, pay and allowances for Agniveers may be accorded priority. They also desire that chief differences in the training modules of the soldiers recruited through previous and new Agnipath scheme may be furnished at the time of furnishing Action Taken Replies.

Incidents of espionage in the Forces

9. The Committee are aware that cases of espionage have been reported in the Armed Forces and allied Organisations/Departments. In this regard, the Committee recommend that the extant system of detecting and monitoring espionage cases may be further strengthened to avoid recurrence of such cases. Further, the Officers and Jawans may also be regularly sensitized in this regard. The details of such cases detected in the Services and allied Organisations/Departments in the past three years and action taken thereon may be intimated to the Committee within three months of the presentation of this report.

BORDER ROADS ORGANIZATION (BRO)

Budgetary Allocation to BRO

10. The Committee note that for 2022-23, the final allotment to Border Roads Organization under Ministry of Defence (Civil) was ₹ 9,369.50 crore and the expenditure upto December 2022 was ₹ 6,934.86 crore. For Budget Estimates (BE) 2023-24, under MoD (Civil), allocation under Capital Budget is ₹ 5,012 crore and

under Revenue Budget is ₹ 5,167.75 crore. The Committee have been apprised that Capital Budget of BRO has been increased by 42 percent to ₹ 5,012 crore in FY 2023-24 as against ₹ 3,536 crore in BE 2022-23. They also have been apprised that the objective of BRO for 2023-24 is construction of 176 projects which will cost approximately ₹ 6,377 crore.

11. Taking into account the role of BRO in developing and maintaining strategic infrastructure in Border Areas, prudent consumption of allocated funds by BRO and expected increase in cost of construction material, the Committee recommend that additional funds at Revised Estimates stage, as sought, should be allocated to BRO so that the execution of works of construction and maintaining operational infrastructure for the Forces in Border Areas continue unhampered.

Challenges faced in execution of projects and maintenance of roads

12. The Committee are given to understand that inhospitable areas, delay in Forest and Wildlife clearance, limited working window due to climactic conditions and delay in land acquisition are some of the challenges being faced by BRO in execution of projects and maintenance of roads. As regards the issue of delay in Forest and Wildlife clearance and land acquisition, the Ministry submitted that State-level committees have been formed for resolution of these issues and work is ongoing in this regard. The Committee desire that details regarding frequency of meetings by these committees, the outcome of the same and a percentile in a tabular form that how many issues were sent to these Committees and proportionately what is the number of resolution/outcome of such issues in the past two years alongwith the final outcome of such meetings may be furnished within three months of the presentation of this Report.

13. During examination of Demands for Grants for 2023-24, the Committee desired written information regarding the specific cases/projects of BRO which are being delayed due to pending clearances and their current position. Till the date of finalization of this Report, the requisite information as assured by the Ministry of Defence has not been received. The Committee would now like the information to be furnished forthwith and in any case, at the time of furnishing Action Taken Replies. Also, the Committee recommend that in order to save time and energy of BRO in getting the approvals and factoring in their strategic role in the operational preparedness of the Forces, exemption may be provided to BRO, especially in forward areas, from seeking Forest and wildlife clearances.

14. A specific case of pending permission for mining in Kashmir division which was proving to be a hindrance in execution of projects by BRO was brought to the notice of the Committee. It has been reported that in order to ensure smooth supply of minor minerals for the developmental projects being executed across the Union Territory of Jammu and Kashmir, the timeline for grant of short term permit or disposal permit till June 30, 2023 by carrying out changes in the relevant rules has been extended. The Committee recommend that on similar lines, project-wise permission may be granted to BRO to carry out infrastructural work in J&K. If necessary, the issue may be taken up with the Administration of Union Territory of Jammu and Kashmir by the highest level in the Ministry of Defence under intimation to the Committee.

Safety parameters and features in infrastructure built by BRO

15. The Committee have been informed that Indian Roads Congress (IRC) code is followed by BRO for construction of roads and all norms regarding quality and safety are adhered to by BRO. Further, while construction of tunnels, all safety requirements are adhered to as per the international norms which include constructing escape tunnel for any tunnel longer than 1.5 km. BRO has also conducted audit of all roads constructed by it. Keeping in view the recent land subsidence incident in Joshimath, Uttarakhand, the Committee recommend that audit of infrastructure other than roads such as tunnels, bridges, airfields etc. built by BRO may also be carried out, especially in geologically sensitive areas. They also recommend that all requisite information such as geological surveys may be collected by BRO for undertaking construction work in geologically sensitive areas to obviate any chances of damage in adjoining areas. Such audit as is stated above, must include the accidents, if any, which took place like damage to water, lenses etc, amongst others.

