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STANDING COMMITTEE ON DEFENCE

(2024-25)

(EIGHTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2025-26)

**GENERAL DEFENCE BUDGET, BORDER ROADS ORGANISATION, INDIAN COAST GUARD,
DEFENCE ESTATES ORGANISATION, WELFARE OF EX-SERVICEMEN AND DEFENCE
RESEARCH AND DEVELOPMENT ORGANISATION**

(DEMAND NOS. 19, 20 AND 21)

SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2025 / Phalguna 1946 (Saka)

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(DEMAND NOS. 19, 20 AND 21)

Presented to Lok Sabha on 17.3.2025.

Laid in Rajya Sabha on 17.3.2025.



LOK SABHA SECRETARIAT

NEW DELHI

March, 2025 / Phalguna 1946 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2024-25)

SHRI RADHA MOHAN SINGH

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CHAIRPERSON

Lok Sabha

2	Dr. Rajeev Bharadwaj
3	Shri Karti P Chidambaram
4	Shri Adhikari Deepak Dev
5	Shri Ranjit Dutta
6	Captain Viriato Fernandes
7	Shri Rahul Gandhi
8	Shri Mohmad Haneefa
9	Shri S. Jagathratchakan
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12	Shri Shashank Mani
13	Shri Lumba Ram
14	Shri Bishnu Pada Ray
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19	Dr. Thirumaavalavan Tholkappiyan
20	Com. Selvaraj V.
21	Shri Richard Vanlalhmangaiha

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24	Shri Shaktisinh Gohil
25	Shri Prem Chand Gupta
26	Shri Naveen Jain
27	Shri Muzibulla Khan
28	Shri Praful Patel
29	Shri Dhairyashil Mohan Patil
30	Shri Sanjay Singh
31	Dr. Sudhanshu Trivedi

SECRETARIAT

- | | | |
|----|---------------------|---------------------|
| 1. | Dr. Sanjeev Sharma | - Joint Secretary |
| 2. | Shri Tirthankar Das | - Director |
| 3. | Smt. Preeti Negi | - Executive Officer |

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2024-25), having been authorised by the Committee, present this Seventh Report (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2025-26 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Welfare of Ex-Servicemen and Defence Research and Development Organisation' (Demand Nos. 19, 20 and 21)'.

2. The Demands for Grants of the Ministry of Defence were laid on 7th February, 2025 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 17th February, 2025 and 18th February, 2025. The draft Report was considered and adopted by the Committee at their Sitting held on 12th March, 2025.

3. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold letters in Part II of the Report.

4. 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.

5. The Committee also place on record their appreciation for the assistance rendered to them by the Committee Secretariat.

New Delhi;
12 March, 2025
21 Phalguna, 1946 (Saka)

RADHA MOHAN SINGH
Chairperson
Standing Committee on Defence

REPORT

CHAPTER – I

GENERAL DEFENCE BUDGET

Introductory

The Committee have learnt that the Ministry of Defence provides the policy framework and wherewithal to the Armed Forces to discharge their responsibilities in the context of the defence of the country. The principal task of the Ministry is to obtain policy directions of the Government on all defence and security related matters and communicate them for implementation to the Services Headquarters, Inter-Services Organisations, Production Establishments and Research and Development Organisations. It is also required to ensure effective implementation of the Government's policy directions and the execution of approved programmes within the allocated resources.

1.2 The Committee have been given to understand that 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) was created in 2019 and deals with promotion of jointness in procurement, training and staffing for the Services. The mandates of this Department also include facilitation of restructuring of Military commands for optimal utilization of resources and promotion of use of indigenous equipment.
- iii. **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 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 The Committee have been mandated to examine the following four Demands for Grants in respect of the Ministry of Defence: -

- (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 Pensions

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.

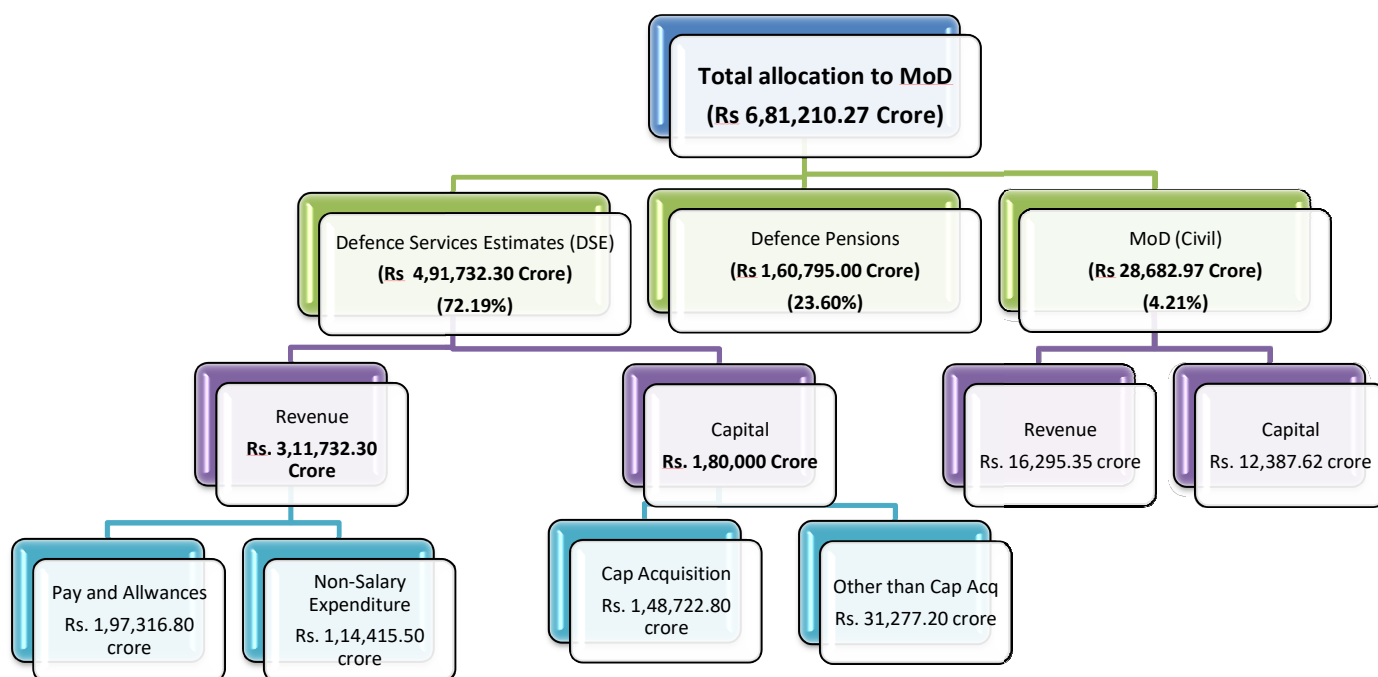
1.5 The 'running' or 'operating' expenditure of the three Services and other Departments viz., DRDO, Directorate of Ordnance (Coordination and Services) {DoO(C&S)}, DGQA, NCC and ECHS are provided under the Demand No. 20- Defence Services (Revenue), which cater for the Revenue expenditure, while the 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 The Committee have learnt that 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 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 2025-26: Summary

1.8 During examination of Demand for Grants 2025-26, the Ministry through a Power Point Presentation before the Committee submitted following information:



Highlights of Defence Budget 2025-26

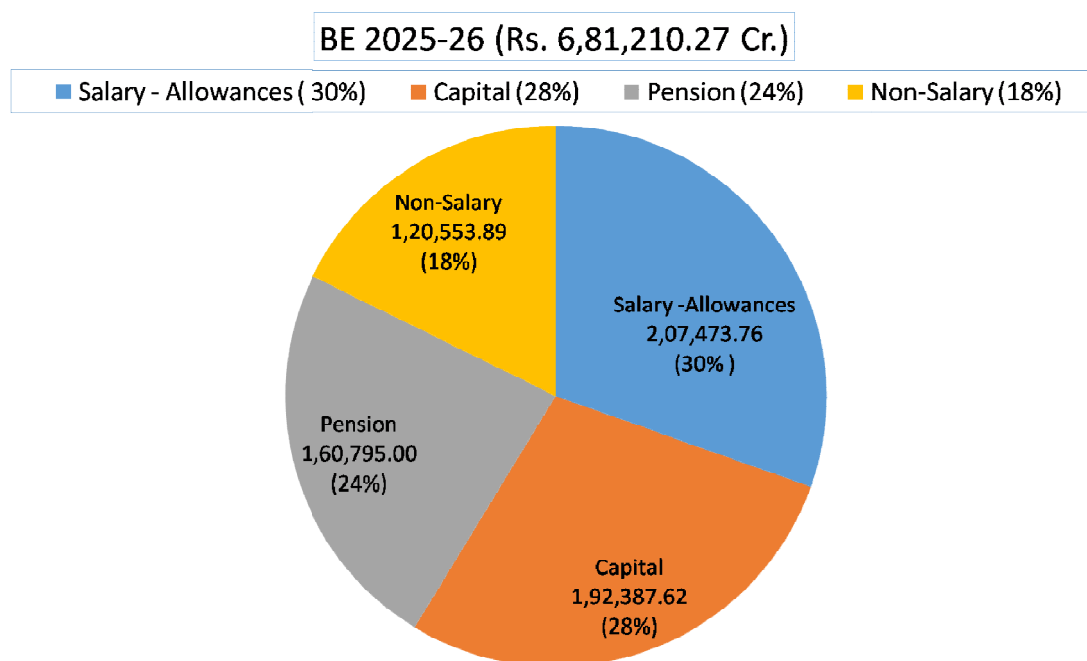
1.9 During examination of Demands for Grants of the Ministry of Defence for the year 2025-26, the Committee have learnt that highlights of the Defence Budget 2025-26 are as under:

- i. The total outlay for the Ministry of Defence for Budget Estimates (BE) 2025-26 is ₹ 6,81,210.27 crore and amounts to approx. 13.45% of total expenditure of Government of India (₹ 50.65 lakh crore), which is highest among the Ministries. The allocation to MoD for FY 2025-26 is 9.53% more than BE allocation of FY 2024-25 and 6.26% more than RE allocation for FY 2024-25.
- ii. Out of the total outlay for the Ministry of Defence for BE 2025-26, a share of 26.42% goes to capital outlay; 45.76% for Revenue expenditure; 23.60% for Defence Pensions and 4.21% for civil organizations under MoD.
- iii. The total Capital allocation to the Ministry of Defence for BE 2025-26 is ₹ 1,80,000 crore, which is 17.16 % of Central Government Capital expenditure (i.e. ₹ 11.21 lakh crore). This allocation is 4.65% higher than the Budgetary Estimate (BE) of FY 2024-25. Out of this, ₹ 1,48,722.80 crore is planned to be spent on Capital Acquisition, termed as modernisation budget of the Armed Forces and remaining ₹ 31,277.20 crore is for capital expenditure on Research & Development and creation of infrastructural assets across the country.
- iv. For FY 2025-26, ₹ 1,11,544.83 crore *i.e.* 75% of modernisation budget has been earmarked for procurement through domestic sources and 25% of domestic share *i.e.* ₹ 27,886.21 crore has been provisioned for procurement through domestic private industries.
- v. An amount of ₹ 3,11,732.30 crore has been allocated for Defence Services Revenue which is 10.24% higher than budgetary allocation of FY 2024-25. Out of this, ₹ 1,14,415.50 crore has been allocated on account of non-salary expenditure to facilitate procurement of Ration, Fuel, Ordnance Stores and maintenance/repair of equipment etc.
- vi. The budgetary allocation to Defence Research and Development Organisation (DRDO) has been increased to ₹ 26,816.82 crore in FY 2025-26 from ₹ 23,855.61 crore in FY 2024-25 which is 12.41% higher than the BE of 2024-25. Out of this, a share of ₹ 14,923.82 crore has been allocated for capital expenditure and to fund the R&D projects.
- vii. In BE 2025-26, an amount of ₹ 8,317 crore has been allocated towards ECHS which is 19.38% higher than BE of FY 2024-25.

- viii. It has been decided by the Ministry of Defence to observe 2025-26 as 'Year of Reforms' which will further strengthen modernisation of Armed Forces and is aimed for simplification in the Defence Procurement Procedure to ensure optimum utilisation of the allocation.

Distribution of MoD Budget 2025-26

1.10 The Committee, through a PowerPoint Presentation of the Ministry, have also learnt that distribution of Defence Budget for BE 2025-26 is as under:



1.10 During oral evidence of the representatives of the Ministry of Defence in connection with examination of Demands for Grants 2025-26, the Committee made an observation regarding distribution of Defence budget on expenditure on pensions, salaries and allowances and modernisation of our Forces. The Defence Secretary, in this context, deposed as under:

“On the modernisation Budget, again, Sir, the thing to remember is that we are spending as one of the Members rightly said about 28 per cent of the overall Budget on Capex, ideally it should be something 33 per cent at least and there is an exponential growth in salary and pension. The thing to remember however is that overall defence expenditure as a percentage of the GDP in this country

has actually been coming down. It is down to 1.9 per cent of the GDP which is lower than what it was even ten years back. So, given the growth in our overall GDP, in fact, from the finance side, there is adequate money available for the capex budget that we need. So, it is not that the size of the capex budget is actually not a limiting factor. The limiting factor actually is our ability to sign contracts quickly and thereafter ensure that supplies are able to deliver on time. Now, what has happened is that in the terms of speed of contract award and contract fulfilment, a lot of improvement has happened but we need to make it much faster and some of the expenditure that has not happened is also due to geopolitical factors. For example, when the S-400 was ordered from Russia, that is being held up now because of the conflict there. Some equipment from Israel and other countries also got held up primarily because of geopolitical reasons. But what the Ministry is trying to do is assuming that the capex budget is not a factor, the Government of India wants to increase capex there. They are concerned about the revenue budget increase as you are.

On the capex budget, they do not have any constraints. They said whatever you need will be given. Now, the issue here is primarily ensuring that contracts get awarded more quickly and we start getting those contracts fulfilled more quickly. For that purpose, the highest number of contracts we ever awarded in this country for defence was 2023-24 when we reached ₹ one lakh crore of contract awards. In the current year, we have already exceeded that and we are on track to doubling or perhaps even tripling that contract amount. It is based on those contract awards that we can then ensure that the capex budget keeps growing as had already been assured by the Ministry of Finance that money, whatever is required for the capex side will be fully made available to us. So, while I appreciate the concern of the Members about the capex budget, let me assure that finance is not a constraint when it comes to the modernisation budget of our armed forces. ”

1.11 The Committee also enquired about feasibility of planning for modernisation budget for the coming years. In response, the Chief of Defence Staff submitted as under:

“पहला प्रश्न यह था कि सैलरी और पेंशन बजट को हम एस्टिमेट कर सकते हैं कि वह कितना है और भविष्य में कितना होगा? लेकिन मॉडर्नाइजेशन के बजट को हम प्रेडिक्ट नहीं कर सकते हैं। यह काफी हद तक सही है, लेकिन टेक्नोलॉजी में किस तरह के ट्रेंड चल रहे हैं, जो युद्ध और युद्ध कला में प्रभाव डालेंगे। काफी हद तक हमें पता चल जाता है। जैसे कि अभी तीन तरह की तकनीकें भविष्य के युद्ध में प्रभाव डाल सकती हैं। पहला, रोबोटिक्स ऑटोमेशन, दूसरा, वेलॉसिटी के बारे में है, जिसमें हाइपर सोनिक ड्रोन्स आदि का इस्तेमाल है और तीसरा इंटेलिजेंस वार फेयर, जिसमें आर्टिफिशियल

इंटेलीजेंस, डेटा एनालिटिक्स व मशीन लर्निंग आते हैं। तीसरे का प्रभाव पहले दोनों पर भी पड़ता है, अतः इस पर डिटेल में अध्ययन हो रहा है। आर्म्ड फोर्स के अंदर, हेडक्वार्टर्स आइडियाज के अंदर एक फ्यूचर वार फेयर कोष भी स्थापित किया गया है। एक फ्यूचर एनालिसिस ग्रुप की स्थापना करने का विचार भी किया जा रहा है, जो यह अध्ययन कर रहा है कि भविष्य में आने वाली टेक्नोलॉजीज क्या हैं और उन पर क्या प्रभाव डालेगा? भविष्य में आने वाली तकनीक फास्टर तरीके से चेंज होगी। यह अडॉप्ट करने की जरूरत है। ”

Comparison of Defence Budget with BE and RE 2024-25

1.12 The details of Defence Budget (Demand-wise) and comparison with previous financial year is given as under:

(₹ in crore)

Demand	BE 24-25			RE 2024-25			BE 25-26		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
19- MoD Civil	15,722.33	10,240.85	25,963.18	15,672	10,984.65	26,656.65	16,295.35	12,387.62	28,682.97
20- Def Services Rev	2,82,772.67	-	282772.67	2,97,222.35	-	2,97,222.35	3,11,732.30	-	3,11,732.30
21-Capital Outlay on Def Services	-	1,72,000	1,72,000	-	1,59,500	1,59,500	-	1,80,000	1,80,000
22- Defence Pension	1,41,205	-	1,41,205	1,57,681	-	1,57,681	1,60,795	-	1,60,795
Total	-	-	6,21,940.85	-	-	6,41,060	-	-	6,81,210.27

Defence Services Estimates (DSE) 2025-26: Demand Nos. 20 and 21

1.13 The Committee have been apprised that for the Financial Year 2025-26, the total allocation under Defence Services Estimates {DSE} (Net) covering Grant No. 20 and 21 is ₹ 4,91,732.30 crore, of which the total Outlay for Revenue Expenditure (Grant No.20) stands at ₹ 3,11,732.30 crore and Capital Outlay (Grant No. 21) stands at ₹ 1,80,000.00 crore.

(₹ in crore)

	BE 2024-25	RE 2024-25	BE 2025-26
Revenue (Net)	2,82,772.67	2,97,222.35	3,11,732.30
Capital	1,72,000.00	1,59,500.00	1,80,000.00
Total	4,54,772.67	4,56,722.35	4,91,732.30

The Services and Organizations covered under DSE are as follows:

- i) Army (including National Cadet Corps, Director General Quality Assurance 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)

Civil and Pension Estimates (2025-26): Demand Nos. 19 and 22

1.14 While examining the subject, the Committee 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 2025-26 is ₹ 28,682.97 crore and ₹ 1,60,795 crore, respectively.

Demand No.19-Ministry of Defence (Civil)

1.15 The Committee found that the provision of funds for Ministry of Defence (Civil) under Demand Number 19 in Budget Estimates (BE) 2025-26 is ₹ 28,682.97 crore. Further details of MoD (Civil) Budget and comparison with FY 2024-25 are given below:

(₹ in crore)

	2024-25(BE)	2024-25(RE)	2025-26(BE)	% increase over BE 24-25	% increase over RE 24-25
Salary	10,029.92	10,034.46	10,156.96	1.27	1.22
Non-Salary	5,692.41	5,637.54	6,138.39	7.83	8.88
Total(Revenue)	15,722.33	15,672.00	16,295.35	3.64	3.98
Capital	10,240.85	10,984.65	12,387.62	20.96	12.77
Total (Revenue+ Capital)	25,963.18	26,656.65	28,682.97	10.48	7.60

1.16 The Committee have been informed that budgetary allocations to different Organisations/Departments under MoD (Civil) for 2025-26 (BE) and 2024-25 (BE) are as under:

(₹ in crore)

Service	2024-25 (BE)	2025-26 (BE)	% increase	2024-25 (BE)	2025-26 (BE)	% increase	2024-25 (BE)	2025-26 (BE)	% increase
	Rev	Rev	Rev	Cap	Cap	Cap	Total	Total	Total
AFT	68.00	54.11	-20.43	3.10	2.50	-19.35	71.10	56.61	-20.38
CGO	4,151.80	4,676.70	12.64	3,500.00	5,000.00	42.86	7,651.80	9,676.70	26.46
BRO	5,595.41	5,346.00	-4.46	6,512.00	7,146.50	9.74	12,217.41	12,608.00	3.20
DEO	621.61	654.45	5.28	42.60	32.34	-24.08	664.21	686.79	3.40
DAD	2,559.01	2,712.78	6.01	148.41	166.20	11.99	2,707.42	2,878.98	6.34
MoD Secretariat (including IDSA)	915.26	977.28	6.78	7.44	9.79	31.59	922.70	987.07	6.98
JAKLI	1,936.24	2,074.03	7.12	-	-	-	1,936.24	2,074.03	7.12
CSD(Gross)	26,250.00	30,500.00	16.19	27.30	30.29	10.95	26,277.30	30,530.29	16.19
CSD(Receipts)	26,375.00	30,700.00	-	-	-	-	26,375.00	30,700.00	16.40
CSD(NET)	-125.00	-200.00	-	-	-	-	-125.00	-200.00	60.00
Total	15,722.33	16,295.35	3.64	10,240.85	12,387.62	20.96	26,045.88	28,768.18	10.45

1.17 The Committee, during oral evidence of the representatives of the Ministry of Defence in connection with examination of DFG 2025-56, enquired about 19.35 % decrease in capital allocation to Armed Forces Tribunal (AFT) under MoD Grant No.