Labour deployed by BRO

16. The Committee are given to understand that approximately 70 percent of BRO's labour force hails from Dumka in Jharkhand and remaining 30 percent is local labour. During the period of prevalence of COVID 19, a Memorandum of Understanding (MoU) was signed by BRO with Jharkhand Government for engagement of casual paid labourers. In this regard, the Ministry during oral evidence clarified that signing such MoU is not a standard practice in BRO and the MoU was a special arrangement during COVID times. Considering the contribution of the labour force from Dumka, Jharkhand during COVID times, the Committee, in

this context, recommend that even if the said MoU has expired being a one-time arrangement, priority must be accorded to provide best, to the extent possible, working conditions for labour force deployed by BRO. Further, grant for conducting some welfare activities in Dumka, Jharkhand may be provided by the Ministry of Defence taking into account that the major percentage of labour force deployed by BRO is sourced from this region.

17. The Committee during examination of DFG 2019-20 had raised the issue of lack of mobile banking facilities available to the workforce of Border Roads Organisation, who have to work in very remote and high altitudes areas. There are obviously no branches of banks in these pristine lands where the construction of new roads is undertaken and the workers find it very difficult to transfer money to their families. In this regard, the representative of BRO had apprised that provision of facility of mobile ATM twice or thrice in a month for such workers was being contemplated. The Committee would like to know the progress made in this regard and if no development has taken place the reasons thereof may be intimated to the Committee.

Tourism and self-employment opportunities in Ladakh

18. The Committee learn that in order to provide conducive and secure transit of tourists on the roads built by BRO in Northern and Eastern borders, establishment of 75 BRO Cafes in 12 Border States including UT of Ladakh has been undertaken by BRO in Public Private Partnership (PPP) mode. In this regard, the Committee recommend that with a view to generate more self-employment opportunities in Ladakh, coordination with the Ministry of Tribal Affairs may also be considered by the Ministry of Defence so as to enable the Tribals of the areas to gainfully engage

in tourism service related industry. Since these Cafes are already functional and initially if they do not make profits then emphasis should be made that they are run on cost plus basis.

INDIAN COAST GUARD

Budget 2023-24 and 2022-23

19. The Committee learn that the amount allocated under Capital and Revenue heads to Indian Coast Guard Organisation (ICG) in Budget Estimates (BE) 2023-24 is ₹ 3,536 crore and ₹ 3,661.47 crore, respectively. Till 6.2.23, out of the allocated amount of ₹ 3,300 crore under Capital budget at Revised Estimates (RE) stage in 2022-23, ₹ 2,351.3232 crore have been utilized. Under Revenue budget allocated for RE 2022-23, an amount of ₹ 2,865.26 crore has been utilized against the allocation of ₹ 3,998.33 crore. Keeping in view the past trend of utilization of funds by ICG, in Committee's opinion, the allocations are adequate to cater to ICG's requirements for FY 2023-24.

20. The Committee, after analyzing the data of budgetary allocation in 2022-23, find that unlike the trend of preceding years, the RE allocation to ICG under Capital budget in 2022-23 was reduced to ₹ 3300 crore from BE allocation of ₹ 4,246.37 crore. This amounts to reduction of approximately 22 percent. Considering that Capital head of the Budget caters for acquisition of platforms/ equipment/weapons and expenditure on Land and Capital works, the Committee desire that reasons for this reduction at the time of furnishing Action Taken Replies may be provided to them. They also recommend that prudent budgetary planning mechanism may be adopted while projecting and allocating funds for ICG at BE stage itself so that

funds are not later reduced at RE stage and the requisite funds are made available to other Organisation/Department under the Ministry of Defence in timely manner.

Manpower

21. The Committee learn that at present, borne strength in the categories of Officers, Enrolled Personnel and Civilians in ICG is 1765, 11584 and 1454, respectively. The Committee observe that the charter of ICG includes *inter alia* ensuring the safety and protection of the artificial islands, offshore terminals, installation and other structures and devices in any maritime zone, preserve and protect the Marine Environment, and assisting the Customs and other authorities in Anti-Smuggling Operations. Keeping in view the multifarious roles and responsibilities of Coast Guard, the Committee recommend that concerted efforts be undertaken for recruitment of additional manpower which will prove to be operational investment for ICG.

Anti-drug trafficking operations

22. The Committee learn that in joint operations with other drug law enforcement agencies, ICG has recovered huge consignment of drugs in last two years. The Committee, during oral evidence in connection with examination of Demands for Grants for 2023-24, desired information regarding value of drugs recovered by ICG in 2021 and 2022. The requisite information, till date of finalization of the Report, is still awaited. In the absence of the additional information with them, the Committee are not in a position to give any conclusive recommendation but desire that the information sought by the Committee may invariably be furnished within the time frame. On this point, they now expect that the additional information may be furnished to them with the Action Taken Replies.

Marine Police

23. The Committee note that currently, a three-tier coastal security apparatus exists comprising of Marine Police, Coast Guard and Indian Navy. Indian Navy is responsible for overall Maritime Security which includes coastal and offshore security. Indian Coast Guard has been additionally designated as authority responsible for coastal security in India's territorial waters including areas patrolled by the Marine Police. The Committee have been apprised that Marine Police in certain States have been encountering challenges such as inadequate budget and equipment such as patrol vessels. In this regard, the Committee desire that details of Marine Police stations in the country, structure, functioning, sanctioned *vis a vis* held strength of manpower and equipment/resources, allocated and utilized budget for the past three years may be furnished within three months of the presentation of this Report. The Committee also recommend that steps may be taken by all stakeholders for increased coordination and regular training programmes and exercises of Marine Police with other maritime security and law enforcement agencies.

DEFENCE ESTATES ORGANIZATION

Budgetary provision

24. The Committee learn that for Directorate General Defence Estates (DGDE), under Budget Estimates 2023-24, ₹ 620.05 crore and ₹ 42.65 crore have been allocated under Revenue and Capital Head, respectively. The Committee, while scrutinizing the data supplied by the Ministry, find that there is reduction in the amount allocated for Capital budget to DGDE from BE 2022-23 to RE 2022-23 i.e. ₹ 173.03 crore to ₹ 48.50 crore. The Committee would like to be apprised of the

reasons for this reduction of approximately ₹ 120 crore from BE 2022-23 to RE 2022-23 under Capital Head. In this regard, the Committee recommend that sound and prudent principles of financial planning be strictly adhered to by the Ministry so that there is no marked deviation in allocation of funds at RE stage.

25. The Committee learn that the Ministry of Defence (MoD) provides financial assistance to Cantonment Boards in the form of ordinary Grant-in-Aid to balance their budget. During 2021-22, 49 Cantonment Boards out of 62 received Grant-in-Aid from the MoD. Apart from ordinary grant-in-aid, grants for creation of capital assets like under-ground sewerage system, water supply schemes, construction of hospitals and schools etc. are also being provided from the year 2012-13 onwards. The Committee find that for BE 2023-24, the total Grant-in-Aid to the Cantonments amounts to ₹ 447.60 crore. Through a written submission, the Committee have been apprised that at present, 54 Cantonment boards are in deficit and require financial assistance to balance their budget. In this regard, the Committee recommend that if necessitated, Grant-in-Aid to the Cantonments be suitably augmented by the Ministry to ensure that civic facilities and welfare schemes/initiatives in the Cantonment areas are not affected due to lack of adequate budget.

Amendment in Cantonment Act, 2006

26. The Committee are aware that a new Cantonment Bill is awaiting to be introduced in the Parliament. During the Study Tours of the Committee, they were given to understand that this Bill would have several positive outcomes such as enhancing the revenue of the Cantonments, curtailing procedural bottlenecks in repairs of properties etc. During the course of examination of DFG 2023-24, the

Committee were informed that from the Government's perspective, the amended Cantonment Act is still wanting in certain aspects. The view of the Government, as given to understand to the Committee, is that civilian areas shall not be under the administration of the military commander. Keeping in view interest of the residents in the Cantonment areas and need for greater democratization in the functioning of the Cantonment Boards in the country, the Committee recommend that urgent efforts be made by the Ministry to ensure that the new Act sees the light of the day at the earliest.