19 (Civil) in BE 2025-26 compared to BE 2024-25. The Defence Secretary in this context clarified as under:

“A question was raised about AFT. AFT is the Armed Forces Tribunal. That is the judicial tribunal for the administrative and other matters of the Defence. The point is that once you create a building or once you provide a furniture, it is not that you will keep spending more money on the same thing over and over again. So, it is quite logical that the capital expenditure on AFT will ultimately start winding down once you have created the basic infrastructure.”

1.18 The Committee further enquired about significant jump i.e. 42.86 % in Capital budget of Coast Guard in BE 2025-26 in comparison to BE 2024-25. In this regard, the Defence Secretary submitted as under:

“The Coast Guard’s Capital Budget is essentially growing because after the Mumbai attack, we have tried to systematically strengthen our maritime security. And in the immediate future, we have a fairly large-scale acquisition plan for Coast Guard comprising of two Pollution Control Vehicles, eight Fast-Patrol Vessels, 12 New Generation OPVs, six Air Cushion Vehicles -- which are hovercrafts, 22 interceptor boats, and helicopters, etc.

I mean there is a good reason why Coast Guard Budget is going up and it needs to go up given the very long coastline that India has.”

Demand No. 22- Defence Pensions

1.19 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 2024-25	RE 2024-25	BE 2025-26
1,49,205	1,57,681	1,68,795

1.20 The Committee have been apprised that the additional requirement of ₹ 19,590 crore for BE 2025-26 (₹ 1,68,795 crore) over BE 2024-25 (₹ 1,49,205 crore) is mainly due to normal growth in pensions, dearness relief and impact of One Rank One Pension-III.

Budget Allocation for 2024-25 under Defence Services Estimates

1.21 The Committee have found that the provision for Defence Services under Demand Nos. 20 and 21 for 2024-25 in the Budget Estimates (BE) was ₹ 4,54,772.67 crore (Net). The Revised Estimates (RE) have been provided at ₹ 4,56,722.35 crore (Net). On a net basis, the R.E. for 2024-25 shows an increase of 1,949.68 crore over the B.E. 2024-25. The net Revenue budget for BE 2025-26 at ₹ 3,11,732.30 crore has been increased by ₹14,509.95 crore in comparison to the RE at ₹ 2,97,222.35 crore. In the Capital Outlay, the RE 2024-25 is ₹ 1,59,500.00 crore which is ₹ 12,500.00 crore less than the BE 2024-25 allocation of ₹ 1,72,000.00 crore.

1.22 The Major Head wise position, as the Committee have learnt, under the Demand Nos. 20 and 21 for BE and RE 2024-25 is as follows:

(₹ in crore)				
S.No.	Demand	Major Head	B.E. 2024-25	R.E. 2024-25
1.	20- Defence Services (Revenue)	Army	1,97,236.85	2,04,790.07
		Navy	33,528.73	36,557.31
		Air Force	47,523.49	51,876.77
		OrdFys/DoO(C&S)	450.46	470.35
		R& D	10,947.61	11,330.01
2.	21- Capital Outlay on Defence Services	Capital Outlay on Defence Services	1,72,000	1,59,500
Total (Gross)			4,61,687.14	4,64,524.51
Receipts/Recoveries			6,914.47	7,802.16
Total (Net)			4,54,772.67	4,56,722.35

1.23 The Committee have been informed that out of the Revised Estimates of ₹ 4,56,722.35 crore for 2024-25, the provision for Revenue expenditure is ₹ 2,97,222.35 crore, while that for Capital expenditure is ₹ 1,59,500 crore. The major components of the net Capital expenditure of 1,59,500.00 crore are for Land – ₹842.95 crore, Works – ₹ 10,561.62 crore (including Married Accommodation Project), Aircraft – ₹ 46,591.66 crore, Heavy and Medium Vehicles– ₹ 4,092.87crore, Other Equipment –₹ 46,589.48 crore , Naval Fleet ₹ 25,605 crore, Naval Dockyard– ₹ 5,418 crore and other items ₹ 19,798.42 crore.

Budget Estimates 2025-26 under Defence Services Estimates

1.24 The Committee have learnt that Budget Estimates for 2025-26 under Defence Services Estimates (Demand Nos. 20 and 21) work out to ₹ 4,91,732.30 crore (Net) and the details are as under:

(₹ in crore)

S.No.	Demand	Major Head	BE 2024-25	R.E.2024-25	BE 2025-26
1.	20- Defence Services (Revenue)	Army	1,97,236.85	2,04,790.07	2,12,191.88
		Navy	33,528.73	36,557.31	39,019.80
		Air Force	47,523.49	51,876.77	55,000
		DoO(C&S)	450.46	470.35	480
		R&D	10,947.61	11,330.01	12,193
2.	21- Capital Outlay on Defence Services	Capital Outlay on Defence Services	1,72,000	1,59,500	1,80,000
Total (Gross)			4,61,687.14	4,64,524.51	4,98,884.68
Receipts/Recoveries			6,914.47	7,802.16	7,152.38
Total (Net)			4,54,772.67	4,56,722.35	4,91,732.30

1.25 The net Budget Estimates of Revenue expenditure for the year 2025-26 is ₹ 3,11,732.30 crore which shows an increase of ₹ 14,509.95 crore when compared with the Revised Estimates for 2024-25. The net Budget Estimates of Capital expenditure for the year 2025-26 is ₹ 1,80,000 crore which shows an increase of ₹ 20,500 crore over the Revised Estimates 2024-25.

Projection and allocation under Defence Budget

1.26 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 BE 2025-26 are tabulated as under:

(₹ in crore)

Years	BE Projections	BE Allocations	RE Projections	RE Allocation	Actual Expenditure
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	5,00,680.88
2022-23	6,33,346.02	5,25,166.15	5,92,689.40	5,84,791.10	5,73,098.08
2023-24	6,37,113.51	5,93,537.64	6,30,899.21	6,23,888.94	6,09,504.28
2024-25	6,80,310.22	6,21,940.85	6,64,576.26	6,41,060.00	4,53,010.39
2025-26	7,19,822.27	6,81,210.27	-	-	-

Note:- (i) Expenditure figure in respect of FY 2024-25 is upto December, 2024.

(ii) RE 2024-25 and BE 2025-26 are subject to approval of the Parliament.

1.27 When asked to provide reasons for gap, if any, between allocation and utilization of Defence Budget during FY 2025-26 and the last five years, the Ministry submitted as under:

“The Committee may be apprised that 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 materialize during the year. The remaining

allocation is distributed to meet the projected requirement for other items including Land/Works.”

1.28 To a further query of the Committee seeking reasons for mismatch, if any, between the projections and allocations in BE 2025-26 in Defence Budget and whether any project/procurement is likely to be affected because of lesser than projected allocations, the MoD submitted as under:

“Details of funds projected in BE 2025-26 and ceilings conveyed by Ministry of Finance for Defence Services Estimates are indicated below separately for Revenue and Capital Heads are as under:-

(₹ in crore)

Revenue (Net)		Capital		Total	
Projection	Allocation	Projection	Allocation	Projection	Allocation
3,36,235.37	3,11,732.30	1,80,000.00	1,80,000.00	5,16,235.37	4,91,732.30

The allocated funds will be optimally utilized towards operational activities. All the projects/procurements are undertaken under Capital Grant and the allocations received under the Capital Grant are as per the projections, so there is no likely-hood of the same getting affected.

Under Revenue Grant, there is some deficit of projected versus allocated funds as allocation is made by MoF considering the pace of expenditure, actual expenditure in past, carry over liabilities and overall availability of resources with MoF, taking into account other competing demands from various Ministries. However, if required, additional funds will be projected at Supplementary/ RE stage. Also, if needed, through reprioritization, it will be ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.”

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

1.29 On being asked to furnish details of the rate of inflation in terms of Whole Sale Price Index (WSPI) and Consumer Price Index (CPI), respectively, and also a comparison of the inflation Rate with the growth of Defence Budget for the current and last five years, the Ministry of Defence submitted the following information: -

“Details of rate of inflation in terms of Consumer Price Index (CPI) and Whole Sale Price Index (WSPI) respectively and also a comparison of the inflation Rate with the growth of Defence Budget for the last five years are as under:-

(₹ in crore)

Financial Year	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Defence Budget (all four Grants) (BE)	4,71,378.00	4,78,195.62	5,25,166.15	5,93,537.64	6,21,940.85	6,90,710.27
Growth in Defence Budget over previous year	9.37	1.45	9.82	13.02	4.79	11.06
Inflation Rate (CPI) (%age)	6.6	5.2	5.7	5.4	5.4	4.90*
Growth in Defence Budget adjusting inflation (%age)	2.77	-3.75	4.12	7.62	-0.61	6.16
Inflation Rate (WSPI) (%age)	0.1	12.5	5	-	-	2.37**

Note:- * Inflation rate is for April to December, 2024 for FY 2025.

** Annual rate of inflation is based on all India Wholesale Price Index (WPI) for the month of December, 2024 over December, 2023.

It may be noted that Defence Budget has increased at a CAGR of 7.94% from FY 2020-21 to FY 2025-26 which is greater than the inflation rate in each year.”

1.30 During course of examination of DFG 2025-26, the Committee enquired about the impact of inflation and position of Rupee in the international market on the increase in Defence Budget. In this regard, the Defence Secretary submitted as under:

“On the issue of foreign exchange risk and whether the depreciation is leading to a marking time or not having a significant increase, again as I said the issue is really contract awards and fulfilment not so much particularly because we have now earmarked 75 per cent of our modernisation budget for indigenous

sources, so, the foreign exchange there according comes down. It applies only to 25 per cent of your budget. ”

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

1.31 Data on growth of Defence Budget (all 4 Grants) in comparison to central budget and GDP, in absolute and relative terms, for the last five years and FY 2024-25, as provided to the Committee by the Ministry, is as under:

(₹ in crore)

Year	Defence Expenditure	Total CGE (Actuals)	Def. Exp % of CGE	GDP	Def. Exp % of GDP
2019-20(Actual)	4,52,996	26,86,330	16.86	2,01,03,593	2.25
2020-21(Actual)	4,85,681	35,09,836	13.84	1,98,54,096	2.45
2021-22 (Actual)	5,00,681	37,93,801	13.20	2,35,97,399	2.12
2022-23 (Actual)	5,73,098	41,93,157	13.67	2,69,49,646	2.13
2023-24 (Actual)	6,09,504	44,42,542	13.72	2,95,35,667 (1 st RE)	2.06
2024-25 (BE)	6,21,941	48,20,512	12.90	3,26,36,912 (PE)	1.91

Note: GDP figures from FY 2019-20 to 2023-24 are as per Economic Survey 2023-24 – Table 1.6-Components of GDP at Current Prices and for FY 2024-25 are from Budget at a Glance (2024-25).

CGE figures for Actuals from 2019-20 to 2023-24 and 2024-25(BE) are as per Budget at a Glance of FY 2021-22 to 2024-25.

BE= Budget Estimates, RE=Revised Estimates, PE = Provisional Estimates

1.32 When asked to provide data with regard to 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	2021			2022			2023		
	Def. exp.	% of GDP	% of govt. exp	Def. exp.	% of GDP	% of govt. exp	Def. exp.	% of GDP	% of govt. exp
China	285930.5	1.61	4.93	291958.4	1.62	4.88	296438.6	1.67	4.97
Pakistan	11649.4	3.39	18.36	10358.10	3.16	15.93	8521.2	2.80	14.45
USA	806230.20	3.42	8.04	860692.20	3.34	9.32	916014.70	3.36	9.06
Russia	65907.7	3.61	10.31	102366.60	4.69	12.94	109454.4	5.86	16.14
UK	65136.2	2.07	4.51	64081.6	2.07	4.71	74942.8	2.26	5.15

Source: SIPRI Military Expenditure Data Base”

Projections made by the Services, allocation and expenditure

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 and allocated budget for FY 2025-26, separately and combined under Capital and Revenue Heads, are as follows: -

A. REVENUE

(₹ in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
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	1,70,019.87
	Navy	34,701.66	25,406.42	34,441.48	30,734.58	30,042.41
	Air Force	50,692.44	32,873.46	54,997.72	44,728.10	45,667.15
2023-24	Army	1,84,989.60	1,81,371.97	1,97,628.57	1,95,032.23	1,91,597.63
	Navy	36,605.04	32,284.20	36,776.65	35,150.53	34,261.53
	Air Force	68,081.58	44,345.58	58,565.41	56,272.10	53,024.92
2024-25	Army	2,14,577.03	1,91,319.60	2,01,289.26	1,98,427.82	1,49,300.75
	Navy	40,649.26	32,778.73	36,666.42	35,687.31	22,422.16
	Air Force	60,847.17	46,223.49	55,332.23	50,376.77	34,903.02
2025-26	Army	2,14,727.72	2,06,200.00			
	Navy	40,707.22	38,149.80	-	-	-
	Air Force	66,530.27	53,700.00			

Note:- (i) Navy includes Joint Staff.

(ii) Expenditure figures in respect of FY 2024-25 are upto December, 2024.

(iii) RE 2024-25 and BE 2025-26 are subject to approval of the Parliament.

B. Capital*(₹ in crore)*

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
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	36,616.19
	Navy	67,622.96	47,590.99	47,727.03	47,727.03	46,091.48
	Air Force	85,322.60	56,851.55	56,264.54	53,871.17	44,917.78
2023-24	Army	37,341.54	37,341.54	33,412.16	33,412.16	28,613.50
	Navy	52,804.75	52,804.75	51,283.98	51,052.18	50,762.62
	Air Force	58,808.48	58,268.71	58,268.71	58,500.51	60,757.63
2024-25	Army	35,664.95	35,664.95	34,670.21	34,226.95	22,128.47
	Navy	62,545.98	62,545.98	62,953.79	62,192.98	26,969.29
	Air Force	59,062.07	59,062.07	59,062.07	47,766.14	29,291.40
2025-26	Army	33,400.68	33,400.68	-	-	-
	Navy	65,352.82	65,352.82	-	-	-
	Air Force	64,811.68	64,811.68	-	-	-

Note:- (i) Navy includes Joint Staff.

(ii) Expenditure figures in respect of FY 2024-25 are upto December, 2024.

(iii) RE 2024-25 and BE 2025-26 are subject to approval of the Parliament.

C. REVENUE + Capital**(₹ in crore)**

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
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	2,06,636.06
	Navy	1,02,324.62	72,997.41	82,168.51	78,461.61	76,133.89
	Air Force	1,36,015.04	89,725.01	1,11,262.26	98,599.27	90,584.93
2023-24	Army	2,22,331.14	2,18,713.51	2,31,040.73	2,28,444.39	2,20,211.13
	Navy	89,409.79	85,088.95	88,060.63	86,202.71	85,024.15
	Air Force	1,26,890.06	1,02,614.29	1,16,834.12	1,14,772.61	1,13,782.54
2024-25	Army	2,50,241.98	2,26,984.55	2,35,959.47	2,32,654.77	1,71,429.22
	Navy	1,03,195.24	95,324.71	99,620.21	97,880.29	49,391.45
	Air Force	1,19,909.24	1,05,285.56	1,14,394.30	98,142.91	64,194.42
2025-26	Army	2,48,128.40	2,39,600.68	-	-	-
	Navy	1,06,060.04	1,03,502.62	-	-	-
	Air Force	1,31,341.95	1,18,511.68	-	-	-

Note:- (i) Navy includes Joint Staff.

(ii) Expenditure figures in respect of FY 2024-25 are upto December, 2024.

(iii) RE 2024-25 and BE 2025-26 are subject to approval of 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 of FY 2024-25 and amount allocated at RE and MA stage for the last five years, which are as under:

(₹ in crore)

Year	Service	BE	RE		Additional amount sought in RE	MA Allocation
		Allocated	Projected	Allocated		
2019-20	Army	1,69,909.74	1,98,456.82	1,72,440.73	28,547.08	1,73,405.32
	Navy	45,368.14	68,860.27	48,943.14	23,492.13	48,261.58
	Air Force	68,948.88	1,21,684.39	74,898.88	52,735.51	74,906.18
2020-21	Army	1,78,248.26	1,92,455.85	1,77,828.95	14,207.59	1,70,677.21
	Navy	49,623.03	80,149.12	60,890.57	30,526.09	64,725.13
	Air Force	73,244.57	1,17,560.39	86,825.98	44,315.82	90,817.31
2021-22	Army	1,84,176.03	2,07,002.13	1,82,996.15	22,826.10	1,82,862.81
	Navy	56,614.23	80,080.46	69,947.45	23,466.23	69,619.46
	Air Force	83,867.30	1,19,992.98	87,497.79	36,125.68	87,660.98
2022-23	Army	1,95,828.95	2,13,125.20	2,05,934.11	17,296.25	2,09,398.89
	Navy	72,997.41	82,168.51	78,461.61	9,171.10	77,696.59
	Air Force	89,725.01	1,11,262.26	98,599.27	21,537.25	94,864.64
2023-24	Army	2,18,713.51	2,31,040.73	2,28,444.39	12,327.22	2,23,232.41
	Navy	85,088.95	88,060.63	86,202.71	2,971.68	85,712.78
	Air Force	1,02,614.29	1,16,834.12	1,14,772.61	14,219.83	1,16,111.40
2024-25	Army	2,26,984.55	2,35,959.47	2,32,654.77	8,974.92	NA
	Navy	95,324.71	99,620.21	97,880.29	4,295.50	
	Air Force	1,05,285.56	1,14,394.30	98,142.91	9,108.74	

1.35 When asked to state the reasons for mismatch between projection and allocation of budget to the Services, the Ministry submitted as under:

“This Ministry submits the requirements projected by Services to Ministry of Finance for favourable consideration. While allocating funds, Ministry of Finance analyses past absorption capacity of the Services and the pace of expenditure in the current Financial Year. In addition to this, based on the overall ceilings conveyed by MoF, Ministry of Defence allocates funds among

the Services and Organisations under MoD, based on Inter-Services priorities, committed liabilities, allocations/earmarking for critical projects etc.”

Operational Preparedness of the Forces

1.36 The Committee have been given to understand that there are a total of 17 Single Service Commands in the Indian Armed Forces. The Indian Army (IA) has six Operational and one Training Command. The Indian Air Force (IAF) has five Operational Commands and a Maintenance Command. The Indian Navy (IN) has two Operational Commands and one Training Command. In addition to the Single Service Command, the tri-service Commands are Strategic Forces Command (SFC) and Andaman and Nicobar Command (ANC). The Commands are commanded by the respective ‘Commanders-in-chief’ of the three services. The Commands exercise operational and administrative control over the subordinate formations in their respective Theatres/Area of Responsibility. They serve as a link between the Service Headquarters (SHQ) and subordinate formations. As per the submission of the Ministry of Defence, no proposal is currently being progressed to expand the existing Commands of the Armed Forces.

1.37 To a specific query of the Committee regarding the status of the Unified Theater Commands, the Ministry has apprised that Theaterisation being a trailblazing reform, a large number of complex issues which have a direct bearing on the proposed force structure, require to be addressed comprehensively. Accordingly, deliberations on re-organising the Armed Forces into Integrated Theatre Commands are in progress and currently being examined at various levels before finalization of an optimal organizational structure to meet the operational requirements.

The Ministry has further submitted that the Integrated Theatre Commands will facilitate better co-ordination and integrated application of force which will enhance operational efficiency and optimize resource utilization. It would also aid in creation and integration of new war-fighting capabilities and faster assimilation of future technology and tactics. The concept of theaterisation seeks to mitigate the shortcomings of single service operations and support modern war fighting.

1.38 When asked to entail the steps being taken /being contemplated to achieve integration among the three Services and optimum utilization of Services, the Ministry submitted 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:-ⁱ

(a)Deliberations on reorganizing the Armed Forces into Integrated Theatre Commands are in progress. Likely benefits of Integrated Theatre Commands are given below:-

- (i) Enhanced operational effectiveness.
- (ii) Optimal utilisation of resources resulting in higher level of efficiency.
- (iii) Synergy in capability development.

(b)The Defence Cyber Agency (DCyA), Defence Space Agency (DSA) and Armed Forces Special Operations Division (AFSOD) were sanctioned in December, 2018.

(c)Towards integration of tri-Service Logistics, three Joint Logistics Nodes (JLN) have been established at Port Blair, Mumbai and Guwahati.

(d) An Integrated Capability Development System (ICADS) is under development, through a collegiate and holistic study by experts drawn from SHQs and think-tanks/industry. This will lead to the 10-year prioritized Integrated Capability Development Plan (ICDP), five year Defence Capital Acquisition Plan (DCAP) and two-year roll on Annual Acquisition Plan (AAP).

(e) Integration of communication networks is being progressed through Network for Spectrum (NFS) project. It would enable networking of communication.

(f) Progressive enhancement of Joint Training Institutions is being done to enhance synergy and jointness in training while optimizing training efforts and resources.

(g) 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.

(h) Joint Syllabus of Armed Forces Training Institutes (AFTIs) has been enhanced. “

1.39 The Committee further desired to be apprised about strategic operational preparedness of the Defence Forces in view of the present security scenario and conceived threat perception. In this regard, the Ministry in its written reply submitted as under:

“Necessary measures have been undertaken for capability enhancement to counter emerging trends of warfare. Own war fighting philosophy has been evolving to face newer challenges, with adequate emphasis on force modernization and augmentation of resources. Operational preparedness of the Indian Armed Forces spans across the spectrum of conflict.”

1.40 When further asked about the emerging trends in conventional and non-conventional threats, both external and internal in nature, and our preparedness to contain those threat perceptions in a more effective manner within the available resources, the Ministry replied as under:

“India has been significantly enhancing combat capabilities in all three dimensions of Land, Sea and Air as well as Cyber and Space. Significance of data centric warfare, role of AI and other emerging technologies has been understood towards operational preparedness and being acted upon through accretion of capability.”

1.41 To a pointed query of the Committee as to whether the sanctioned strength of the critical weapons/equipment/platforms for the Forces is being reconsidered in view of the current security scenario, the Ministry replies that the scaling and procurement of critical weapons/equipment/platforms for Armed Forces is carried out as per operational requirements.

1.42 The Committee, during the Sitting convened for examination of DFG 2025-26, made an observation regarding further need for modernisation of equipment of the Armed Forces. In this regard, the Defence Secretary submitted as under:

“Regarding old generation equipment and how we need to make it much higher as I mentioned that is linked to how we are able to award contracts quickly, getting cutting edge technology and as I said, we are working hard on ensuring that in the current year, we really set new records in terms of awarding contracts for the most modern equipment possible.”

CHAPTER II

BORDER ROADS ORGANISATION

The Committee understand that Border Roads Organisation (BRO) is a road construction executive force in India that provides support to Indian Armed Forces. BRO develops and maintains road networks in India's border areas and friendly neighboring countries. This includes infrastructure operations in 19 states and three union territories (including Andaman and Nicobar Islands) and neighboring countries such as Afghanistan, Bhutan, Myanmar, Tajikistan and Sri Lanka. BRO is also tasked with maintaining this infrastructure including operations such as snow clearance. BRO is instrumental in significantly upgrading and building new India-China Border Roads.

2.2 The Committee have learnt that BRO was formed on 7 May 1960 to secure India's borders and develop infrastructure in remote areas of the north and north-east states of the country. In a bid to boost border connectivity, BRO was entirely brought under the Ministry of Defence in 2015. Earlier, it received funds from the Ministry of Surface Transport under the Ministry of Road Transport and Highways.

Allocations to BRO

2.3 The projection made by BRO and allocations made thereto by MoD at BE and RE stage and the actual expenditure incurred during the last five years, as furnished by the Ministry through a written reply, are as under : -

(₹ in crore)

S/N	FY	Particulars	BE Projection	BE Allocation	RE Projection	RE Allocation	Actual Expenditure
1	FY 2020- 21	Revenue					
		MH 2052	2,948.00	2,536.23	2,965.00	2,685.25	2,773.19
		MH 3054	1,365.00	700.00	1,095.00	1,070.00	947.37
		MH 3601 & MH 2552	100.00	50.00	55.00	80.00	54.89
		Total Revenue	4,413.00	3,286.23	4,115.00	3,835.25	3,775.45
		Capital					
		MH 5054 & 4552	3,582.00	2,300.00	3,400.00	3,100.00	3,104.19
		Total Capital	3,582.00	2,300.00	3,400.00	3,100.00	3,104.19
		G/Total	7,995.00	5,586.23	7,515.00	6,935.25	6,879.64
2	FY 2021- 22	Revenue					
		MH 2052	3,195.00	2,654.08	3,509.50	3,037.42	3,143.93
		MH 3054	1,150.00	800.00	950.00	845.00	828.05
		MH 3601 & MH 2552	100.00	50.00	50.00	50.00	49.41

		Total Revenue	4,445.00	3,504.08	4,509.50	3,932.42	4,021.39
		Capital					
		MH 5054 & 4552	4,575.00	2,500.00	3,500.00	3,500.00	3,481.51
		Total Capital	4,575.00	2,500.00	3,500.00	3,500.00	3,481.51
		G/Total	9,020.00	6,004.08	8,009.50	7,432.42	7,502.90
3	FY 2022-23	Revenue					
		MH 2052	3,828.40	3,327.36	3,922.00	3,919.50	3,952.39
		MH 3054	1,100.00	1,000.00	1,130.00	900.00	991.47
		MH 3601 & MH 2552	55.00	55.00	50.00	50.00	48.50
		Total Revenue	4,983.40	4,382.36	5,102.00	4,869.50	4,992.36
		Capital					
		MH 5054 & 4552	4,960.00	3,500.00	4,500.00	4,500.00	4,509.99
		Total Capital	4,960.00	3,500.00	4,500.00	4,500.00	4,509.99
		G/Total	9,943.40	7,882.36	9,602.00	9,369.50	9,502.35
4	FY 2023-24	Revenue					3,973.83
		MH 2052	4,265.00	4,162.75	4,282.00	4,282.00	
		MH 3054	1,230.00	950.00	1,200.00	1,200.00	1,173.35
		MH 3601 & MH 2552	55.00	55.00	50.00	50.00	20.76
		Total Revenue	5,550.00	5,167.75	5,532.00	5,532.00	5,167.94
		Capital					
		MH 5054 & 4552	5,500.00	5,000.00	7,000.00	6,500.00	5,984.95
		MH 4070	-	12.00	12.00	10.00	8.56
		Total Capital	5,500.00	5,012.00	7,012.00	6,510.00	5,993.51
		G/Total	11,050.00	10,179.75	12,544.00	12,042.00	11,161.45
5	FY 2024-25 (Expdr upto Dec 2024)	Revenue					
		MH 2052	4,707.00	4,290.41	4440.41	4281.91	3847.69
		MH 3054	1,300.00	1,250.00	1300.00	1250.00	993.21
		MH 3601 & MH 2552	55.00	55.00	55.00	55.00	32.14
		Total Revenue	6,062.00	5,595.41	5795.41	5586.91	4873.04
		Capital					
		MH 5054 & 4552	8,000.00	6,500.00	6500.00	6500.00	4272.47
		MH 4070	12.00	12.00	12.00	12.00	6.08
		Total Capital	8,012.00	6,512.00	6512.00	6512.00	4278.55
		G/Total	14,074.00	12,107.41	12307.41	12098.91	9151.59

BE 2025-26 (projections and allocations)

(₹ in crore)

S/N	FY	Particulars	BE Projection	Provisional Allocation
1	FY 2025-26	Revenue		
		MH 2052	4229.00	4001.00
		MH 3054	1400.00	1300.00
		MH 3601 & MH 2552	65.00	45.00
		Total Revenue	5694.00	5346.00
		Capital		
		MH 5054 & 4552	7500.00	7134.50
		MH 4070	14.00	12.00
		Total Capital	7514.00	7146.50
		G/Total	13208.00	12492.50

2.4 During Power Point Presentation, the representative of the Ministry apprised the Committee regarding the budgetary allocation to BRO under Grant No. 19 as under:

Major Head	Allotment FY 2024-25	BE Demand (Cr) FY 2025-26	BE Allocation (Cr) FY 2025-26
Capital			
MH 5054 (Infrastructure)	6,500	7,500	7,135
MH 4070 (Computer and Furnitures)	12	14	12
Total	6,512	7,514	7,147
Revenue			
MH 2052 (Salary and Allowances)	4,392	4,229	4,001
MH 3054 (Maintenance)	1,275	1,400	1,300
MH 3601(Strategic Roads)	55	65	45
Total	5,722	5,694	5,346
Total Grant No 19	12,234	13,208	12,493

The Committee infer from the above data that for FY 2025-26, BE allocation to BRO under MoD (Civil) is ₹ 12,493 crore i.e. 95 percent of the projected budget for FY 2025-26. Further, in BE 2025-26, the allocation under Revenue Budget is ₹ 5,346 crore and under Capital Budget is ₹ 7,147 crore.

2.5 The Director General, Border Roads in his submission before the Committee informed as under:

“वर्ष 2023-24 और 2024-25 में हमारी जो डिमांड रही है, लगभग उतना ही हमें एलॉटमेंट हुआ है। हमारा खर्च भी इसी लाइंस पर है।”

2.6 During oral evidence in connection with examination of DFG 202-26, the Committee desired to know the reason for reduction of projected funds for ‘Salary and Allowances’ in BE 2025-26 (₹ 4229 crore) as compared to the allotted funds (₹ 4392 crore) under this head in 2024-25. The DG BR, in this regard, submitted as under:

“...इसमें सैलरीज़ और एलाउंसिस की बात है। हमें स्टैंडिंग आथोराइज्ड हिसाब से पोस्ट स्ट्रेंथ के बेस पर राशि मिलती है। यह राशि पूरे साल के लिए हमारी फंक्शनिंग के लिए एडिक्वेट है।”

Current projects of BRO

2.7 The Committee have been apprised that BRO is mainly developing strategically important roads along the borders of the country. The key projects include Indo-China Border Roads (Phase-I & II), Northern Frontier Highway in Arunachal Pradesh, construction of Shinkhun La tunnel (4.1 km), Nyoma-Mudh airfield in UT of Ladakh, fencing of Indo-Myanmar border and roads in Left Wing Extremism (LWE) areas of Chhattisgarh.

2.8 When asked whether adequate budgetary support has been made in BE 2025-26 for the current projects being undertaken by BRO, the Ministry replied in affirmative.

2.9 During course of examination of DFG 2025-26, the Committee enquired about the condition of roads in Leh-Ladakh area. In response, the Director General Border Roads submitted as under:

“हमारे हिसाब से इसके प्रेजेंट स्टेटस में सड़क ठीक है और रिहेबिलिटेशन के लिए एडिक्वेट फंड्स भी दिए गए हैं। मैं आपको आश्वासन करता हूँ कि वहां टूरिज्म इन्क्रीज हो गया है क्योंकि पहले दो दिन

पेंगोगसो झील जाने के लिए लगाते थे, लोग एक दिन वहां रहते थे और अगले दिन वापस आते थे। लोग अब एक ही दिन में सफर तय करते हैं। यह हमारे रडार में है क्योंकि यह न केवल स्ट्रेटजिक बल्कि इकोनॉमी और सिटिजन्स के लिए बहुत ही महत्वपूर्ण है। बीआरओ ने अपने स्ट्रेचिस में इसे ठीक किया है और इसके आगे भी करेंगे।”

2.10 The Committee also desired to know about the target date of completion of Shinkun-La Tunnel, which aims to provide all-weather connectivity to Leh. In response, the DG BR submitted as under:

“शिंगुला टनल का पीडीसी अगस्त, 2028 में होगा, इसके लिए चार साल का समय लिया गया है। कांटेक्ट के अनुसार चार साल का समय दिया गया है। हमने इस साल जो काम करना था माइलस्टोन्स के हिसाब से काम सही चल रहा है। साउथ पोर्टल हिमाचल प्रदेश में है और नॉर्थ पोर्टल, जंस्कर वैली को क्रॉस करते हुए लद्दाख एरिया, पदम में, दोनों पोर्टल मार्क कर गए हैं और काम शुरू हो रहा है। इसका मेजर काम मई में शुरू होगा क्योंकि अभी शिंगुला पास में बर्फ है।”

Indo-China Border Roads

2.11 The Committee, regarding the status of Indo-China Border Roads, have learnt that as per the revised five-year Long Term Roll on Works Plan (LTRoWP), out of the 476 roads of length 22156 km, identified by the Army for construction/improvement, 36 roads of length 1895.01 km are in the state of Uttarakhand, 85 roads of length 3167.53 km are in UT of J&K, 67 roads of length 3604.32 km are in UT of Ladakh and 216 roads of length 10270 km are in the North Eastern Region (excluding roads in Bhutan). The present status of Indo-China Border Roads (ICBRs) and roads in difficult areas like Uttarakhand, UT of J&K, UT of Ladakh and North-Eastern regions is as under:

S/ No	State	Total Roads (Nos)	Initial Approved length (Kms)	Revised Approved length (Kms)	Completed Roads (Nos)	Balance Roads (Nos)	Length of Connected roads (Kms)
ICBR Phase-I							
1	Arunachal Pradesh	27	1691.87	1684.73	23	04	1684.73
2	Himachal Pradesh	05	123.03	123.03	05	-	123.03
3	Ladakh (UT)	12	1097.04	1099.02	11	01	1099.02

4	Uttarakhand	15	399.34	409.00	11	04	408.51
5	Sikkim	03	61.98	61.98	03	-	61.98
Total		62	3373.26	3377.76	53	09	3377.27
ICBR Phase-II							
1	Arunachal Pradesh	11	253.84	288.72	-	11	90.36
2	Himachal Pradesh	01	22.68	22.68	-	01	22.68
3	Ladakh (UT)	04	196.96	173.38	01	03	173.38
4	Uttarakhand	01	71.49	71.49	-	01	57.91
5	Sikkim	02	95.91	92.82	-	02	31.44
6	West Bengal	03	64.20	63.89	01	02	60.89
Total		22	705.08	712.98	02	20	436.67

2.12 During the course of examination of DFG 2025-26, the Committee enquired about the completion of phases of construction of Indo-China Border Roads. In this regard, the DG BR informed the Committee as under:

“आईसीबीआर के तहत इंडो-चाइना रोड के बारे में आपने जैसे बताया है, उसमें फेज़-I था, फेज़-II था और अभी फेज़-III का प्रपोजल भी फाइनल स्टेज में है। मैं मानता हूँ कि फेज़-I की जो सड़कें हैं, जो वर्ष 2008 के प्रपोजल्स चलते आ रहे थे, उसमें विलंब हुआ है। अभी स्थिति यह है कि इनमें से जो 13 सड़कें थीं, उसमें से सिर्फ अभी एक सड़क बाकी है। यह मुनस्यारी-बुगडियार-मिलम सड़क है, जो पिथौरागढ़ डिस्ट्रिक्ट में है और यह बहुत ही मुश्किल सड़क है। यह बॉर्डर एरिया को कनेक्ट करेगी। इसमें हमें एक साल और लगेगा। मैं इसका विवरण और एक्जेक्ट आंसर लिखित में देना चाहूंगा।

दूसरा, आपने जो आईसीबीआर रोड्स बताई हैं, जो फेज़-II की हैं, चूंकि ये रोड्स वर्ष 2019-20 में आई थीं, उनका डेट ऑफ कम्प्लीशन अभी आया नहीं है।”

2.13 The Committee have learnt from the written submission of the MoD that following problems are being faced by BRO in construction of Indo-China border Roads:-

- Hard rock stretches
- Limited working season
- Difficulties in availability of construction material
- Diversion of resources due to natural disaster.
- Land acquisition and Forest/Wildlife clearance is a time consuming process.
- Non availability of local labour
- Non-participation of reputed contractors due to remoteness of area.

Technological Innovations

2.14 The Committee have also learnt that following technological innovations have been introduced by BRO in the construction of roads in the difficult terrains: -

- (a) Steel Slag in road construction.
- (b) Inter-Locked Concrete Paved Blocks (ILCB) in high altitude area.
- (c) Rejupave Asphalt modifier cum rejuvenator for laying bituminous mix at HAA regions under low temperature.
- (d) Cement Treated Sub Base (CTSB) /Cement Treated Base (CTB) in Road construction.
- (e) Geotextile, Geo Cell, Geogrid, Geomembrane and Geocomposite in soil stabilization and road construction.
- (f) White Topping as thin lean concrete for resurfacing of bituminous roads.
- (g) Modular Bridges (Class 70R) for speedy construction.

Manpower in BRO

2.15 The Committee have found that Officers and personnel from the General Reserve Engineer Force (GREF) form the parent cadre of the BRO. It is also staffed by Officers and Troops drawn from the Indian Army's Corps of Engineers on extra regimental employment (on deputation). BRO is also included in the Order of Battle of the Armed Forces, ensuring their support at any time.

2.16 The details of authorized and existing manpower strength in BRO, as furnished by the MoD, is given as under:-

Classification of Post	Sanctioned strength	Persons position as on date	Vacancies as on date
Group 'A'	934	586	348
Group 'B'	935	852	83
Group 'B'(Non-Gaz)	6139	4428	1711
Group 'C'	33035	25902	7133
Total	41043	31768	9275

2.17 To a query of the Committee seeking details of measures being taken/contemplated to address the shortage in manpower strength of BRO, the Ministry in its written reply submitted as under:-

“(i) Regular vacancy requisition is being placed to UPSC for Direct Recruitment to the Group ‘A’ posts viz. Assistant Executive Engineers, Medical officers and Administrative Officers. Similarly, regular vacancy requisition is being placed to SSC for direct recruitment to subordinate cadre posts.

(ii) Mission mode recruitment since 2022 under PMRM (Rozgar Mela) is being held regularly.

(iii) Regular DPC is being conducted every year for filling the vacancies of manpower in promotional posts.

(iv) In order to address the issue of critical deficiency of Assistant Executive Engineers, a proposal to conduct Special recruitment drive has been initiated and concurrence of DoP&T has been obtained. Requisition is being placed to UPSC to carry out the Special Recruitment Drive.

(v) To address the shortage of Medical Officers in BRO, HQ DGBR has been instructed to carry out the recruitment on contract basis against regular vacancies of MO-II and MO-I.”