Merger of civilian areas in the Cantonments with adjoining municipalities

27. The Committee, with regard to the issue of merger of civilian areas in the Cantonments with adjoining municipalities, learn that excision of civilian areas and handing over to the State Government will take time because valuable land is involved. Further, consent from the State Government is also required in this regard. It has been reported that the panel appointed by Ministry of Defence (MoD) to examine the merger of civilian areas of Secunderabad Cantonment Board with the civic body has submitted its report to the MoD. In this context, the Committee recommend that main findings and recommendations in the said report and the Ministry's plan to move ahead with the proposal be intimated to them at the stage of submitting Action Taken Replies. The details regarding proposals for merger of civil areas of Cantonments in other States with adjoining municipalities currently under active consideration in the Ministry may also be submitted to the Committee.

Interests of the Civil Population in Cantonment Areas

28. During deliberations on Demands for Grants 2023-24, the Committee raised the issue of grievances of the civil population in the Cantonment areas. One such issue was thoroughfare through some roads in the Cantonment areas. In this regard, the Defence Secretary apprised the Committee that permission for thoroughfare depends on the requirements of the Forces and security considerations. Further, a Joint Secretary level Committee has been visiting every Cantonment and the decision will be taken as per this committee's report. The Committee recommend that, as the unrestricted movement of civilians in the Cantonment areas is an issue that has been testing civil-military ties since long, the work of the committee be expedited and a balanced decision on the issue is taken by the Ministry. It goes without saying here that interest of all the stakeholders be safeguarded while taking a final decision on the findings of the Joint Secretary Level Committee.

Building Bye-laws of Cantonments

29. The Committee learn that The Energy Research Institute (TERI) has been engaged by the Ministry to conduct a study of six Cantonments and make recommendations on revision of Building Bye-Laws for Cantonments and to suggest a scheme for re-development of Cantonments. TERI has submitted its report and draft model building bye-laws based on the recommendations made by TERI is under consideration. The Committee would like to be apprised of the status of implementation of the report of TERI at the time of furnishing Action Taken Notes to the Committee. They also recommend that keeping in view the grievances of the people in the Cantonment areas, the notification regarding various

components in revised building bye-laws may be done in small lots instead of consuming time for notifying the entire revised policy in one go.

Resolution of legal cases pertaining to Defence Lands

30. The Committee, during discussion on the subject, desired information regarding pending court cases pertaining to Defence land. Till the date of finalization of this Report, the requisite information has not been received in the Secretariat. The Committee desire the requisite information now be furnished positively at the time of submitting Action Taken Replies. The Committee are aware of the recent digital strides in the arena of Lok Adalats. In this context, the Committee recommend that with a view to achieve faster resolution of disputes pertaining to Defence lands, the Ministry of Defence, wherever feasible, may also adopt such digital innovations.

DEFENCE PUBLIC SECTOR UNDERTAKINGS (DPSUS)

Efficiency of the DPSUs

31. On examination of the order book position of nine DPSUs for the period 2022-23 to 2026-27, the Committee find that Mishra Dhatu Nigam Limited (MIDHANI) has considerably low order book value when compared to the other old DPSUs. The Committee learn that MIDHANI is one of the manufacturers of special steels, Super alloys, and the only manufacturer of Titanium alloys in the country. Though MIDHANI is not a direct supplier to the Forces, the materials developed by MIDHANI are used in Space, Aerospace, Defence and Nuclear Sectors of the country. Therefore, the Committee recommend that vigorous steps in consultation with MIDHANI may be taken to ensure that efficiency and profitability of MIDHANI

products does not lag behind compared to other DPSUs. In this regard, it goes without saying that the role of Department of Defence Production (DDP) is of paramount importance. The Committee would like to have a comprehensive submission from DDP to this end.

Indigenization efforts and self reliance in Defence sector

32. The Committee learn that value of total capital procurement in Defence sector through indigenous and foreign sources in 2021-22 stood at ₹ 1,13,511.11 crore, which included procurement worth ₹ 40,325.09 crore from foreign vendors. The Committee note that various steps are being taken for indigenization of Defence production by DPSUs. These *inter alia* include notification of Policy for indigenization of components and spares used in Defence Platforms, notification of Positive lists of indigenization of sub-systems, components etc., and launching of SRIJAN portal to give access to the Indian Manufacturing Industry of the items which have been imported in the past or are likely to be imported in the future by DPSUs and the Forces. Further, 18 Major platforms have been announced by the Ministry of Defence for industry led Design and Development under various routes.