2.18 The Committee, during oral evidence on the subject, enquired about the network of engineers in BRO as well as contractual engineers hired by BRO. In this regard, the DG BR submitted as under:-

“Sir, we have a network or a standing strength of 30,000. Of which, 2000 are the officer cadre and 28,000 are the subordinate cadre. Our officers come on the basis of UPSC selection. We have over the years faced problem in the UPSC selection because when selected in UPSC, जैसे एमईएस या सीपीडब्ल्यू डी में जाते हैं तो बीआरओ थोड़ी टफ आर्गेनाइजेशन है, इसलिए वे इसमें आना नहीं चाहते हैं। इसी बात को देखते हुए एमओडी ने प्रस्ताव रखा है कि हम यूपीएससी के साथ काम करें ताकि इंजीनियर्स में जो कमी आज की तारीख में है, उसके लिए स्पेशल सलैक्शन किया जाए। इसमें सबको न लेते हुए, बीआरओ के लिए स्पेशल यूपीएससी की तरफ से काम होगा। यह एडवांस स्टेज में है। मेरा अनुमान है कि हम इस काम को इस साल कर पाएंगे। इससे वन टाइम मीजर में कमी ठीक हो जाएगी।

Coming to the question of contractual engineers, I would like to say that we have our own engineers. However, जैसे कि हम एमओआरटीएच के लिए कोई काम लेते हैं और हमारे पास उस एरिया में इंजीनियर नहीं हैं, तो हमारे पास प्रोविजन है कि हम कान्ट्रैक्ट पर अथॉरिटी इंजीनियर

और बाकी इंजीनियर्स ले सकते हैं। हम उन्हें कम लेते हैं, क्योंकि हमारे पास एग्जिस्टिंग तहत में इंजीनियर्स हैं। यह प्रोविजन है और हम इसे यूज भी कर रहे हैं। “

Operational equipment in BRO

2.19 To a query of the Committee seeking details of required, authorized and existing number of operational equipment in BRO during the last five years, the Ministry in its written reply submitted as under:-

Type of eqpt	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Require ment	Held	Require ment	Held	Require ment	Held	Requir ement	Held	Req uire ment	Held
Hyd Exc 20 Ton	745	505	503	545	625	616	677	514	633	578
Tipper/ Dumper	5385	4728	4428	4120	5014	4256	5218	3179	4423	2847
Excavator cum loader	572	474	575	423	555	420	428	406	440	396
Wheel Loader	421	181	321	170	478	182	397	282	367	355
Hot Mix Plant all type	40	82	105	79	108	79	106	83	106	81
Stone Crusher all type	283	181	225	180	183	185	192	181	151	174
Load Carrier	1198	1226	1054	1162	1148	1113	1146	943	871	725
Concrete Mixer	299	331	328	285	251	217	317	226	308	196

2.20 When further queried regarding the steps being taken to fill the gaps, if any, in the required operational equipment, the Ministry submitted that deficiency of equipment, if any, is filled up by hiring to achieve the laid down physical targets. The Ministry also submitted that as the shortage of equipments is met through hiring, there is no effect on the operational efficiency of BRO

Cases of Land Acquisition, Forest and Wildlife Clearances

2.21 The Committee, in their First Report (18th Lok Sabha), urged that in order to save precious time and energy of BRO in getting the requisite approvals, remaining pending cases of Forest and Wildlife and Land Acquisition clearance may be resolved at the earliest. In this connection, the Committee during examination of DFG 2025-26, sought details regarding pending cases of Forest and Wildlife and land acquisition clearance and their current status. The Ministry of Defence submitted as under:

Cases processed during FY 2024-25			Cases cleared during FY 2024-25			Cases pending		
LA	FC	WLC	LA	FC	WLC	LA	FC	WLC
91	73	5	30	21	1	61	52	4

LA: Land Acquisition

FC: Forest Clearances

WLC: Wildlife clearances

2.22 The Ministry also apprised the Committee that following steps/actions have been taken by MoD/BRO for early finalization of pending LA/FC/WLC cases:-

- Uploading of proposals for FC/WLC on PARIVESH Portal of MoEF&CC and continuous follow-ups and monitoring.
- Declaration of BRO projects falling within 100 km of International Border/Line of Actual Control/Line of Control as 'Strategic projects of National importance' for seeking Forest clearance exemption under Van (Sanrakshan Evam Samvardhan) Adhiniyam, 2023. This provision has fast tracked requisite FC/WLC clearances for strategic projects.
- Co-ordination meetings with the Ministry of Environment, Forest and Climate Change and State Authorities for expediting statutory clearances.
- Escalating issues relating to Critical Projects on Project Monitoring Group (PMG) Portal/ Pro-Active Governance And Timely Implementation (PRAGATI) & NITI Aayog for early resolution.

CHAPTER III

INDIAN COAST GUARD

The Committee are given to understand that Indian Coast Guard (ICG) was constituted under Coast Guard Act, 1978, as an Armed Force of the Union for ensuring the security of the maritime zones of India with a view to protect the maritime and other national interests in such zones and for matters connected therewith. The mandate given to ICG under the Coast Guard Act, 1978 and other national legislations can broadly be classified under four pillars, namely maritime search & rescue (SAR), maritime law enforcement (MLE), marine environment protection (MEP) and maritime & coastal security. The mission of ICG is to protect the Maritime and other national interest of India which includes fulfillment of a wide array of charter of duties as follows: -

- (a) Ensuring the safety and protection of artificial islands, offshore terminals, installations and other structures and devices in any maritime zone.
- (b) Providing protection to fishermen including assistance to them at sea while in distress.
- (c) Taking such measures as are necessary to preserve and protect the maritime environment and to prevent and control marine pollution.
- (d) Assisting the Customs and other authorities in anti-smuggling operations.
- (e) Enforcing the provisions of such enactments as are for time being in force in the maritime zones.
- (f) Such other matters, including measures for the Safety of life and property at sea and collection of scientific data, as may be prescribed.

3.2 The Committee have further learnt that Indian Coast Guard (ICG) performs its function in close liaison with Union agencies, institutions and authorities so as to avoid duplication of effort. ICG is nodal agency for coordinating SAR in the Indian Search and Rescue Region and as per National Maritime Search and Rescue (NMSAR). The agencies/organizations as maritime stakeholders are as below:

- i. Indian Navy
- ii. Indian Air Force
- iii. Port Authorities
- iv. Shipping Corporation of India
- v. Director General Civil Aviation (DGCA)

- vi. Merchant Ships operating close to the position of distress
- vii. Indian Meteorological Department (IMD)
- viii. Indian Mission Control Centre (INMCC), Bangalore
- ix. Department of Telecommunications
- x. DG(Shipping)
- xi. National Institute of Ocean Technology (NIOT)
- xii. National Disaster Response Force (NDRF)
- xiii. Border Security Force
- xiv. National Security Council Secretariat
- xv. ISRO, Department of Space
- xvi. National Technical Research Organization (NTRO)
- xvii. Customs Department
- xviii. Intelligence Bureau / R&AW
- xix. Narcotics Control Bureau
- xx. Directorate of Revenue Intelligence
- xxi. Fisheries Department
- xxii. Central Water Commission
- xxiii. Coastal States/UTs

Safety and security of the country's coastline

3.3 To a query of the Committee regarding measures/reforms incorporated by the Indian Coast Guard to enhance the safety and security levels of the country's coastline, the Ministry of Defence has submitted as under:

“The concept of concurrent operations has been emphasized wherein assets are deployed on multi-mission charter. In addition, integration of Coastal Surveillance Network has also been undertaken in the ICG operations. The various initiatives undertaken by the ICG towards Coastal Security include the following measures:

- (i) Training of Marine Police Personnel.
- (ii) ICG in coordination with respective coastal States and UTs initiated identification of vital assets, vulnerable points, fishing hamlets, fish landing points, etc. in coastal areas.
- (iii) Coastal Security Exercises are being conducted by ICG Regional Headquarters in co-ordination with all other stakeholders. Further, the lessons learnt and observations emerging from the exercises are utilized for enhancing efficiency of Coastal Security mechanism.

- (iv) Physical inspection of vessels at sea, have been enhanced exponentially. In addition, ICG undertakes special operation code name “OP Sajag’ every month at all costal States/UT with deployment of maximum ICG units to undertake extensive boarding of fishing boats at sea primarily for deterrence and random scrutiny of documents.
- (v) ICG regularly organizes Community Interaction Programme (CIP) for fishermen to bring in awareness about safety and security at sea.
- (vi) Joint Coastal Patrol (JCP) by ICG and Coastal Police as instituted for providing on job training to Coastal Police personnel and developing their sea legs towards strengthening the coastal security mechanism. Classroom instructions and JCP sorties are undertaken and Marine Police personnel are embarked onboard ICG ships for JCP since inception.
- (vii) Enhanced Patrolling by ICG Units and Aircraft: With strengthening of ICG in terms of afloat and air assets, ICG has enhanced the patrol efforts in area of responsibility. ICG ships are deployed round the clock for surveillance. The deployment of ICG ships and ICG aircrafts for area surveillance and also for sea-air coordinated operations have been increased. “

3.4 The Ministry also informed the Committee that Coast Guard has been planning Works and Infrastructure Projects in phased manner each year to mitigate the shortage of berthing facilities, create technical and maintenance infrastructure and establish Hangars and taxiways. The build-up of operational and technical infrastructure to support the ICG operation has been emphasized by implementation of Coastal Security Network (CSN) Scheme Phase II.

Budget 2025-26

3.5 The Ministry submitted the following information through a written submission regarding the allocations made at BE, RE and actual expenditure for Coast Guard during the last five years, separately for Capital and Revenue heads alongwith BE allocation for 2025-26:

Sl. No.	Financial Year	Object Head	BE (in Cr)	RE (in Cr)	MA (in Cr)	Actual Expenditure (in Cr)
(a)	2019-20	Revenue	2385.2700	2476.0700	2520.0700	2539.3073
		Capital	2500.00	2600.00	2600.0000	2582.7090
(b)	2020-21	Revenue	2532.7600	2432.7600	2522.9200	2546.5406
		Capital	2500.00	2500.00	2500.0000	2503.7496
(c)	2021-22	Revenue	2594.7200	2797.2600	2919.1400	2921.8588
		Capital	2650.0000	3236.4600	3275.4100	3189.1884
(d)	2022-23	Revenue	3563.9200	3998.3300	3998.3300	3785.5036
		Capital	4246.3700	3300.0000	3300.0000	3300.2540
(e)	2023-24	Revenue	3661.4700	4373.8000	4109.2300	4065.9832
		Capital	3536.0000	3800.0000	4151.3500	4125.2297
(f)	2024-25*	Revenue	4151.8000	--	--	1605.7275
		Capital	3489.0000	--	--	1445.4531
(g)	2025-26	Revenue	4676.7000	--	--	--
		Capital	5000.000	--	--	--

*Actual expenditure as on 14.10.24

3.6 During discussion on DFG 2025-26, the Committee learnt that the expenditure by Coast Guard is ₹ 6,278.68 crore (upto 10.02.25) out of ₹ 8,279.50 crore allocated for FY 2024-25.

Operational Activities

3.7 The Ministry, in a Power Point Presentation, informed the Committee of the various operational activities undertaken by ICG since its inception, as under:-

Operation	Cumulative statistics (Since Inception)
Lives rescued at sea	11,730
Mission undertaken for SAR	4,101
Medical Evacuation	482
Humanitarian Assistance & Disaster Relief	14,708
Coastal Security Operations	593
Coastal Security Exercises	288
Community Interaction	15,326
Boarding Operations	3,59,466
Apprehended Foreign Fishing Vessels	1,633
Apprehended Foreign Fishermen	13,728
Value of Contraband Seized	52,296.54 Cr

Force Level and Manpower

3.8 The Committee, during oral evidence in connection with examination of DFG 2025-26, have been apprised that current fleet of Coast Guard consists of 71 ships, 78 aircraft, 80 small crafts and boats and 10 drones.

3.9 The breakup of the manpower in Coast Guard in 2025, as furnished in the Power Point Presentation before the Committee, is as under:

Officers	2,550
Enrolled Personnel	14,002
Civilians	2,026
Total	18578

Use of Artificial Intelligence

3.10 To a query of the Committee regarding changes taken place or contemplated in Coast Guard owing to implementation of Artificial Intelligence techniques, the DG ICG submitted as under:

“आपने आर्टिफिशियल इंटेलिजेंस के बारे में प्रश्न पूछा है। हम लोग हमारे कोस्टल सिक्योरिटी नेटवर्क (सीएसएन) में एआई का इस्तेमाल करते हैं। वह सॉफ्टवेयर के माध्यम से हम लोगों को पता चलता है कि कौन-सी बोट्स हमारे एरिया में ट्रेसपास कर रही हैं। उनका जो प्रीवियस पैटर्न रहा है, उसको भी एनॉलाइज करके हमें एक साफ पिक्चर मिलती है कि कोई बोट ट्रेसपास कर रही है या उसको जो व्यवहार है, वह थोड़ा असामान्य है। हम लोगों ने मशीनरी उपकरणों में भी एआई का इस्तेमाल किया है। जैसे शिप्स में इंटीग्रेटेड मशीनरी कंट्रोल सिस्टम वगैरह लगाया हुआ है, उसमें भी एआई का मॉड्यूल है।”

Seizure of drugs and narcotics

3.11 During oral evidence in connection with examination of DFG 2025-26, the Committee were apprised that narcotics worth ₹ 37,193 crore were seized by ICG in November, 2024 in Andaman waters.

Assistance to fishermen

3.12 During the Sitting convened for examination of DFG 2025-26, the Committee raised the issue of arrest of Indian fishermen by Sri Lankan authorities. In this connection, the DG, Coast Guard submitted as under:

“.....insofar as the issue of our fishermen getting arrested by Sri Lankan authorities is concerned, the matter has been discussed at the highest echelons of both the Government and we have made a request to the Sri Lankan Government to treat these trespassing incidents as a humanitarian issue and to be very lenient with our fishermen when they are found fishing in their waters.”

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 lakh acres of Defence land in the country. The Directorate General, Defence Estates (DGDE) is at the apex of the organization. There are 6 Directorates under it, co-located with each army command, and the National Institute for Defence Estates Management (NIDEM), 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 61 Cantonment Boards for municipal administration of cantonments.

4.2. Defence Estates Organisation is entrusted with the following domain functions:

- (a) Defence land Management, acquisition, requisitioning and hiring of lands for defence purposes, maintenance and upkeeping of defence land records, transfer of defence land through various modes to different agencies, handling of litigations relating to post land acquisition, title suits relating to Defence lands, and eviction of unauthorized occupants from Defence land placed under DEO under the Public Premises (Eviction of unauthorized occupants) Act 1971.
- (b) Municipal administration of 61 Cantonment Boards spread over 17 States and 2 Union Territories. This includes running of hospitals/dispensaries, Schools, divyang centers and ITI/Vocational training centers.
- (c) Advise military authorities on all matters relating to defence land, Cantonment administration and acquisition of land.
- (d) Aid Ministry of Defence in decision making process in complex issues involved in defence land management.
- (e) To act as a buffer amongst land needs of various services in the Ministry of Defence and give necessary recommendations to the Government.

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 61 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. Some of the grants and leases have been converted into freehold lands in some Cantonments.

- Troops centric—health, hygiene, welfare and sanitation has predominance

The welfare, health and hygiene of forces residing within a cantonment is 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.

Financial base of Cantonment Boards

4.8 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.

4.9 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. In 1982, the Ministry of Defence agreed to pay service charges to Cantonment Boards. The rate of payment, however, was kept at the lowest slab of 33-1/3% of the property tax leviable. Section 109 of the Cantonments Act, 2006 also provides for payment of service charges to Cantonment Boards. The amount of Service charges is released based on budget allotment against the projected demand. Service Charges are also being received by Cantonment Boards from

Railways, Postal Department, Ordnance Factories and Other Central/State Government Departments.

4.10 **Grant-in-Aid**: Ministry of Defence (MoD) provides financial assistance to Cantonment Boards in the form of ordinary Grant-in-Aid to balance their budgets. During 2023-24, 50 Cantonment Boards out of 61 received Grant-in-Aid from the MoD.

4.11 **Grants for Creation of Capital Assets**: 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 2012-13 onwards.

4.12 **Central Finance Commission**: The 15th Central Finance Commission, in its report submitted in Nov 2019, for the year 2020-21, for the first time recommended that the States should make allotment of grants on population basis to 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 2022-23, 58 Cantonment Boards (125.4408 crore), during 2023-24, 48 Cantonment Boards (105.4676 crore) and during 2024-25, 26 Cantonment Boards (16.70 crore) till 30.09.2024 have received share of Finance Commission grant from the State Governments.

4.13 **Financial issues**: 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. In the Financial Year 2024-25, 50 Cantonment Boards were deficit and required financial assistance to balance their budgets.

Allocation of funds for 2025-26

4.14 During Power Point Presentation before the Committee, a representative of DEO furnished following information regarding Demands for Grants of Defence Estates Organisation for FY 2025-26:

(₹ in crore)

Head	BE 2024-25	BE 2025-26
Revenue	701.61	654.45
Capital	42.60	32.34

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

(₹ in crore)

Particular	Year	BE
Grant-in-Aid (General)	2024-25	484.69
	2025-26	412.62
Grant for Creation of Capital Assets	2024-25	32.00
	2025-26	35.20
Grant-in-Aid (Swachhta Action Plan)	2024-25	3.00
	2025-26	4.00

Defence Lands under DEO

4.16 The Committee have been informed that out of total defence land admeasuring 17.90 lakh acres, 1.61 lakh acres is situated inside Cantonments and 16.29 lakh acres outside Cantonments. The land under the management of Defence Estates Organization, inside Cantonments is 53,002 acres and outside Cantonments is 22,731 acres. The Defence Lands (inside Cantonments), which are placed under the management of Defence Estates Organisation (DGDE/DEOs/Cantonment Boards) are as follows:-

- i) Class A-2 land: Land which is not actually used or occupied by the Military authorities, but to the use or occupation of which for any other purpose, except temporarily, there exist specific military objections. Total area of such land is 6,188 acres.
- ii) Class B-3 land: These are properties given on lease/old grant to private individuals/various institutions, subject to the conditions under which the Central Government, reserve, or have reserved to themselves the proprietary rights in the land. Total area of such land is 12,359 acres.
- iii) Class B-3(a) land: Defence land converted to freehold under a policy of Ministry of Defence is classified as B-3(a). Total area of such land is 2.55 acres.

- iv) Class B-4 land: Land which is not included in any other class. Total areas of such land is 27,504 acres.
- v) Class-C land: Land which is vested in the Board under Section 122 of the Cantonments Act, 2006. Total area of such land is 6,439 acres.
- vi) In addition, A-1 land (Land which is actually used or occupied by the Military Authorities) used by DE Organisation for office complexes, residential quarters etc. is also under the management of Defence Estates Organisation. Total area of such land is 509 acres.

Certain, Defence land outside Cantonments, such as abandoned airfields, camping grounds, military farms, etc. are also placed under the management of DE Organisation. Total area of such land is 22,731 acres.

4.17 The Committee have also been informed that all Defence land is being utilized for bonafide defence purposes only including strategic, operational and security needs of the Nation. Land, if any which appears to be lying unused/vacant is meant for training, mobilisation practice, construction of Key Location Plans (KLP) and Married Accommodation etc. Unutilized land is primarily used to cater for upcoming/future needs of the forces. Further, land vested in Cantonment Boards is used for municipal purposes and to cater for future needs of the Boards.

4.18 The Committee, through written submission of the Ministry, have learnt that the area of defence land under the management of Defence Estates Organisation under encroachment is 4512 acres; 1951.1 acres of Defence land is under encroachment inside Cantonments and 2561.5 acres of Defence Land is under encroachment outside Cantonments. Further, the Defence Estates Organisation has freed about 586 acres of encroached Defence land under its management, during the last 04 financial years (2020-21 to 2023-24).

4.19 On being enquired about the steps taken by the Ministry of Defence to evict the encroachers from Defence land, the Ministry in a written reply submitted as under:

“(i) The encroachments are removed as and when they are detected, by carrying out anti encroachment drives after following due process of law under the PPE Act, 1971 in close coordination with police authorities and district administration.

(ii) ‘Bhoomi Raksha’ an IT Module has been launched on 16.12.2022 wherein eviction proceedings under the PPE Act 1971 can be initiated & progressed online. It also provides tools for monitoring & review at the apex levels. This will

infuse efficiency & bring transparency in the process of removal of encroachments as well as conduct of eviction proceedings.”

4.20 On being further queried about the pre-emptive efforts made by the Ministry to check encroachments on Defence land, the Ministry informed the Committee as under:-

- (i) Regular inspection of Defence Lands is carried out by the concerned offices and they are required to submit annual certificates as per rules.
- (ii) Defence land records have been digitized. These are easily retrievable and shared at the appropriate level with the LMA, State Revenue authorities and Police authorities, so that co-ordinated action between different Govt. agencies is initiated while removing encroachments.
- (iii) A Land Management System has been put in place wherein GIS layers of encroachments have been developed which provides information on encroachment over a period and helps in monitoring fresh encroachments, if any.
- (iv) A “Change Detection GIS Tool” has also been developed at the Centre of Excellence in the NIDEM for detecting changes on real time basis, that can monitor construction/encroachment on Defence land using satellite imagery, which provides details of encroachments over a given span of time.
- (v) A methodology for evaluating “Threat” of encroachment on Defence land has been devised. Steps to be taken by the concerned officers have been communicated to the field offices, including erection of compound walls, fencing or boundary pillars based on threat perception. Accordingly, funds have been allotted & construction of boundary walls/fencing/pillars has been carried out at different locations.
- (vi) An encroachment reporting module has been enabled in February 2020 on the DGDE website for reporting encroachments on Defence land by the general public, as and when they happen and a functionality of e-mail alerts to the officer concerned has been added so that corrective action can be initiated by the officers concerned at the earliest.
- (vii) Survey, demarcation and verification of all Defence land has been undertaken. Survey of Defence land is now a continuing process.

4.21 To a specific query of the Committee regarding geo-tagging of vacant and encroached Defence lands, the Ministry has submitted as under:

“Geo-referenced and digitized shape files for all Defence land pockets including vacant lands have been generated by DGDE. The same have been placed in the internal server of DGDE. Encroached pockets are being mapped/updated by the field offices.”

Excision of civil areas of select Cantonments and their merger with adjoining municipalities

4.22 The Committee, during examination of DFG for 2024-25, were informed that in order to move away from the Cantonment concept and bring uniformity in municipal laws governing civil areas of Cantonments and adjoining State Municipal areas, it had been decided to consider excision of civil areas of select Cantonments and merge them with adjoining municipalities. The Ministry, in its written reply, regarding the current status of this excision and merger process informed the Committee as under:

“The Central Government has taken an in-principle decision to excise the civil area from certain Cantonments. Accordingly, broad modalities/ guiding principles for excision of civil areas of Cantonments have been shared with the concerned State Governments for their views/comments.

MoD has constituted Cantonment-wise committees in respect of 36 Cantonments to look into the details of proposed modalities in terms of transfer/retention of assets and liabilities, Cantonment Board employees, pensioners and other issues for excision of civil areas of Cantonments and their merger with adjoining State Municipalities.

Notifications have been issued inviting objections/suggestions concerning de-notification or excision of civil areas as the case may be, in respect of 10 Cantonment Boards namely Ajmer, Babina, Deolali, Nasirabad, Clement Town, Dehardun, Fatehgarh, Mathura, Ramgarh & Shahjanpur. The views / comments from the State Governments are still awaited.”

4.23 On being enquired about feasibility of taking up the proposal of new draft Cantonment Bill after completion of the abovementioned excision and merger process of select Cantonments, the Ministry in a written reply submitted as under:

“The exercise of excision of civil areas from the limits of Cantonments involves consultation with various stakeholders wherein various challenges are being encountered relating to demand of vacant land by State Governments, security concerns of Local Military Authorities (LMA) and service conditions of employees of Cantonment Board. Therefore, final outcome of the exercise cannot be predicted at this stage and it will be premature to comment on the proposed new Cantonment Bill.”

Resolution of grievances of civilians/locals residing in Cantonment areas

4.24 The Committee, during deliberations on DFG 2025-26, raised the issue of various challenges being faced by the civilians residing in the Cantonment areas. One such issue pointed out was handing over of certain Defence land not being used by Army to civilian population for their welfare. In this context, the Defence Secretary apprised the Committee as under:

“पहले बेलगांव और म्युनिसिपल एरियाज़ के साथ लगे हुए जो कंटोनमेंट्स हैं, उनके बारे में एक पॉलिसी डिसिजन किया गया है कि ऐसे एरियाज़ जो बिल्कुल सिविलियन एरियाज़ हैं, उनको हम नेबरिंग म्युनिसिपैलिटीज़ को दे सकते हैं। ऐसे 61 कंटोनमेंट्स के बारे में we are talking to all the concerned State Governments. The problem basically is that the State Governments' views are a little different from ours. They are interested in vacant land which the Military does not want to give because they have some future uses. Our interest is in giving the civilian areas which are fully occupied along with their services to the municipality. Because of that, there is a sort of slight conflict. We have so far achieved some kind of consensus in 10 cantonments where with the State Government's written approval, we can move it forward and cut off those areas and give it to the local municipalities. In other areas, there are difficulties in terms of availability of vacant land which the Army does not want to give up. There are other trade-off issues. For example, old bungalows are there. In Belgaum, for example, you have those old bungalows where leasehold rights are still there. The local Army authorities feel strongly that within the cantonment, there will be security and safety issues if we start excising those portions from the cantonment. For Belgaum in particular, the local Municipal Commissioner has made a detailed plan of how that restructuring or removal of the civil portion from the cantonment can be done. We are getting that examined and we will discuss it with the State Government. We will of course ask the local Military commander to make himself available to

you whenever you want to raise any public issues of this type. But broadly out of 61, in 10 we are hopeful that we can actually complete the demarcation of civilian area. Regarding others, there is too much of a trade-off or a difference between our expectation and the expectation of the State Government. ”

4.25 To a specific query of the Committee regarding problems faced by civilians in Cantonment areas in Belgaum Cantonment due to blocking of certain roads in the Canotnment area, it was assured by the Ministry that the local representatives will be asked to take up the issue with the public representatives in the Cantonment area.

CHAPTER – V

WELFARE OF EX-SERVICEMEN

The Committee have learnt that in view of the expanding population of ex-servicemen (ESM) and widows, there were persistent demands from Service Headquarters and various associations for a separate Department to look after the welfare, resettlement and rehabilitation of ESM, war widows and their dependents. In 1986, a decision was taken to create an independent resettlement division in the Department of Defence. Thereafter, a new Department of Ex-Servicemen Welfare (DESW) was created in the Ministry of Defence on 22nd September, 2004 in order to pay focused attention to the welfare and resettlement of ESM. 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. (i) Pension Division; and (ii) 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).

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.

Central Organisation, Ex-Servicemen Contributory Health Scheme takes care of the healthcare and medical needs of Ex-servicemen and their dependents through a network of 427 polyclinics across the country.

Role of Directorate General of Resettlement (DGR)

5.2 The Committee have been informed that the role of DGR is to empower retiring/retired service personnel with additional skills and assist them in choosing a second career. This is achieved through the following modalities:-

- (a) Seeking suitable employment for Ex-Servicemen (ESM) as also upgrading their skills by imparting training, to take on new jobs.
- (b) Provide opportunities:
 - (i) Government / Quasi Government / Public Sector

- Organisation.
- (ii) Corporate Sector.
- (c) Jobs through schemes for self-employment.
- (d) Assistance in entrepreneurial ventures.
- (e) Act as the interface between retired service personnel, dependents and the outside environment for resettlement / second career.

5.3 The Committee have also been informed that DGR collects and compiles the half yearly census data relating to Ex-Servicemen/ Widows of Ex-Servicemen received from Rajya/ Zila Sainik Boards (RSBs)/ZSBs.

Budget 2025-26

5.4 The Ministry of Defence submitted the following details of budget allocation and utilization in DESW during their Power Point Presentation before the Committee:-

							(in ₹ crore)
	2023-24			2024-25			2025-26
Deptt/ Office	BE	RE/MA	Actual Exp	BE	RE/MA	Actual Exp (till 31.1.2025)	
DESW	11.00	11.00	10.90	11.00	11.00	9.40	11.97
Pension	134000.00	142095.00	142095.00	149205.00	157681.00	143209.54	160795.00
DGR	33.80	27.19	27.02	33.80	33.80	25.99	54.80
ECHS	5431.56	9880.99	9831.86	7968.00*	9429.00	7601.17	8317 .00
KSB	304.30	673.00	652.00	304.30	505.30	301.61	404.30

* ₹ 1000 crore additional allotment from Contingency Fund of India to ECHS in Nov 2024

Avenues for resettlement of Ex-Servicemen

5.5 The Ministry submitted following information regarding avenues offered/available for resettlement of Ex-Servicemen:

“Reservations in Government Jobs:

1. The following reservation for ESM in Central Government jobs are available to ESMs.

(i) 10% of vacancies in the posts up the level of the Assistant Commandant in all Para-Military Forces, 10% of the vacancies in Group ‘C’ posts, and 20% of the vacancies in Group ‘D’ posts, to be filled by Direct recruitment in any year shall be reserved for being filled by ESM.

(ii) 14.5% vacancies in Group C posts and 24.5% vacancies in Group D posts are reserved for ESM in Central Public Sector Undertakings. This includes 4.5% for disabled Ex-Servicemen and dependants of those killed in action.

(iii) 14.5% vacancies in Group C posts and 24.5% vacancies in Group D posts are reserved for ESM in action in Public Sector Banks / Financial Institutions. This includes 4.5% for Disabled Ex-Servicemen and dependants of servicemen killed in action.

2. Likewise State Governments have also reserved State / UT Govt Jobs for Ex-Servicemen. The percentage and Groups in which these job have been reserved for Ex-Servicemen by the State Governments varies from State to State

Placement Assistance through DGR

3. Directorate General Resettlement (DGR) sponsors Ex-Servicemen (Officers/ JCOs/OR) to various Government organizations, Public Sector Undertakings, Corporate Houses, Private Sector, Central Para Military Forces etc based on their requisition for re-employment of ESM.

DGR Sponsored Schemes Govt Schemes & Self Employment

4. **Govt Security.** The DGR empanels / sponsors ESM run Private Security Agencies, and State ESM Corporations for providing security guards to various

CPSEs, Corporate Houses, Private sector Undertakings etc. The scheme offers self-employment opportunities to retired officers and adequate employment opportunity to retired JCO/Ors and equivalent in a field, where they have sufficient expertise. Presently there are approximately 1800 operational Security Agencies running 60000 guards Pan India.

5. **ESM Coal Loading and Transportation Companies.** This scheme is linked with the ESM Coal loading and transportation scheme. Desirous ESM who enrol for this scheme are allotted to Coal transportation companies to own and attach a tipper truck. They are required to deposit seed money for buying the tipper truck. The scheme is offered for a max period of five years. No fresh registrations are being carried out since the unilateral withdrawal of Coal India Ltd. The matter for revival is sub-judice.

6. **Tipper Attachment for widows and disabled ESM.** Widows upto age of 65 and disabled soldiers having 50% or more disability are also allowed to enrol for this scheme. However, they do not own any tipper but deposit ₹ One Lac with the ESM Coal Transportation Company. The widow / disabled soldiers are paid a monthly sum of ₹ 3,000/- (Three Thousand) per month for a period of five yrs. At the end of five years the principal amount is returned back. Benefit of the scheme was given to 20 widows/disabled in the year 2021.

7. **Issue of Eligibility Certificate for Allotment of Oil Product Agencies.** The Ministry of Petroleum and Natural Gas has 8% reserved quota for allotment of Regular/Rural Retail Outlet Dealership under 'CC1' category. The said category includes personnel of the Para Military Forces/Central Govt /State Govt and Central /State PSU employees and Defence Personnel. DGR issues the eligibility certificate for the ESMs.

8. **Sponsorship for COCO Retail petroleum outlets of Oil Product Agencies.** As per the policy of MoP&NG, Company Owned Company Operated (COCO) Retail Outlets are made available for Management by Retired Defence officers & JCOs on contractual basis for a maximum period of three years. The scheme is operational Pan India. Officers are sponsored by the office of DGR and JCOs through their respective RSBs. Oil Company pays ₹ 30000/- (Rupees Thirty Thousand) pm as fixed remuneration plus incentive on sale of oil product.

9. **Sponsorship for CNG (COCO) Retail outlets of IGL in Delhi/NCR & MNGL in Pune.** DGR has a tie up with IGL in New Delhi & MNGL in Pune and

it provides a panel of retired defence officers for managing the services and front court operations of all the CNG (COCO) retail outlets of IGL in NCR. The selected ESM (O) is contracted for a period of five years on a yearly renewable contract basis. The monthly remuneration ranges from ₹ 52,000/- to ₹1,18,000/- with incentives.

10. **Sponsorship for Allotment of Mother Dairy Outlets / Safal Outlets for Retd JCO/OR.** This scheme is based on an MoU between DGR and Mother Dairy wherein fully furnished shops are offered by Mother Dairy to ESM (personal below officer rank) for sale of milk and fruit, fresh vegetables. The desirous ESM are required to register for Milk / SAFAL (Fruit and Vegetable booths separately).

11. **Incorporation of Ex-Servicemen in Pradhan Mantri Bhartiya Jan Aushadhi Pariyojna (PMBJP) Scheme.** A special incentive of a one-time grant of ₹ 2 lakh, in addition to normal incentives (₹5 lakh @ 15% of monthly purchase) has been granted to Ex-Servicemen under Pradhan Mantri Bhartiya Jan Aushadhi Pariyojna (PMBJP) which aims at establishing nation-wide Generic Medicine pharmacies for providing cheaper medicines for the benefit of everyone. Ex-Servicemen can avail the same vide 'Eligibility Certificate' issued by DGR for the purpose."

5.6 The Ministry further submitted following information regarding new proposals being contemplated for opening up new avenues for the resettlement of Ex-Servicemen:

"Some of the recent initiatives being undertaken for opening up new avenues for resettlement of Ex-Servicemen are as under:-

(a) **Introduction of New Courses Aligned with Industry Needs**. To keep pace with evolving market demands, the Directorate has launched new training courses designed to equip personnel with skills that are in high demand across various industries and the corporate sector. This ensures that trainees are well-prepared for a wide range of civilian careers.

(b) **Expansion of Vacancies for Greater Inclusion**. Recognizing the increasing demand for resettlement training, the Directorate has expanded the number of available training vacancies. This initiative aims to accommodate a

larger number of retiring personnel and ex-servicemen, providing more opportunities for skill enhancement and career development.

(c) DGR has conceptualized “**Technical & Allied Services Scheme**” which envisages providing ESM manpower (Technical / Allied services) to Government Establishments/ PSUs/ Industries through DGR sponsored service providers run by Empanelled State ESM Corporations and ESM (Officers). The current scheme aims to obviate the deficiencies of the old scheme and resuscitate the demand for ESM in the emerging technological sphere. Draft OM for the scheme has been prepared and is under consideration in MoD.”

5.7 To a pointed query of the Committee regarding number of applications received in for resettlement of retired officers and Personnel Below Officer Rank (PBOR) in DGR and actually resettled applicants out of those received applications, the Ministry in a written reply submitted as under:

DETAILS OF ESM SPONSORED / EMPLOYED DURING LAST FIVE YEARS: DGR

Sl.	Scheme	2019	2020	2021	2022	2023	Remarks
(a)	Security Agency Empanelled * Number of ESM Sponsored #	1289	625	932	732	750	Number of ESM Officers Registered with DGR (for all Schemes*)
							2019 2020 2021 2022 2023
							1007 1087 856 910 1005
		42289	32469	34338	32,240	48525	* These figure are representing number of ESM registered with DGR for various schemes i.e. DGR Security Agency, ESM Coal Company, Management of CNG and COCO Schemes. # ESM Guards are directly picked up by the Security Agency from the environment (ZSB/ Placement Cells). DGR only allocates the number of Guards to be employed based on the requisitions .
(b)	Coal Companies Sponsored/ ESM Sponsored	05/ 28	Nil	Nil	Nil	Nil	CIL has withdrawn from the scheme and no new ESM (O) sponsorships have been done since Jul 2020.
(c)	ESM & Widows/ Disabled ESM attached in	250 (JCOs/ OR)	51 (JCOs/ OR)	00 (JCOs/ OR)	Nil	12 (JCOs/ OR)	The sponsorship is based solely on the requisitions from CIL and resulting in formation of ESM Coal Company.

	ESM Coal Companies	20 (Widows / Disabled)	121 (Widows / Disabled)	20 (Widows / Disabled)		16 (Widows / Disabled)	
(d)	Management of CNG	57	45	39	47	66	This is an ESM (Officer Brigadier & below) based scheme and all those selected through an interview by IGL/ MNGL get the benefit of the scheme. DGR only sponsors names of registered officers as per the requisitions. Those not selected have the option to switch-over to other re-settlement scheme.
(e)	COCO Scheme (For BPCL/ IOCL/ HPCL)	14	139	20	47	138	This is an Officer/ JCOs (ESM) based scheme and all those selected through an interview by Oil Companies get the benefit of the scheme. While officers (ESM) register with DGR but JCOs (ESM) register their name for this OPA scheme through their parent Rajya Sainik Board / Zila Sainik Board. The sponsorship is based solely on the requisitions from the Oil Companies.
(f)	Issue of Eligibility Certificates for allotment Oil Product Agencies	146	07	07	01	44	Eligibility Certificates are issued to applicants who fulfil the QR. Thus, the numbers of ESM issued with Eligibility Certificates are the actual number of ESM registered for OPA Scheme under 8% reserved quota for allotment of Regular/Rural Retail Outlet Dealership under, 'CC1' category. The final allotment is done through a 'draw of lots' by Oil Companies.
(g)	Mother Dairy Milk Booths/Safal Booth	354*	340*	536*	835*	553*	This is an ESM (JCOs/ OR) and their equivalent centric scheme and all those selected through an interview get benefit of the re-settlement scheme. * Number of ESM Selected for Mother Dairy Milk Booth and Safal Fruit & Vegetable Shops. # Number of ESM registered for Mother Dairy Milk Booth and Safal Booth. All are sponsored by DGR for a/m two schemes.
(h)	Army Surplus Class-V 'B' Vehicles	-	-	-	-	-	This scheme is based on requisitions / state of availability of Class-V 'B' vehicles with the MGO Branch (Army). DGR only forward the applications of eligible ESM to MGO Branch for preparation of a seniority list for allotment of Vehicles. ** Scheme is being fore-closed due to security & environmental concerns.

(j)	ESM Placement by DGR (Emp Dte)	9706	4157	25528	8974	3388	This re-employment scheme is based on requirements placed by PSU/Govt offices for both officers and JCOs/ OR and their equivalent in Air Force and Navy. DGR sponsors the names of all those who fulfil the QR to the Requisitioning Agency/ Deptt. Thereafter, ESM are selected through an interview. DGR directly receives names of applicant (officers), while JCOs/ OR (and their equivalents) names are selected/ routed through KSB/ RSB/ ZSB to DGR.
(k)	Provision of "Technical Service" by ESM Manpower / Agencies Sponsored By DGR	-	-	211	56	313	DGR only sponsors Tech Manpower/Guards to be employed based on the requisitions from Government Est/ Complexes through State ESM Corporations. ESM Corporations undertake contractual hiring of manpower for provisioning of technical requirement as requisitioned and sponsored by DGR. DGR does not undertaken direct registration. However, ESM desirous of employment under technical services register with state ESM corporations, ZSB & RSB.
(l)	Issue of 'Eligibility Certificates - for PMBJP	-	-	-	-	02	Eligibility Certificates are issued to applicants who fulfil the QR. Thus, the numbers of ESM issued with Eligibility Certificates are the actual number of ESM registered for PMBJP Scheme

5.8 The Committee, through a Power Point Presentation made by the representative of the Ministry of Defence, have learnt that 65,759 ESM were given employment through DGR in 2024. The following data regarding employment generated by DGR in 2022 and 2023 was also furnished by the Ministry during deliberation on DFG 2025-26:

S.No.	Scheme/ Year	2022	2023	2024
(a)	Security Agencies & State ESM Corporations Empanelled	732	750	848
(b)	ESM sponsored in security agency	32240	48525	48691
(c)	ESM sponsored in Coal Companies	-	12	-
(d)	Widows/ disabled ESM attached in Coal Cos	-	16	-
(e)	Management of CNG Station in NCR/Pune	47	66	16
(f)	Sponsored for COCO Scheme (Petrol Pumps)	47	138	259

(g)	Issue of Eligibility Certificates for allotment of Oil Product Agencies	1	44	11
(h)	Mother Dairy Milk Booths/Safal Booth	835	553	627
(j)	ESM Sponsored/ Placement by DGR (Emp Dte)	8974	3388	2891
(k)	DGR Technical Service Scheme	56	313	268
(l)	Post completion of PRC through Trg Institutes	33	83	-
(m)	Job fairs/Seminars/PMBJP	769	7922	12148
	Total	43734	61810	65759

5.9 The Committee have further been informed by the Ministry that no new demands of Ex-servicemen are under consideration of the Ministry. However, the Ministry reviews its various welfare schemes to enhance the grant amount and also launch new initiatives based on the feedback and inputs from ESM and the environment.

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

5.10 The Committee have learnt that KSB Secretariat is responsible for the welfare of Ex-Servicemen and their dependents and also for the administration of welfare funds. It is assisted in its task by 34 Rajya Sainik Boards (RSBs) and 414 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.