33. The Committee note that as per the data of total capital procurement in Defence sector through indigenous and foreign sources in 2021-22 furnished by the Ministry, the percentage share of indigenous Defence sector amounts to approximately 65 percent. Further, the capital procurement from indigenous sources out of total procurement in 2017-18, 2018-19, 2019-20 and 2020-21 stood at approximately 60, 51, 58 and 64 percent, respectively. In this context, the Committee desire the details, alongwith reasons, of the imported critical components and systems in the major capital assets held by the Services which

currently are not being developed or manufactured in the country. Further, to assess the growth of indigenization in Defence production by the DPSUs, the Committee recommend that a detailed note on the indigenous content *vis-a-vis* import content being used in manufacturing and production by the DPSUs may be furnished alongwith the efforts being made by the Ministry and the DPSUs for indigenous production of the same.

Keeping in view that the DPSUs are the mainstay of our defence production, the Committee categorically recommend the DPSUs to further develop their core competencies and enhance the import substitution efforts so that our country achieves complete self-reliance in defence production at the earliest. Once self reliant these DPSUs would be in a position to export their products to friendly foreign countries also. Needless to say, the Ministry of Defence needs to provide adequate support in terms of timely placement of orders, financial support, aid in transfer of technology etc. to DPSUs for achieving this goal. In pursuance of accomplishing this end, the Committee also recommend wherever necessary the help of Indian Missions abroad should be taken. They are not oblivious of the fact that Military Attaches attached with our overseas mission can extend the desired help too. The Committee would also like to have a list of Military Attaches attached with our foreign nations and any numbers that want to be deployed in the Missions in the countries which are strategically important for us.

Bharat Dynamics Limited (BDL)

34. The Committee learn that BDL has been working in collaboration with DRDO and foreign Original Equipment Manufacturers (OEMs) for manufacture and supply of various missiles and allied equipment to the Armed Forces. During oral

evidence in connection with examination of DFG 2023-24, the Committee have been informed that BDL has started production of missiles with foreign collaboration. The Committee, in this regard, recommend that a detailed note be submitted to them stating the reason for selection of other companies for this collaboration instead of DRDO.

Recruitment of Non-Official /Independent Directors in the Boards of DPSUs

35. The Committee are of considered view that Non-Official/Independent Directors contribute towards strengthening corporate governance in the companies by bringing an objective view and balancing the interests of the management and stakeholders. Therefore, the Committee recommend that the posts of Non-Official/ Independent Director, if vacant, in the Boards of DPSUs may be urgently filled.

WELFARE OF EX-SERVICEMEN

Budget

36. The Committee learn that an amount of ₹ 33.80 crore and ₹ 5,431.56 crore has been allocated to Directorate General of Resettlement (DGR) and Ex-Servicemen Contributory Health Scheme (ECHS), respectively, for Budget Estimates 2023-24. Kendriya Sainik Board (KSB) Secretariat and Department of Ex-Servicemen Welfare (DESW) have been allocated sum of ₹ 304.30 crore and ₹ 9 crore, respectively. The Committee note from the Ministry's submission that due to adequate budgetary grants in the previous financial year, the backlog of payments pertaining to KSB and ECHS has been cleared. The Committee, on scrutinising the data for budgetary allocation for Organisations/Divisions looking after welfare of Ex-Servicemen, find that the funds provided to DESW have remained static at ₹ 9

crore from 2021-22 to BE 2023-24. Taking into account rise in inflation, the Committee would like to be apprised of the reasons for no increase in the funds provided to DESW for the said period.

Resettlement Opportunities

37. The Committee learn that some of the new initiatives being undertaken for opening of new avenues for resettlement of Ex-Servicemen include *inter alia* tie-ups with corporates, Project PUNEH STHAPAN and DGR Security Agency Scheme. Considering the rapid strides in construction of road infrastructure in the country, the Committee recommend that feasibility of facilitation of opening/ operationalisation of e-vehicle charging stations and eating joints by ESM or a group of ESM in a particular area alongside the highways may be explored by the Ministry of Defence. If necessary, the Ministry of Road Transport and Highways may be approached for coordination for this proposal. The Committee also recommend that requisite funds for this novel scheme of resettlement of Ex-Servicemen may be allocated to DESW.