5.11 The Committee, during oral evidence on the subject, have been apprised of the following key functions of KSB:

- i. Shares cost of establishment and maintenance of Rajya and Zila Sainik Boards (RSBs / ZSBs) (75% central share and 25% State share in case of special States and 60% in case of other States/UTs)

- ii. Provides financial support to Nepal Bhartiya Gorkha Sainik Board (NBGSB), Nepal
- iii. Provides financial support to Paraplegic Rehabilitation Centres at Kirkee & Mohali, Cheshire Homes and War Memorial Hostels.
- iv Provides assistance to States for construction of Sainik Rest Houses (50%).
- v. Administration of Armed Forces Flag Day Fund (AFFDF) through various welfare schemes.

5.12 The Committee have been apprised that in FY 2024-25 (upto 31st January 2025), an amount of ₹ 156.11 crore has been disbursed as financial assistance under various schemes from AFFDF, while in FY 2023-24 this amount stood at ₹ 366.54 crore. On being enquired about decrease in this amount from FY 2023-24 to FY 2024-25, the Secretary ESW submitted as under:

“इसका कारण सिर्फ इतना ही है कि हम वह फिगर सिर्फ जनवरी तक की ही दे रहे हैं। जनवरी तक उतना ही बजट आया था, तो उतना ही काम हो सका। हमें फरवरी में फिर से बजट रिलीज़ हुआ है, हमारा उससे भी एक्सीड हो जाएगा। उसमें कोई डिफिकल्टी नहीं है। काम हो चुका है, खाली पेमेंट करने की बात है।“

Prime Minister's Scholarship Scheme (PMSS)

5.13 The Committee have learnt that the Prime Minister's Scholarship Scheme (PMSS) was launched in 2006 to benefit wards/widows of ESM undertaking professional graduation courses. The scheme is funded out of the National Defence Fund, which is administered by the Prime Minister's Office. The scheme awards scholarships to 5500 students every year, with the amount of the scholarship for boys and girls being ₹ 30,000 and ₹ 36,000 per year, respectively.

CHAPTER – VI

DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION

The Committee understand that DRDO is the Research and Development (R&D) wing of the Ministry of Defence, with a vision to empower India with cutting-edge defence technologies and a mission to achieve self-reliance in critical defence technologies and systems, while equipping our Armed Forces with state-of-the-art weapon systems and equipment in accordance with requirements laid down by the three Services.

6.2 DRDO was formed in 1958 from the amalgamation of the then already functioning Technical Development Establishment (TDEs) of the Indian Army and the Directorate of Technical Development & Production (DTDP) with the Defence Science Organisation (DSO). DRDO was then a small organisation with 10 establishments or laboratories. At present, DRDO is a network of around 41 laboratories and 05 DRDO Young Scientist Laboratories (DYSLs) which are deeply engaged in developing defence technologies covering various disciplines, like aeronautics, armaments, electronics, combat vehicles, engineering systems, instrumentation, missiles, advanced computing and simulation, special materials, naval systems, life sciences, training, information systems and agriculture.

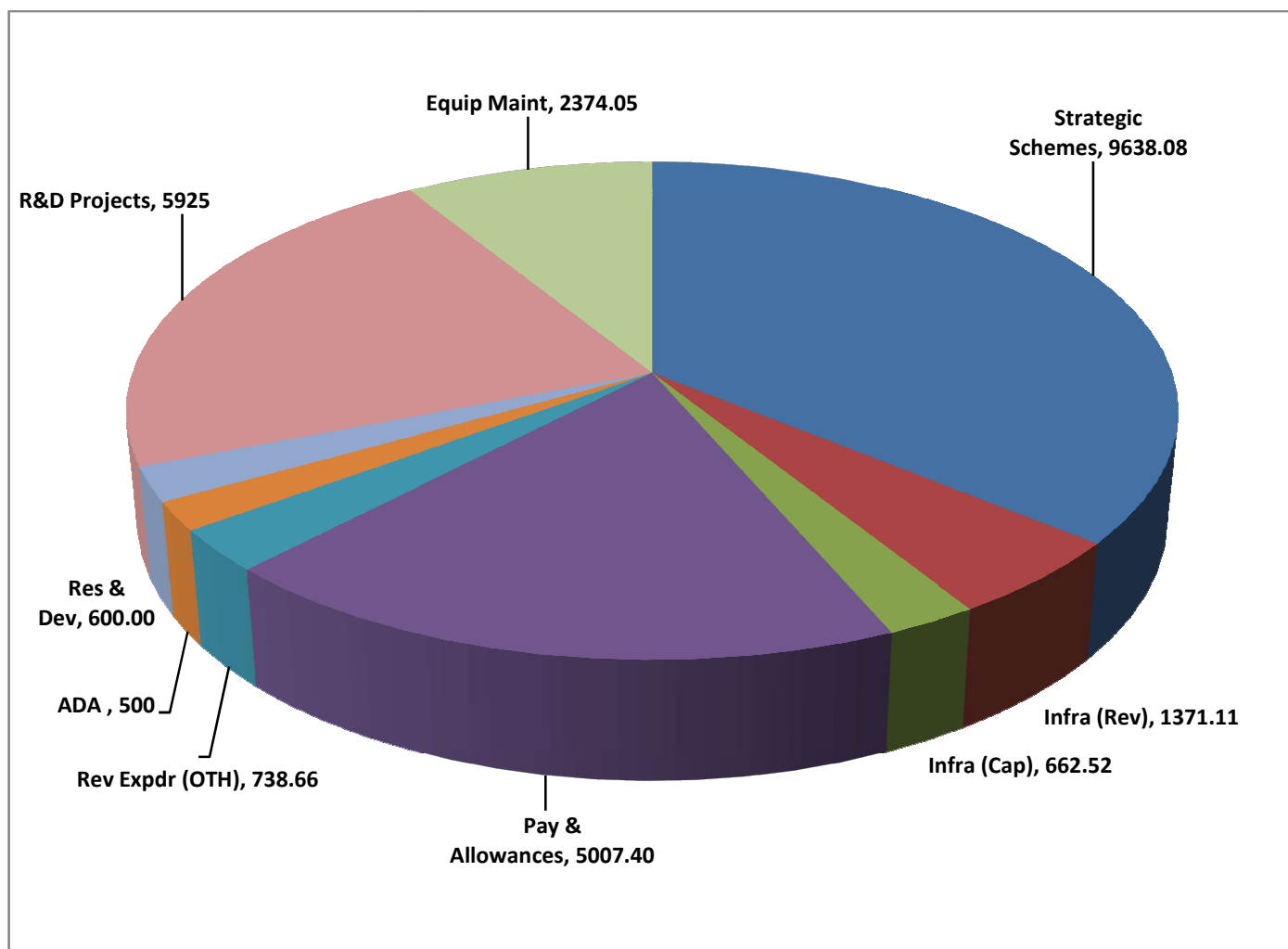
Budgetary Provisions

6.3 Details of BE, Budget Allocations for the Department of Defence R&D at different Budgetary stages for last five years, as intimated to the Committee, along with the Projections and Allocations at Budget Estimates for the year 2025-26 is as under:-

(₹ in crore)

Year	BE Proposed	BE Approved	RE Approved	MA Approved
2020-21	23,457.40	19,327.35	16,466.29	16,145.74
2021-22	23,460.00	20,457.44	18,337.44	18,720.44
2022-23	22,990.00	21,330.20	21,130.20	21,130.20
2023-24	23,790.00	23,263.89	23,691.74	23,195.89
2024-25	24,508.00	23,855.61	24,696.94	-
2025-26	27,240.14	26,816.82	-	-

6.4 The Committee have further learnt that out of an amount of ₹ 26,816.82 crore allotted to Defence R&D, 55.65% has been allotted to Capital head and 44.35% to Revenue Head. In Defence R&D Budget for 2025-26, provision of ₹ 7,025 crore has been made for R&D projects and ₹ 1,756.25 crore for Industry, Start-ups and Academia. The breakup of Defence R&D Budget for FY 2025-26, as provided by the Ministry, is given below:



6.5 When asked whether the budget provided for BE 2025-26 is sufficient for the plans envisaged by DRDO, the Ministry of Defence submitted as under:

“The budget of DRDO has been around 5% of the Defence Budget. A major amount of this goes towards expenses towards Strategic schemes & CCS Projects/ Programmes, pay & allowances and other non-salary revenue expenditure, each of which essentially keeps growing every year. Instructions have been issued to Labs to undertake projects on critical, advanced and futuristic technologies and systems that Indian industries cannot do. DRDO has

identified 183 exclusive systems for development by industry which will not be taken up by DRDO. This will substantially cut expenditure on development of certain technologies. DRDO envisages taking up Projects/Programmes for development of technologies for large weapon systems, platforms and sensors in future.

During the budget announcement 2022, it has been announced by Hon'ble FM that Defence R&D will be opened for Industry, Startups & Academia with 25% of the Defence R&D budget earmarked. These are being implemented through various existing schemes and new schemes have also been proposed and approved. This would lead to equal amount of deficit in budget of ongoing and future projects of DRDO.

During the year 2023-24 with 25% (\approx ₹ 1,422 Cr) of Defence R&D budget earmarked for the purpose and substantive funding is being done to industry, start-ups and academia. However, the expenditure incurred in the year 2023-24 was ₹ 1883 Cr. Further, ₹ 1358 Cr is provisioned in 2024-25 for industry, start-up and academia under this Budget Announcement and actuals may go beyond this amount.

The Union Budget 2024 has made significant announcement to promote deep tech innovation in India under which a new scheme will be launched to strengthen deep tech technologies for defence purposes and expedite Atmanirbharta in the defence sector. Technology Development Fund (TDF) Policy is being modified to support Deep Tech Technology Projects for defence applications. The DRDO-Industry-Academia Centers of Excellence (DIA-CoEs) and Research Boards are prioritizing Deep Tech & Intelligence surveillance and Reconnaissance (DT & ISR). The process for execution is being simplified and time for sanction is being shortened. More than 400 projects at a cost of approximately ₹ 500 Cr are being done in Deep Tech Areas.

With both above schemes, about ₹ 2,000 crore is being spent from the available R&D Budget of DRDO.

Therefore, an equal amount of budget enhancement is required to ensure that research and development activities continue as envisaged by DRDO. In view of the above, Defence R&D Budget should progressively increase over next 10 years to reach approximately 10% of Defence Budget."

Defence R&D Budget as a percentage of Defence Budget

6.6 During deliberations on DFG 2025-26, the Committee were informed by the Ministry that in 2025-26, the budget for Defence R&D is 5.45 percent of Defence Budget. The details for the previous financial years is given below:

Year	Defence Budget (₹ in cr)	DDR&D Budget (₹ in cr)	DDR&D Budget as a % of Defence Budget
2020-21	3,37,553	19,327	5.73
2021-22	3,47,088	20,457	5.89
2022-23	3,85,370	21,330	5.53
2023-24	4,32,720	23,264	5.38
2024-25	4,54,773	23,856	5.25
2025-26	4,91,732	26,817	5.45

Focus Areas of DRDO

6.7 The Committee have been informed that focus areas of DRDO are as under:

(i)	Missiles & Strategic Systems:	Missiles and Strategic Systems Avionics, Propulsion, Navigation, Guidance & Controls Test Range
(ii)	Aeronautical Systems	Manned & Unmanned Fighter Aircrafts Airborne Surveillance Systems Gas Turbine Engines
(iii)	Armaments & Combat Engg. Systems	Rockets, Artillery Guns, Ammunitions Tracked & Wheeled combat vehicles Bridging systems & Launchers
(iv)	Naval Systems & Materials	Sonar systems Torpedoes & Anti-torpedo weapons Materials for Naval applications

(v)	Soldier Support Systems	NBC detection and protection, Nuclear medicine Life support systems, High altitude survivability Combat Nutrition
(vi)	Electronics & Communication Systems	Radars & Electronic Warfare systems Laser based equipment and Weapons Communication systems Microwave power sources
(vii)	Micro-Electronic Devices & Computation Systems	Solid state electronics, AI, Robotics Networking, Information & Communication Security Crypto analysis, Cyber Security

DRDO Projects

6.8 The Committee, during oral evidence in connection with examination of DFG 2025-26, were informed that as on February 2025, following category of projects are ongoing in DRDO:

Category	No.	Cost (Rs in Cr)
Mission Mode (MM)	48	86309
Technology Demonstration (TD)	176	21625
Infrastructure & Facilities (IF)	33	6975
Product Support (PS)	8	1268
S&T	27	985
Total	292	117162

6.9 The Committee have also been apprised that following major projects are ongoing in DRDO :

- Advanced Medium Combat Aircraft
- Light Combat Aircraft (LCA Mk-2)
- Air-borne Early Warning & Control Mark-2 (AEW&C Mk-2) System
- Hypersonic Glide Vehicle
- Long Range Surface to Air Missile (LRSAM) for IN & IAF
- Future Infantry Combat Vehicle
- Long Range Radar
- Electronic Intelligence System
- Air Independent Propulsion (AIP)
- Setting up of a Missile Test Range

6.10 Further details about Systems Inducted/Acceptance of Necessity accorded , User Trials and Development and Internal Evaluation Trials undertaken by DRDO in 2024 are as under:

(i) Systems Inducted/ AoN Accorded (2024)

a) Missiles

- 'Astra' Beyond Visual Range Air to Air Missiles
- 'Akash' Surface to Air Missiles
- Anti-Tank 'Nag' Missile
- Medium Range Anti ship Missile (MRAshM)
- Long Range Land Attack Cruise Missile (Nirbhay)
- UAV Launched Precision Guided Munitions (ULPGM)

b) Radars

- Air Defence Tactical Control Radar (ADTCR)
- Air Defence Fire Control Radar (ADFCR)

c) Armaments, Weapons & Decoy

- Joint Venture Protective Carbine (JVPC)
- 9x19 mm Submachine Gun (SMG) 'Asmi'
- Pinaka HEPF Rocket
- NIPUN Munition
- FSAPDS 125 mm Practice Anti-Tank Ammunition
- Medium Range-Microwave Obscurant Chaff Rocket

(ii) User Trials (2024)

- a) Quick Reaction Surface to Air Missile
- b) Guided Pinaka
- c) Agni-Prime
- d) Advanced Light Weight Torpedo
- e) Trawl Assembly
- f) Infantry Floating Bridge
- g) Extended Range Anti-submarine Rocket

(iii) Development & Internal Evaluation Trials (2024)

- a) Long Range – Land Attack Cruise Missile
- b) Long Range Anti-Ship Missile
- c) Surface to Air Missile Akash-NG
- d) Air to Air Missile ‘Astra’ Mk-2
- e) Man Portable Anti Tank Guided Missile
- f) Pralay Surface to surface missile
- g) Supersonic Missile Assisted Torpedo
- h) Very Short Range Air Defence System
- i) Vertical Launch Short Range Surface to Air Missile
- j) Dhruvastra – Air to Surface Missile
- k) Naval Anti-Ship Missile – Short Range
- l) RudraM – Air to Surface Missile
- m) High Endurance Autonomous Underwater Vehicle
- n) Indian Light Tank
- o) Heavy Drop System for C-130 and C17 Aircraft
- p) High-Speed Expendable Aerial Target ‘Abhyas’
- q) Long Range Guided Bomb

6.11 In his oral deposition, a representative of Defence Research and Development Organisation (DRDO) also briefed the Committee about the user trials and development and internal Evaluation Trials of various equipment /systems/platforms undertaken by DRDO in 2024 as under:

“कुछ सिस्टम्स हमने वर्ष 2024 में पूरे किए हैं या जिनके ट्रायल्स चल रहे हैं। इसमें विभिन्न प्रकार की मिसाइल्स -- Air to Air Missiles, Surface to Air Missiles, Anti-Tank Missiles, etc. -- और रेडार्स हैं। There are different types of armaments, weapon systems and decoys which have been inducted. There are submachine, carbine, rocket, anti-tank ammunition, etc.

किसी भी चीज को डेवलप करने के बाद उसका यूज़र ट्रायल करते हैं। इसमें विभिन्न मिसाइल्स शामिल हैं -- Quick Reaction Surface to Air Missile, Guided Pinaka, Agni- Prime, etc. There is a Long Range – Land Attack Cruise Missile. Kindly see the slide on the right side. It shows the Long-Range Anti-Ship Cruise Missile, which is a hypersonic missile. And it is a great achievement for the country that we have started working and achieving success in the hypersonic technologies also. Moving forward, these are some of the other systems like Very Short- Range Air Defence System and Anti-Ship Missiles. These all are under various types of development trial stage.

इसके अतिरिक्त लेफ्ट साइड में एक मानवरहित पनडुब्बी है, which is called High Endurance Autonomous Underwater Vehicle. इस पर वैज्ञानिक परीक्षण कर रहे हैं। लाइट टैंक पर हम तीव्र गति से कार्य कर रहे हैं।“

6.12 He further apprised the Committee about various complex and critical technologies being taken up for DRDO for future:

“हम आपको यह आश्वासन दिलाना चाहेंगे कि हम आत्मनिर्भरता की तरफ अग्रसित हैं और जब हम आत्मनिर्भरता की बात कर रहे हैं तो हम केवल डीआरडीओ के बारे में नहीं कह रहे हैं। हमारे साथ-साथ इन सभी कार्यक्रमों में हमारे साथ इंडस्ट्रीज़ और एकेडमिक इंस्टीट्यूट्स काम कर रहे हैं। वे सब इस फील्ड में कैपेबल हो चुके हैं। आपकी स्क्रीन के सामने जो फीगर्स हैं, 5.84 लाख करोड़, यह वह प्रोडक्शन वैल्यू है, जो डीआरडीओ डेवलप सिस्टम्स को प्रयोग करके हमारे इंडियन इंडस्ट्रीज़ को वेरीयस आर्म्ड फोर्सेस से ऑर्डर्स मिले हैं। इतना मुनाफा या इतने का ऑर्डर्स हमारे इंडियन इंडस्ट्रीज़ को मिला है। हम सिर्फ सिस्टम्स पर ही काम नहीं कर रहे हैं, क्योंकि भविष्य में हमें कई सारे कॉम्प्लेक्स और क्रिटिकल टेक्नोलॉजीज़ पर भी काम करना है। इसलिए हमने अपना रोडमैप निश्चित किया है कि हम प्रत्येक एरिया में भविष्य में जो नेक्स्ट जनरेशन टेक्नोलॉजीज़ हैं, जैसे मिसाइल क्षेत्र में, एयरोनॉटिक्स के क्षेत्र में, नेक्स्ट जनरेशन सीकर्स हायपरसोनिक मटेरियल्स, एंटी स्टेल्थ टेक्नोलॉजीज़, डायरेक्टेड एनर्जी वेपन्स में काम करेंगे। आपकी स्क्रीन के सामने जितनी चीज़ें दर्शायी गई हैं, ये सब हमारे रोडमैप का हिस्सा हैं। इन पर कार्य शुरू हो चुका है। भविष्य में हम इन पर अधिक से अधिक काम करेंगे। “

6.13 When asked whether DRDO has identified new areas of research keeping in view the change in the recent warfare, particularly kinetic and non-kinetic warfare tactics, the Ministry in a written reply submitted as under:

“DRDO has taken inputs from Defence think tanks, workshops & conferences have been organized through DIA-CoEs in the domain and reports published by consultants. These areas have been included in 5 year and 25 year plans of DRDO. The 10 year Roadmap of DRDO, which is an internal document of the organisation, is also being revised to incorporate lessons learnt from ongoing conflicts in international areas and incorporate most of the areas mentioned.”

6.14 The Secretary, DDR&D and Chairman, DRDO also apprised the Committee regarding new areas of research being undertaken by DRDO in his oral deposition :

“रिसेंट वार्स ने दिखाया है कि वार फेयर पर टेक्नोलॉजी का इफेक्ट काफी है। काफी नए टेक्नोलॉजीज आई हैं, जिनसे कौन वार जितेगा, उस पर इंप्लुएंस बढ़ रहा है। ये टेक्नोलॉजिकल चेंजेज रैपीडली हो रहे हैं। Some of the technologies which are playing a key role are AI, machine learning, autonomy, precision, guidance for all your ammunition. So, this space is not only for surveillance, but it is space for communication, space for targeting, cyber, for information warfare.

हम लोगों ने इन सभी न्यू एरियाज में काम किया है। इसको नॉन काइनेटिक वारफेयर भी कहा जाता है। हमने सभी चीजों में काम शुरू किया है। “

Indigenisation and self-reliance

6.15 When asked to furnish the details of indigenous Defence equipment designed and developed by the DRDO during the last five years, the Ministry submitted as under:

“During the year 2024, Defence Procurement Board (DPB) and Defence Acquisition Council (DAC) have accorded 16 AoNs for induction of DRDO developed systems worth more than ₹ 1 lakh 10 thousand crore. Some of the notable systems for which AoN has been accorded include: Air Defence Tactical Control Radar, Air Defence Fire Control Radar, Medium Range Anti-ship Missile, Long Range Land Attack Cruise Missile System, SIGINT and COMJAM Aircraft, Medium Range Maritime Reconnaissance Aircraft, Multi Mission Maritime Aircraft, Anti-tank Influence Mine ‘Prachand’, Joint Venture Protective Carbine, Area Denial Munition for ‘Pinaka’ Rocket System, 155mm Nubless Projectile (Bourrelet), Indigenous EW Suite for Fighter Aircraft,

Software Defined Radios – Tactical, Electro Optical Fire Control System and CBRN Water Purification System Mk-II.

Details of some of the indigenous Defence equipment designed and developed by the DRDO during the last five years in the areas of: Electronic Warfare, Hypersonic Wind Tunnel, Fibre Laser, ammunition, Seakeeping & Manoeuvring Basin, Range test facility, Armoured Vehicle , Software Defined Radio, Coastal Surveillance, Multi-Sensor Optronics, Technologies for Rotary Engine, Maritime and Pollution Surveillance, Landing Gear for UAV, Inertial Navigation System for Ship, Stealth Applications, Torpedo detection, Surveillance System, Surface-to-surface missile, Fire Control & Ground based Radar, Scramjet, High Power Li-Ion Battery, Modular bridge, Armoured Personnel Carrier, Active Radar Seeker, Dunking Sonar Electroopticals, Future Satellite(s), Robotics System Infrared Sensors, Early Warning & Advance Response Network System, Cyber Defence & Protection System, Optical coatings, Advanced Warhead Technologies, Unexploded Ordnance Handling Robot, Portable Diver Detection Sonar (PDDS), Composite Propellant, Carbon Nanotubes and Composites, Magazine Fire Fighting System, Ordnance/IED Neutralization, Tungsten Extraction Technology, Ground Mine, Compact Bio-fuels Reformer, High Pressure Water Mist Fire Suppression System for Naval Ships, weapon Locating Radar, Intelligent Unmanned Aerial System etc.”

6.16 To a related query of the Committee regarding the amount of foreign exchange saved by DRDO due its own indigenous research during the last five years, the Ministry submitted as under:

“The production value of DRDO developed products/ systems/ technologies inducted/ under induction into Services is over ₹ 5.84 lakh crore (approx.). These systems are designed by DRDO but manufactured by Indian Industries. This value does not include strategic systems, products given to Central Armed Police Forces (CAPFs) and export orders. Foreign exchange corresponding to above mentioned value is being saved by DRDO. DRDO has been able to save in absolute ₹ 2,64,156 crore because of its own indigenous research during the last Five years. “

6.17 The Committee also desired to know the steps taken by DRDO for giving impetus to the mission of ‘Make in India’ initiated by the Government. The Ministry, in this regard, submitted following information:

“DRDO initiatives in support of Make in India are as under:

DRDO encourages industries to participate in the development projects in different modes depending on the complexities and these include:

- Consortium among industries.
- DRDO – Industry Partner: for Design and Development
- DRDO – Industry – Academy: for Research and Development

By involving the Indian Industries during the development cycle, many of the Indian Private Sector industries have moved up the value chain from Built to Print (B2P), Built to Specification (B2S), Built to Design (B2D) and Built to Requirements (B2R). Today some of these Industries have matured up to take the responsibility of Lead System Integrators (LSI) and many of them can manufacture technologically advanced products that are in conformity with the MIL and AERO standards and of world class.

The following initiatives are taken by DRDO in last three years:

- **Transfer of Technology (ToT) to Industries:** DRDO has developed a pool of 2000 industries to manufacture sub-systems, systems and equipment. More than 10,000 MSMEs support the manufacturing chain as Tier-2 and Tier-3 manufacturers. The technology of DRDO developed systems are transferred to Indian Industries at zero ToT fee for DcPP/PA/DP. Consultancy Services of DRDO Scientists to Industry is made available. So far, 1956 ToTs on DRDO developed systems have been handed over to the Indian industries out of which 256 Licensing Agreement for Transfer of Technology (LAToT) were signed with Indian Industries during 2024. Simplified ToT policy and procedure has been formulated and is under approval.
- **Test Facility support to Industries:** Several world class test facilities in DRDO Labs have now been opened for industries and necessary SOP has been formulated. Also, during the last three years, DRDO has carried out more than 18,000 tests for the industries.
- **Enhancement of Funding under TDF scheme:** The project value under the TDF scheme has been enhanced from ₹ 10 Cr to ₹ 50 Cr per project.
- **Launch of Deep Tech Projects:** The process of the selection and identification of Deep Tech projects has been initiated under TDF Scheme.
- **Constitution of Kakodkar-Saraswat Committee:** Kakodkar-Saraswat Committee was constituted to recommend the Mechanism of funding Startup, MSME for Defence R&D and Academia. The recommendations of Committee has been accepted by the Government and few points under clearance from Min of Finance.
- **Interaction with Industries:** DRDO interacts periodically with industries in various cities to proliferate the latest policies and procedures by organizing regular summits and workshops. More than 25 Industry meets across the country were held during the year 2024. Industry Interaction Groups have been established in labs to facilitate industries.

- **DRDO Patents:** Around 700 patents have been offered to industries for royalty free licensing. During the year 2024, DRDO was granted more than 201 patents and DRDO also filed more than 226 patents.
- **DcPPs / PAs including private industries:** More than 127 industries have been declared as DcPP/ PA including 17 in the year 2024.
- **Defence Industry Corridors:** DRDO is supporting Tamil Nadu Defence Industrial Corridor and Uttar Pradesh Industrial Corridor by collaborating with Industries as knowledge partner. The corridors have been established to achieve Atmanirbharta and to realise the goal of 'Make in India'. A new facility 'Defence Technology & Test Centre (DTTC)', Lucknow have been commissioned for handholding, encouraging and assisting industries with S&T consultancy, skill development, testing, and incubation of new technologies.
- **Technology Development Fund (TDF):** Funding to MSMEs and start-ups for indigenous development of components, products, systems and technologies under TDF scheme was enhanced from ₹ 10 Cr to ₹ 50 Cr per Project, which is in line with the Budget Announcement. As on date, a total of 80 projects are ongoing with 9 projects awarded to industries/ MSMEs/ start-ups in 2024. A total of 18 technologies developed by Indian Industries under TDF have been successfully transferred to Users. A new scheme to fund cutting edge research like what DARPA does in USA has been added in TDF Scheme this year.
- **DRDO-Industry-Academia Centers of Excellence (DIA-CoEs):** 15 DIA-CoEs have been established at premier and capable academic institutes and universities in the country which are steering translational research activities in nearly 65 identified research verticals. In the year 2024, 73 projects were sanctioned with a total cost of ₹ 275 Cr in which 266 researchers and 10 new academic institutes have been engaged. This makes it a total of 274 sanctioned projects at a total cost of ₹ 984 Cr engaging 900 researchers and 46 academic institutes.
- **Dare to Dream:** 'Dare to Dream' is a contest organised by DRDO for recognizing Individual innovators, start-ups & MSMEs. Four Dare to Dream contests have been successfully conducted. Dare to Dream winner are also considered for further funding for their technology development under engagement of Start-ups under TDF. Dare to Dream 5.0 was launched on 18th October, 2024."

Major Achievements of DRDO

6.18 With regard to major achievements of DRDO across in delivering cutting edge technologies/systems to the Indian Armed Force as part of the mission towards becoming a self-reliant nation, the Ministry submitted following information in its written reply:

“During the year 2024, Defence Procurement Board (DPB) and Defence Acquisition Council (DAC) have accorded 16 AoNs for induction of DRDO developed systems worth more than 1 lakh 10 thousand crore. Some of the notable systems for which AoN has been accorded include: Air Defence Tactical Control Radar, Air Defence Fire Control Radar, Medium Range Anti-ship Missile, Long Range - Land Attack Cruise Missile System, SIGINT and COMJAM Aircraft, Medium Range Maritime Reconnaissance Aircraft, Multi Mission Maritime Aircraft, Anti-tank Influence Mine ‘Prachand’, Joint Venture Protective Carbine, Area Denial Munition for ‘Pinaka’ Rocket System, 155mm Nubless Projectile (Bourrelet), Indigenous EW Suite for Fighter Aircraft, Software Defined Radios – Tactical, Electro Optical Fire Control System and CBRN Water Purification System Mk-II.

Under the Long Term Directed Research Policy of DRDO, 15 DRDO Industry Academia Centre of Excellence (DIA-CoE) have been established across the country at IISc Bangalore, various IITs and Central/State Universities to encourage directed research for developing new technologies for defence and security in identified research areas.

The DIA-CoEs are playing a very critical role in implementing Directed Research for development of cutting edge technologies and to achieve self-reliance in Defence technologies. DIA-CoEs have developed bullet proof jacket as per GSQR 1438 (BIS-V), anti-mine boot for protection against blast from explosive, extreme cold weather (-60°C) Jacket, extreme heat protective clothing, synthesis of Ferrocene grafted HTPB as binder for rocket propellant, gold nano rods for LASER initiation of explosives, developed low cost Graphene Oxide, Graphene Ultra capacitor & hybrid energy storage system, wearable lower limb & hand exoskeleton for soldier assistance, development of a vision based autonomous quad-rotor system for rescue & search operation, development of technology for unmanned ground vehicle for multipurpose & multirole application, development of large area additive manufacturing machines and process optimization of printing actively cooled scramjet engine components, fault tolerant electronics which is being used in Gaganyaan mission, development of piezoelectric single crystal technology for acoustic applications, development of electrically controlled solid propellant and wire embedded propellant, design modification to increase the efficiency,

performance and fuel consumption of Small Turbo Fan Engine, development of novel oxidizer and binder for solid propellants etc.

A total of 79 projects of the total cost ₹ 334.1 crore have been awarded to Indian industries under TDF scheme so far. ”

Collaboration with Private Industries

6.19 Elaborating on the policies instituted in DRDO for enablement of Private industries in Defence Sector, the representative of DRDO submitted as under:

“डीआरडीओ में कई सारी ऐसी पॉलिसीज़ बनाई गई है, जिससे इंडस्ट्रीज़ को एनेबलमेंट मिले और वह डिफेंस आरएंडडी में बढ़-चढ़कर हिस्सा ले। एक बहुत ही बेहतरीन स्कीम है – डेवलपमेंट कम प्रोडक्शन पार्टनर, जिसमें हम जैसे ही डिजाइन एंड डेवलपमेंट का कार्य डिफेंस आरएंडडी का शुरू करते हैं, डिफेंस इंडस्ट्री हमारे साथ कार्य करने लगती है, ताकि वह डिफेंस आरएंडडी का काम सीखे और भविष्य में जो मार्क 2 है, वह पूरी तरह से इंडस्ट्री कर पाए। इसमें अभी हमारे साथ एज ए डेवलपमेंट कम प्रोडक्शन पार्टनर 129 इंडस्ट्रीज़ आ चुकी हैं। डीआरडीओ के जितने भी टेस्ट फैसिलिटीज़ हैं, जो लेबोरेटरीज़ में हैं, वे पूरी तरह से इंडस्ट्रीज़ के लिए खोल दिए गए हैं, जिससे वे उनका प्रयोग कर पाएं। हमारे जितने पेटेंट्स हैं, वे इंडियन इंडस्ट्रीज़ बिना किसी चार्ज के उसको इस्तेमाल कर सकती हैं। डीआरडीओ अब तक 1,950 टेक्नोलॉजी विभिन्न इंडस्ट्रीज़ को ट्रांसफर कर चुका है, जिसमें लगभग 250 टेक्नोलॉजीज़ वर्ष 2024 में ही ट्रांसफर की गई हैं। डेयर टू ड्रीम एक इनोवेशन कंटेस्ट है, जिसके थ्रू हम इंडस्ट्री स्टार्टअप्स में इनोवेशन को बढ़ावा देते हैं और नई-नई प्रतियोगिताएं कराते हैं, ताकि नई चीजें उभरकर आएँ। इसमें जो विनर हैं, उनको हम अलग-अलग स्कीम के थ्रू इनोवेशन को प्रोडक्ट में बदलने के लिए एक राशि भी प्रदान करते हैं। various schemes are available for skilling youth for defence R&D like collaborative Ph.D programmes.

हमने अलग-अलग डिफेंस टेक्नोलॉजीज़ में पीएचडी प्रोग्राम शुरू किए हैं। एमटेक प्रोग्राम्स 42 यूनिवर्सिटीज़ में चल रहे हैं। डीआरडीओ में हम हर साल अप्रेंटिस स्कीम के अंतर्गत लगभग साढ़े तीन हजार अप्रेंटिस लेते हैं। इनको एक साल के लिए ट्रेनिंग दी जाती है, ताकि इंडस्ट्री रेडी हो जाए। लगभग 8 हजार इंटर्नशिप स्टूडेंट्स को लिया जाता है, जो एमटेक, बीटेक, पीएचडी या एमएससी के स्टूडेंट्स होते हैं। टेक्नोलॉजी डेवलपमेंट फंड एक ऐसी स्कीम है, जहां पर हम इंडस्ट्रीज़ को डिफेंस आरएंडडी करने के लिए बढ़ावा देते हैं और उसको अपने आइडियाज

या इंडिजिनाइजेशन ऑफ इम्पोर्टेड कंपोनेंट्स या इंडीजिनस आरएंडडी के लिए 50 करोड़ रुपये तक की राशि प्रदान की जाती है, ताकि वह उस एरिया में आरएंडडी कर पाए। अब तक हमारे पास 80 प्रोजेक्ट्स हैं, जिसको हम इस स्कीम के अंतर्गत राशि प्रदान कर चुके हैं, जिसमें से 10, वर्ष 2024 में ही प्रदान किए गए हैं।

सर, आप अपनी स्क्रीन के सामने देखेंगे, जो बहुत ही जटिल सिस्टम्स हैं, जो लड़ाई के युद्धपोत हैं, ब्रिजेस हैं, ये आज की डेट में डीआरडीओ की सहायता से हमारे देश में इंडस्ट्रीज़ बना रही हैं। मिसाइल्स और बॉम्ब अब सिर्फ डीआरडीओ का डोमेन नहीं रह गया है। इंडियन इंडस्ट्रीज़ भी अब इस पर हमारे साथ हाथ से हाथ मिलाकर इन सबको प्रोड्यूस कर रही है। ”

Collaboration with Academia

6.20 Further throwing light on the policies of DRDO for providing assistance to academic institutes, the representative of DRDO submitted as under:

“अब हम एकेडमिक इंस्टीट्यूट्स की तरफ बढ़े तो उनको भी सहायता प्रदान करने के लिए कई सारी स्कीम्स हैं, जिनमें से पहली स्कीम में आपके सामने प्रस्तुत करता हूँ, जिसे हम रिसर्च बोर्ड कहते हैं। इसमें एकेडमिक इंस्टीट्यूट्स अपने सोचे गए एरियाज़ में आरएंडडी करने के लिए हमारे पास अपने प्रोजेक्ट्स प्रस्तुत करते हैं और जिसके लिए हम प्रॉपर फंडिंग करते हैं। हमारे लैब्स उनके साथ काम करते हैं। इनमें पांच अलग-अलग रिसर्च एरियाज़ हैं, जहां पर वे काम कर रहे हैं – आर्माइंड्स, एयरोनॉटिक्स, लाइफ साइंसेस, इलेक्ट्रॉनिक स्कोप, जिसे वर्ष 2024 में ही इसके साथ जोड़ा गया है। हमारे डीआरडीओ के लैब्स को निरंतर सहायता देने के लिए हमने एक नई स्कीम शुरू की है, जिसे डीआरडीओ इंडस्ट्री एकेडेमिया या सेन्टर ऑफ एक्सीलेंस कहते हैं। यह एकेडमिक इंस्टीट्यूट्स में सेन्टर ऑफ एक्सीलेंस देते हैं, जो कि आईआईटीज़, एनआईटीज़ और अच्छे एकेडमिक इंस्टीट्यूट्स होते हैं।

इसके अलावा पूरे देश में 15 डीआईए-सीआईज स्टेब्लिश किए गए हैं, जिसमें कई प्रकार के प्रोजेक्ट्स और इनके डिफाइंड एरियाज़ हैं। हम कह सकते हैं कि डीआरडीओ के वैज्ञानिकों का एक एक्सटेंडेड आर्म है, जो एकेडमिक इंस्टीट्यूट्स में रहकर रिसर्च फैलोज़ डीआरडीओ के प्रोजेक्ट्स में काम कर रहे हैं और यह डिफेंस आरएंडडी में बहुत ही महत्वपूर्ण योगदान दे रहे हैं।

सर, इसके साथ-साथ हम देखते हैं कि जब इंडस्ट्रीज़ में इतना डिफेंस आरएंडडी का कार्य हो रहा है तो हमारे यूथ को भी प्रॉपर स्किलिंग की आवश्यकता है, ताकि वह डिफेंस आरएंडडी के लिए फिट हो पाए और इन इंडस्ट्रीज़ के लिए अपने एकेडमिक इंस्टीट्यूट से तैयार होकर

निकले। इसी को ध्यान में रखते हुए हमने एआईसीटीई के साथ मिलकर एक एमटेक स्कीम की शुरुआत की है। 40 यूनिवर्सिटीज में एमटेक इन डिफेंस टेक्नोलॉजीज चलाई जा रही हैं। कई बीटेक के डिग्री कोर्सेस में भी डिफेंस टेक्नोलॉजी के डिफरेंस कोर्सेस हैं। हम इंटरनशिप और एप्रेंटिस की बात ऑलरेडी कर चुके हैं। हमने पहली स्लाइड में बताया है कि डीआरडीओ की अपनी एक डीमंड यूनिवर्सिटी है, जिसको हम डिफेंस इंस्टीट्यूट ऑफ एडवांस टेक्नोलॉजी कहते हैं। इसमें भी वेरीयस डिफेंस टेक्नोलॉजीज के एरियाज में पीएचडी प्रोग्राम चलाए जा रहे हैं, जिसमें लगभग 200 पीएचडी स्टूडेंट्स एनरोल्ड हैं, और जो डिफेंस आरएंडडी के लिए तैयार होकर बाहर निकलेंगे और डीआईएटी में कुछ लेटेस्ट आर्टिफिशियल इंटेलीजेंस एंड साइबर टेक्नोलॉजी पर भी कोर्सेस किए जा रहे हैं। “

6.21 To a query of the Committee regarding attraction of talent from within and outside the country by DRDO, the Secretary, DDR&D and Chairman, DRDO submitted as under:

“हम जानते हैं कि इस एरियाज में टैलेंट को अट्रैक्ट करना, गवर्नमेंट सेट-अप में बहुत डेफिकल्ट है। क्योंकि जो एआई में बाहर काम रहे हैं, उनको एक-दो करोड़ रुपए सैलरी मिलती है, जो गवर्नमेंट में नहीं दी जा सकती है। हम लोग स्टार्टअप्स के साथ इन एरियाज में काम कर रहे हैं। हम लोग उनको प्राजेक्ट्स फंड करते हैं तो the best talent can come and work with us in these areas without actually working within DRDO. We are using our Centre of Excellence, our TDF scheme to attract these start-ups to work in these areas where we cannot afford to directly hire these kinds of scientists.

So, that is one way we are trying to ameliorate the situation of this rapidly changing technology. And we have found very good success working with start-ups and very good success working with our Centre of Excellence, with professors who have worked abroad and now come and joined IIT or ISC.