Reservation benefits for Ex-Servicemen

38. The Committee learn that following reservation benefits exist for Ex-Servicemen in various establishments:

- i. Reservation in Central Government (10% in Group 'C' posts);
- ii. Reservation in PSUs/ Banks (14.5 % in Group 'C' & 24.5% in Group 'D' including 4.5% for disabled ESM/ dependents of servicemen killed in action);
- iii. Central Police Organizations/Para Military Forces -10% upto the

- rank of Assistant Commandant; and
- iv. Defence Security Corps (DSC)- 100%.

The Committee note from the candid submission of the Ministry in this regard that the percentage of availing of abovementioned reservation benefits by ESM is not satisfactory. One of the reasons adduced by the Ministry in this regard is non-completion of the roster of ESM. In this context, the Committee recommend that the draft roster for ESM may be finalized in mission mode and the Central/State Governments may be vigorously pursued by the Ministry of Defence for filling the vacancies in posts reserved for ESM. Here the Central Government implies the Department of Personnel and Training.

39. The Committee opine that one of the reasons for non-fulfilment of reservation quota for ESM in various posts may be financial security offered by implementation of One Rank One Pension scheme. Further, inspite of reservation and relaxation of age in the posts, eligibility criteria may not be fulfilled by certain ESM. Therefore, the Committee recommend that a study taking into account above considerations may be conducted by the Ministry, in consultation with the stakeholders, regarding availing of reservation benefits by ESM.

Zila Sainik Board

40. The Committee learn that KSB Secretariat is responsible for welfare of Ex-Servicemen and their dependents and administration of welfare funds. It is assisted in its task by 34 Rajya Sainik Boards (RSBs) and 403 Zila Sainik Boards (ZSBs), which are under the administrative control of respective State Governments/Union Territory Administrations. The Government of India shares

75% of the expenditure incurred on the maintenance of RSBs/ZSBs in respect of the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Uttarakhand, Jammu & Kashmir, and Himachal Pradesh and 60% for other States/UTs while the remaining expenditure is borne by respective State Governments.

41. The Committee further learn that the composition of Zila Sainik Board is as follows:

President : District Collector

Vice President : Senior Ex-service Officer

**Ex-officious Members : Heads of State Government Departments /
Recruiting Officer**

Nonofficial : Two Ex-Servicemen

Members : Four Prominent Citizens

Secretary : Zila Sainik Welfare Officer

The Ministry, during discussion on the subject, submitted that there is variation in composition of the Zila Sainik Boards in various States depending on the extant rules and availability of suitable candidates. The Committee are of the considered view that Zila Sainik Boards play significant role in resolution of grievances of ESM and their families/dependents. In this regard, the Committee recommend that for ensuring proper functioning of all Zila Sainik Boards in the country, a uniform policy aiming at coordination with all States may be formulated by the Ministry of Defence. Needless to say, the policy should incorporate views of all stakeholders viz the State Governments, District Administration and Ex-Servicemen.

42. During the discussion on DFG 2023-24, in order to increase representation of elected representatives, the issue of feasibility of inclusion of local MPs in Zila Sainik Boards was also discussed. Considering that the Chairperson of District Development coordination and Monitoring committee (DISHA) in a district is the senior most Member of Parliament (Lok Sabha) elected from the district and nominated by the Ministry of Rural Development and the District Collector is the Member Secretary, the Committee recommend that more appropriate and pragmatic solution in this regard is to call the Zila Sainik Board Secretaries to DISHA meetings for meaningful discussion of issues related to ESM. Since the Committee have selected 'A review of functioning of Zila Sainik Boards in the country' as a separate subject, examination of which is undergoing, they would like to examine this issue in detail during preparation of the Report under reference. Nevertheless, in the first instance, they would like the MoD to give their justified opinion with regard to the Committee's recommendation.

Agnipath scheme

43. The Committee note that Agnipath scheme has been introduced in 2022 as recruitment scheme for youth to serve in the Armed Forces. The Committee are aware that various incentives including age relaxation and reservation in vacancies have been announced for Agniveers, who will not be inducted as regular cadre in the Armed Forces, by the Government, several State Governments and some industrial and financial institutions. The Committee desire that details of such incentives, benefits and opportunities may be intimated to the Committee at the stage of furnishing Action Taken Replies. They also recommend that to maintain attraction of the Armed Forces as a career option amongst the youth of

the country, such benefits available to them under Agnipath scheme should be given wide coverage through all forms of media.

44. The Committee note that Agniveers who will not be absorbed in the Forces will have much younger profile compared to that of Ex-Servicemen whom DGR is presently looking after. Therefore, the Committee recommend that a focused and specialized approach for re-settlement of such Agniveers needs to be devised by Directorate General of Resettlement (DGR). Keeping in view that the training of the first batch of Agniveers has started in 2023 and their consequent selection will be completed in 2026-2027, the Committee recommend that in order to provide right guidance to the Agniveers, who would not be inducted in the Forces i.e. after the selection of 25 percent of them into the Forces, plethora of educational and resettlement opportunities should be available to them. In this regard, they recommend that a separate nodal agency/division may be established in the Department of Ex-Servicemen Welfare.

Non-uniformity in ex-gratia monetary benefits/compensation provided to the martyrs

45. The Committee note that there is lack of uniformity in ex-gratia monetary benefits/compensation provided to the martyrs amongst various States in the country. The Committee have raised this issue in their earlier Reports too. During examination of Demands for Grants 2023-24, the Committee were informed that this matter would be included as an agenda for discussion during the forthcoming meeting of Kendriya Sainik Board scheduled in April, 2023. The Committee desire that outcome/result of the meeting of KSB on the said issue may be intimated to them at the earliest.

Vacancies in the Armed Forces reserved for the widows of Defence personnel

46. The Committee learn that 5% reservation has been provided to widows of Defence personnel for Short Service Commission Women (Technical and Non technical). In this context, the Committee, during examination of DFG 2023-24, had brought a case of a War Widow to the notice of the Ministry wherein the War Widow had cleared Services Selection Board (SSB) assessment, however, the vacancy had not been notified till then. The Committee, in their 31st Report (17th Lok Sabha) on 'Assessment of Welfare Measures Available to War Widows/ Families in Armed Forces', had also examined this issue. In this regard, the Committee recommend that appropriate mechanism should be formulated on urgent basis for timely release and notification of vacancies in the Armed Forces reserved for the widows of Defence personnel.

Appointing/promoting the Olympic medal winners of the country to the Officer cadre in the Armed Forces

47. The Committee, during oral evidence of the representatives of the Ministry of Defence during examination of DFG 2023-24, raised the issue of exploring the possibility of appointing/ promoting the Olympic medal winners of the country to the Officer cadre in the Armed Forces. The Ministry has assured that the matter would be processed in the Services for necessary examination. The Committee would like that the result of the Ministry's examination of the matter be furnished at the time of submitting Action Taken Replies.

DEFENCE PENSION

Budgetary Provisions

48. The Committee observe that Defence Pensions, under the Ministry of Defence provides for Pensionary charges in respect of retired Defence personnel (including Defence civilian employees) of the three Services viz. Army, Navy and Air Force and employees of erstwhile Indian Ordnance Factories etc. It covers payment of Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment amongst others. The Committee are informed that as on 1.4.2022, the total number of Defence pensioners in the country is 32,94,181 including 6,14,536 Defence Civilian Pensioners and 26,79,645 Armed Forces Pensioners. The Committee find that out of the total budget of ₹ 5,93,537.64 crore allocated to the Ministry of Defence in Budget Estimates (BE) 2023-24, an amount of ₹ 1,38,205 crore i.e. 23.28 percent of the entire Defence Budget has been earmarked for Defence Pensions. The Committee have been given to understand that the additional requirement of ₹ 18,509.00 crore for BE 2023-24 (₹ 1,38,205.00 crore) over BE 2022-23 (₹ 1,19,696.00 crore) is due to normal growth in pension, dearness relief and enhanced One Rank One Pension (OROP) rates. The Committee understand that the budget for Defence pension provides financial assistance and security to those who have served the nation and in order to maintain a youthful and agile profile of the Forces, a large percentage of Defence personnel are retired at a much younger age compared to their civilian counterpart and hence, the former have to fulfill substantial liabilities even after they are retired. Therefore, the Committee recommend that, after evaluation of escalation in pension amount on account of increase in number of pensioners, enhanced Dearness Relief and implementation of OROP, additional funds, if sought at the Revised Estimates stage, should be allocated under this head.

SPARSH-SYSTEM FOR PENSION ADMINISTRATION (RAKSHA)

49. The Committee learn that System for Pension Administration (Raksha) (SPARSH), announced in the Budget Speech of 2017-18, is an initiative of the Ministry of Defence which aims at providing comprehensive solution to the administration of pension to the Defence Pensioners. 19,33,233 legacy pensioners (both pre and post 7th CPC Pensioners) have been migrated to SPARSH from various Pension Disbursing Agencies (PDAs) as on 15.1.2023. Further, migration of remaining pensioners from existing banks is also in process. The Committee note that migration of approximately 13 lakh pensioners to SPARSH is pending and therefore, recommend that a target date may be fixed for completion of migration process of the remaining eligible pensioners so that the benefit of digital empowerment through SPARSH reaches every Defence pensioner. They also recommend that details regarding outreach programmes conducted by the Ministry of Defence for the Pensioners and their dependents who lack technological awareness and ready access to digital facilities may be intimated to the Committee at the time of furnishing Action Taken Replies on this Report.

One Rank One Pension (OROP)

50. OROP was implemented w.e.f. 01.07.2014 *vide* MoD order dated 07.11.2015. OROP implies that uniform pension be paid to the Armed Forces Personnel retiring in the same rank with the same length of service regardless of their date of retirement. The Committee are given to understand that OROP implies bridging the gap between the rate of pension of the current pensioners and the past pensioners at periodic intervals. The Committee note that the estimated annual financial implication of implementation of OROP is ₹ 8,450.04 Crore @ 31% Dearness Relief.

Arrears w.e.f. 01.07.2019 to 30.06.2022 have been estimated as ₹ 23,638.07 crore as per the applicable dearness relief. This expenditure is over and above the ongoing expenditure on account of OROP. It has been reported that a circular has been issued recently by the Principal Controller of Defence Accounts (Pensions) on asking banks, accounting offices, pension disbursing authorities and other agencies concerned to ensure timely payment of arrears of OROP to all eligible pensioners before March 2023 in one go in accordance with the Supreme Court's orders. The Committee desire factual details in this regard may be furnished to them within one month of the presentation of this Report. As the issue of OROP and its implementational aspects have been sub-judice in the past for various reasons, the Committee recommend that regular interactional meetings, either physical or in virtual mode, with the veterans may be conducted by the Ministry for maintaining transparency and lucidity on the matter.

New Delhi;
17 March, 2023
26 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 20th February, 2023 from 1100 hrs to 1800 hrs in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

SHRI JUAL ORAM

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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. Vasan

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

S. No.	Name	Designation
General Defence Budget		
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)

Defence Public Sector Undertaking

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)
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Directorate General of Defence Estate

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)

Border Roads Organisation

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

Coast Guard Organisation

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

Navy & Joint Staff

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 ₹ 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 5th 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

1. Kunwar Danish Ali
2. Shri D.V. Sadananda Gowda
3. Shri Rattan Lal Kataria
4. Prof. (Dr.) Ram Shankar Katheria
5. Dr. Rajashree Mallick
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. Shri Kamakhya Prasad Tasa
13. Dr. Sudhanshu Trivedi
14. Smt. P.T. Usha
15. Lt. Gen. (Dr.) D. P. Vats (Retd.)
16. 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

ARMY		
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
NATIONAL CADET CORPS (NCC)		
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
SAINIK SCHOOL		
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)
AIR FORCE		
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)
DEFENCE RESEARCH & DEVELOPMENT ORGANISATION (DRDO)		
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)
DIRECTORATE OF ORDNANCE – NEW DPSUs		
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 Vasani

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
Procurement Policy & Defence Planning		
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)
Welfare of Ex-Servicemen		
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
Ministry of Defence (Pension)		
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)
Ex-Servicemen Contributory Health Scheme		
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.

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

14. Dr. Ashok Bajpai
15. Shri Sushil Kumar Gupta
16. Shri Venkataramana Rao Mopidevi
17. Shri Kamakhya Prasad Tasa
18. Dr. Sudhanshu Trivedi
19. Smt. P.T. Usha
20. Shri G.K.Vasan
21. Lt. Gen. Dr.D.P.Vats (Retd.)
22. 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. #####

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.

Does not pertain to the Report