This is a model what we are going to expand in future. We have also formed within DRDO five young scientist labs who are working in these promising areas. We have a young scientist lab which works on Artificial Intelligence. We have a young scientist lab which works on quantum technologies. We have a young scientist lab which works on advanced materials and smart materials. We are looking at these young scientist labs as equivalent of start-ups within the DRDO ecosystem.

We have given them more freedom to interact and they are not bound by the same traditions which all traditional DRDO labs have to follow. They are given

more freedom than a traditional DRDO lab. We are seeing that is also a very promising way of bringing in new innovation and getting fast output in these newer areas. We are looking at all types of models. We are also looking at things which industry can do directly.

We are trying to gradually get out of those systems. We have chosen now 120 partners/industries who are working with us as DCPs – Development Cum Production Partners. We hope that these industries will be then able to develop and upgrades of those systems, version 2 of those systems and DRDO scientists can focus on more complex systems as well as critical technologies which are necessary for the country. So, this is how we are managing. “

6.22 Responding to a suggestion of the Committee regarding introduction of subject related to Defence Production Industry as an elective in B.Tech courses, the Secretary, DDR&D and Chairman, DRDO submitted as under:

“It is a very good suggestion. We have already talked to AICTE and we are working on designing such a course. Hopefully, in the next six months, we will be able to design such an elective and then that can be offered in AICTE controlled institutions. “

PART – II

OBSERVATIONS/RECOMMENDATIONS

GENERAL DEFENCE BUDGET

Demands for Grants of the Ministry of Defence

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 Services and Demand No. 22 – Defence Pension. 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 and Armed Forces Tribunal are provided for in Demand No. 19- MoD(Civil). The Defence Services Estimates (DSE) reflects 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 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 / equipment 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 the retired Defence personnel (including Defence civilian employees) of the three Services viz. Army, Navy and Air Force and employees of erstwhile Ordnance Factories.

Defence Budget 2025-26

2. During examination of Demands for Grants of the Ministry of Defence for 2025-26, the Committee note that out of the total allocated budget for the Ministry of Defence for Financial Year 2025-26 i.e. ₹ 6,81,210.27 crore, largest share of 72.19 percent, i.e. ₹ 4,91,732.30 crore has been allocated for Defence Services Estimates (Grant Number 20 and 21). An amount of ₹ 3,11,732.30 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 ₹ 1,80,000 crore. Defence Pension (Grant Number 22) has secured 23.60 percent of the total Defence budget i.e. ₹ 1,60,795 crore. 4.21 percent (₹ 28,682.97 crore) of the total Defence budget has been allocated to the Ministry of Defence (Civil) (Grant Number 19).

The Committee learn that the total Defence Budget is approximately 13.45 percent of total Central Government Expenditure for the year 2025-26. Further, total outlay for the Defence budget in Budget Estimates (BE) 2025-26 has shown an increase of ₹ 59,269.42 crore i.e. 9.53 percent in comparison to

Budget Estimates in 2024-25 and an increase of ₹ 40,150.27 crore i.e. 6.26 percent in comparison to Revised Estimates in 2024-25. The Committee also note the Ministry's submission that Defence Budget has increased at a Compound Annual Growth Rate (CAGR) of 7.94% from FY 2020-21 to FY 2025-26 which is greater than the inflation rate in each year. Also, growth of Defence Budget in 2025-26 adjusting inflation rate (Consumer Price Index) of 4.90 percent tantamount to 6.16 percent, which shows a marked improvement when compared to this growth rate in fiscal year 2024-25. The Committee, taking into account competent growth of Defence Budget in the recent years, recommend that, if needed, the Ministry of Defence may be allocated additional funds at Revised Estimates stage so that combat preparedness of our Forces constantly remain at an optimum level.

Utilization of Defence Budget 2024-25

3. The Committee, on detailed analysis of the budgetary documents furnished by the Ministry of Defence, note that out of the amount of ₹ 6,41,060 crore allocated for total Defence Budget at Revised Estimates 2024-25 stage, the actual expenditure incurred upto December 2024 is ₹ 4,53,010.39 crore i.e. approximately 71 percent. The Committee, in this context, desire that concrete and concerted efforts be taken by the Ministry of Defence to achieve complete utilization of funds for FY 2024-25 to avoid surrendering of funds after the end of current Financial Year.

Modernisation budget for the Defence Services

4. On scrutiny of the documents provided by the Ministry of Defence in connection with examination of Demands for Grants for the year 2025-26, the Committee find that in comparison to the Budget Estimates 2024-25 and Revised Estimates 2024-25, there has been an increase of 4 percent and 13.44

percent, respectively, in Capital budget allocation for the three Services in Budget Estimates 2025-26. With regard to Revenue expenditure under Defence Services Estimates for the three Services, there has been an increase of 10.19 percent and 4.77 percent, respectively, when compared to that of BE and RE 2024-25. The Committee note from the submission of the Defence Secretary during deliberation on DFG 2025-26 that there is adequate money available for the Capital budget for the Forces. However, the limiting factors are the ability to sign contracts quickly and thereafter ensuring timely delivery of supplies. Certain geopolitical factors have also contributed to the challenge of timely procurement of equipment/weapon systems for the Forces. The Committee also learn that 75 percent of the modernisation budget has been earmarked for procurement from indigenous sources, and as such foreign exchange risk does not play a major part in allocation of capital acquisition budget for the Forces. In this regard, the Committee desire the measures instituted/being contemplated by the Ministry to overcome the challenges of timely award and fulfillment of contracts for procurement of equipment/weapon systems/platforms for the Forces ensuring complete utilization of modernisation budget be intimated to them at the time of furnishing Action Taken Replies. The Committee also recommend that budget as per the projections made by the Forces may be provided at RE stage of the Financial Year 2025-26 based on their functional and other requirements so that the operational preparedness of the Forces is not hampered.

Modern warfare

5. The Committee are not oblivious of the fact that the budget to be spent on modernization cannot be predicted to a large extent, and accordingly they feel that it is crucial to have intensive study and knowledge of emerging trends in technology that will have an impact on war and the art of warfare. Three such

emerging sectors, as informed by the Ministry, are robotics automation, velocity (which uses hypersonic drones, etc.) and intelligence warfare (includes artificial intelligence, data analytics and machine learning). The Committee also learn from the Ministry's submission that a Future Warfare Fund has also been set up within the Armed Forces. A Future Analysis Group, for studying future technologies and their impact, is also proposed to be set up. The Committee appreciate the proactive efforts of the Ministry in analyzing, recognizing and adopting emerging technologies of warfare and recommend that adequate budgetary provisions for Research and Development in this direction be made available to the Armed Forces.

BORDER ROADS ORGANIZATION (BRO)

Budgetary Allocation to BRO

6. The Committee note that for BE 2025-26, under MoD (Civil), the total allocation to BRO is ₹ 12,493 crore; allocation under Revenue head is ₹ 5,694 crore and Capital head is ₹ 7,514 crore. This allocation for BE 2025-26 to BRO is approximately 95 percent of the projected amount i.e. Rs. 13,208 crore. Further, the expenditure incurred by BRO in FY 2024-25 (upto December 2024) is ₹ 9,151.59 crore out of Rs. 12,098.91 crore allotted under RE 2024-25. The Committee, taking note of the submission of the representative of BRO regarding adequate allocation of funds and commensurate utilization by BRO, express satisfaction at the budgetary allocation to BRO for BE 2025-26.

Special Recruitment Drive for BRO

7. The Committee learn that Officers are selected in BRO through examination conducted by the Union Public Service Commission (UPSC). However, as per the submission of the Director General Border Roads, due to

inclement nature of working conditions in BRO, it is not a preferred organization for these Officers. The Committee also note that in order to address the issue of critical deficiency of Assistant Executive Engineers, a proposal to conduct Special recruitment drive has been initiated and concurrence of Department of Personnel and Training has been obtained. Further, they learn that requisition is being placed to UPSC to carry out the Special Recruitment Drive. The Committee opine that optimum strength of manpower is crucial for a labour-intensive organization like BRO which works amidst harsh climatic and geographical conditions. In this context, the Committee recommend that the process of this special recruitment drive for BRO may be expedited and its status may be furnished to the Committee at the time of submitting Action Taken Replies.

INDIAN COAST GUARD

Budget 2025-26

8. The Committee learn that the amount allocated under Capital and Revenue heads to Indian Coast Guard Organisation (ICG) in Budget Estimates (BE) 2025-26 is ₹ 5,000 crore and ₹ 4676.70 crore, respectively. The Committee note that the Capital allocation to Coast Guard in BE 2025-26 has seen an increase of approximately 43 percent compared to allocation in BE 2024-25. The reason for this significant increase in allocation for Capital expenditure, as adduced by the Ministry of Defence, is large-scale acquisition plan for Coast Guard comprising 2 Pollution Control Vehicles, 8 Fast-Patrol Vessels, 12 New Generation Offshore Patrol Vessels, 6 Air Cushion Vehicles, 22 interceptor boats, helicopters, etc. in the immediate future. The Committee appreciate that significant financial provision, double the Capital allocation of BE 2019-20, has been made in this budget for capital budget for Coast Guard which will be a

step further in the direction of strengthening our maritime and coastal security. The Committee recommend that the additional budget be optimally utilized for strengthening the coastal security preparedness of the Coast Guard.

DEFENCE ESTATES ORGANIZATION

Budgetary provision

9. The Committee learn that for Directorate General Defence Estates (DGDE), under Budget Estimates 2025-26, ₹ 654.45 crore and ₹ 32.34 crore have been allocated under Revenue and Capital Head, respectively. They also 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. The Committee find that for BE 2025-26, the total Grant-in-Aid to the Cantonments amounts to ₹ 451.82 crore compared to amount of Rs. 519.69 crore provided in BE 2024-25. In this regard, the Committee recommend that if required, additional funds commensurate with pace of expenditure and prioritization of critical works should be allocated to the Cantonments at Revised Estimates stage.

Excision of civil areas of select Cantonments and their merger with adjoining municipalities

10. The Committee, during examination of Demands for Grants for 2024-25, were informed that in order to move away from the Cantonment concept and bring uniformity in municipal laws governing civil areas of Cantonments and adjoining State Municipal areas, it was decided to consider excision of civil areas of select Cantonments and merge them with adjoining municipalities. The Committee learn that subsequently Cantonment-wise committees in respect of

36 Cantonments have been constituted by the Ministry of Defence to look into the details of proposed modalities in terms of transfer/retention of assets and liabilities, Cantonment Board employees, pensioners and other related issues. Also, notifications have been issued inviting objections/suggestions concerning de-notification or excision of civil areas as the case may be, in respect of 10 Cantonment Boards namely Ajmer, Babina, Deolali, Nasirabad, Clement Town, Dehradun, Fatehgarh, Mathura, Ramgarh & Shahjanpur. The views / comments from the State Governments are still awaited. The Committee understand that excision of civil areas of select Cantonments and their merger with adjoining municipalities is a complex process involving many stakeholders such as military authorities, employees of Cantonment Boards civilians, State Governments etc., and in this regard, recommend that priority may be accorded to accomplish this task at the earliest so that challenges faced by civilians in Cantonment Boards are resolved to a large extent.

Civil Population in Cantonment Areas

11. During discussion on Demands for Grants 2025-26, the Committee raised certain issues being faced by the civilians residing in the Cantonment areas i.e. for instance handing over of certain Defence land not being used by Army to civilian population for their welfare. In this regard, the Committee understand from the submission of the Ministry of Defence that certain vacant lands in the Cantonment areas cannot be parted away as they are reserved for future uses of Army and the Ministry is interested in giving the civilian areas which are fully occupied alongwith their services to the adjoining municipality. Hence, the Committee consider it imperative that the process of excision of civil areas of select Cantonments and their merger with adjoining municipalities being currently undertaken by the Ministry of Defence reaches its final stage at the earliest with priority being accorded to safety and security considerations of the Local Military Authorities; nevertheless, amicably and in a timely fashion.

The Committee in this regard also desire that Local Military authorities of the Cantonments work in tandem with the local civil representatives to offer relaxations for civil dispensation contingent upon safety and security considerations such as removing of movement restrictions on roads for general public placed due to COVID, etc.

Civic and welfare facilities in the Cantonment Areas

12. The Committee learn that main duties and discretionary functions of the Cantonment Boards include Sanitation, Water supply, Education, Health facilities, Birth and Death registration, regulation of building construction etc. The Committee, in this context, recommend that regular monitoring of quality of welfare and civic amenities being provided in the Cantonment areas in the country be taken up by the Ministry and shortcomings, if any, may urgently be addressed.

'Bhoomi Raksha' Module

13. The Committee learn that 'Bhoomi Raksha', an IT Module, has been launched on 16.12.2022 wherein eviction proceedings under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 can be initiated and progressed online. This module has been introduced by the Ministry of Defence with a view to infuse efficiency and bring transparency in the process of removal of encroachments as well as conduct of eviction proceedings. The Committee desire that details of the eviction proceedings initiated and being monitored using 'Bhoomi Raksha' module after its introduction in 2022 may be intimated to the Committee at the stage of furnishing Action Taken Replies by the Ministry.

WELFARE OF EX-SERVICEMEN

Budget

14. The Committee learn that an amount of ₹ 54.80 crore and ₹ 8,317 crore has been allocated to Directorate General of Resettlement (DGR) and Ex-Servicemen Contributory Health Scheme (ECHS), respectively, for Budget Estimates 2025-26. Kendriya Sainik Board (KSB) Secretariat and Department of Ex-Servicemen Welfare (DESW) have been allocated sum of ₹ 404.30 crore and ₹ 11.97 crore, respectively. The Committee, on analyzing the data for budgetary allocation for Organisations/Divisions looking after welfare of Ex-Servicemen for 2023-24, 2024-25 and 2025-26, note that the funds provided to DGR, DESW and KSB, remained static for two financial years in 2023-24 and 2024-25 and have now shown increasing trend in BE 2025-26. In the Committee's considered view, this increase in BE 2025-26 in comparison with BE 2024-25 and 2023-24, will help DGR, DESW and KSB to counter vagaries of inflation and fulfill their mandated tasks of welfare of Ex-Servicemen.

Welfare of ESM

15. The Committee have been given to understand that no new demands of Ex-servicemen are under consideration of the Ministry. However, the Ministry reviews its various welfare schemes to enhance the grant amount and also launch new initiatives based on the feedback and inputs from Ex-Servicemen and the environment. The Committee desire that a comprehensive study may be taken by the Department of Ex-Servicemen Welfare in consultation with other stakeholders to increase avenues for welfare of children/wards/widows of Armed Forces Personnel such as exploring feasibility of increasing reservation for children/wards of Defence Personnel in Professional Colleges in the country.

DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION

Budget 2025-26

16. The Committee find that for BE 2025-26, an amount of ₹ 26,816.82 crore has been allocated to Defence Research & Development (R&D), which is 5.45 percent of the Defence Services Estimates for 2025-26 and 12.41 percent higher than the BE of 2024-25. Further, out of this amount of ₹ 26,816.82 crore allotted to Defence R&D, 55.65% has been allotted to Capital head and 44.35% to Revenue Head. Also, in Defence R&D Budget for 2025-26, provision of ₹ 7,025 crore has been made for R&D projects and ₹ 1,756.25 crore for Industry, Start-ups and Academia. The Committee have been informed that a major amount of the budget allocated to R&D goes towards expenses towards Strategic schemes and Cabinet Committee on Security (CCS) Projects/ Programmes, pay & allowances and other non-salary revenue expenditure.

The Committee note that subsequent to the announcement in the Union Budget 2025 to promote deep tech innovation in India, Technology Development Fund (TDF) Policy in DRDO is being modified to support Deep Tech Technology Project. These projects are aimed to be undertaken for Defence applications and the DRDO-Industry-Academia Centers of Excellence (DIA-CoEs) and as well as Research Boards who are prioritizing Deep Tech & Intelligence surveillance and Reconnaissance (DT & ISR). The Committee also note that with both these schemes, about ₹ 2,000 crore is being spent from the available R&D Budget of DRDO. Keeping in view the key role of DRDO in developing critical, advanced and futuristic technologies and systems for empowering the Nation and our Armed Forces, the Committee recommend that requisite funds be provided to DRDO at all stages of budgetary exercise. The Committee also desire that details of budget classified for existing technologies and research and development in emerging technologies such as

quantum computing, genome sequencing, space technology etc. be furnished to the Committee while submitting Action Taken Replies.

Achievements of DRDO

17. The Committee, with glee take note of the fact that in the past and current year, crucial milestones in developing next-generation hypersonic technologies and missiles have been achieved by DRDO. The Committee have also been apprised that DRDO has been able to save an amount of ₹ 2,64,156 crore because of its own indigenous research during the last five years. The Committee congratulate DRDO for its various feats and have every reason to believe that armed with adequate fiduciary support and skilled manpower, DRDO will continue its successful stride in the fields of various complex and critical technologies to strengthen indigenous Defence Research and Development capabilities of our country.

Collaboration with Industry and Academia

18. The Committee note that DRDO has various schemes for collaborating with academic institutes and providing skills in the youth in the field of Defence Research and Technology. Some of these schemes are as under:

- (i) Five Research Boards working on research areas in Aeronautics, Armaments, Life Sciences, Naval and Electronics & Communication System;
- (ii) DRDO Industry Academia Centres of Excellence (DIA-CoEs) established by DRDO at premier and capable academic Institutes and Universities in the country to build Directed Research Eco-system through collaboration among DRDO labs, Academia and Startups/Industries; and

(iii) Imparting skills to youth for preparing them for Defence Research and Industries through introduction of M.Tech in Defence Technologies in 40 universities/academic institutions through All India Council for Technical Education (AICTE) , introduction of elective subjects (Defence technology) in B.Tech curriculum through AICTE, extending opportunities to B.Tech and M.Tech students through 8,000 internships every year and PhD Program in Defence Institute of Advanced Technology (DiAT) for scholars to work on Defence Technology.

The Committee appreciate the steps taken by DRDO for assisting the academic institutions in the field of Defence Research and Technology and desire that feasibility of designing courses in Defence Research, Technology and Production Industry for inclusion in curriculum of B.Tech as well as senior secondary classes in collaboration with various Education Boards in the country be explored so that the scientific aspiration, skills and aptitude required in this field is inculcated in the youth at an early level of education.

**New Delhi;
12 March, 2025
21 Phalguna, 1946 (Saka)**

**RADHA MOHAN SINGH
Chairperson
Standing Committee on Defence**

APPENDICES
STANDING COMMITTEE ON DEFENCE (2024-25)

Minutes of the Seventh Sitting of the Standing Committee on Defence (2024-25)

The Committee sat on Monday, the 17th February, 2025 from 1100 hrs. to 1700 hrs. in Committee Room `D`, Parliament House Annexe, New Delhi.

PRESENT

Shri Radha Mohan Singh — Chairperson

MEMBERS

Lok Sabha

2. Dr. Rajeev Bharadwaj
3. Captain Viriato Fernandes
4. Shri Rahul Gandhi
5. Shri Mohammad Haneefa
6. Ms. S. Jothimani
7. Shri Lumba Ram
8. Shri Jagannath Sarkar
9. Shri Jagadish Shettar
10. Shri Virendra Singh
11. Shri Kesineni Sivanath
12. Shri Richard Vanlalhmangaiha

Rajya Sabha

13. Shri Naresh Bansal
14. Shri Shaktisinh Gohil
15. Shri Prem Chand Gupta
16. Shri Muzibulla Khan
17. Shri Praful Patel
18. Shri Dhairyashil Mohan Patil
19. Shri Sanjay Singh
20. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Dr. Sanjeev Sharma— *Joint Secretary*
2. Shri Tirthankar Das — *Director*
3. Shri Tenzin Gyaltzen --- *Deputy Secretary*

LIST OF WITNESSES

Ministry of Defence

Capital Outlay on Defence Services

1. General Anil Chauhan	CDS & Secretary, DMA
2. Rajesh Kumar Singh	Defence Secretary
3. Sanjeev Kumar	Secretary (DP)
4. Dr. S V Kamat	Secretary (DDR&D)
5. Dr. Niten Chandra	Secretary (ESW)
6. Sugata Ghosh Dastidar	FA(DS)
7. Air Mshl SP Dharkar	VCAS
8. Vice Admiral Krishna Swaminathan	VCNS
9. Lt Gen NS Raja Subramani	VCOAS
10. Lt Gen JP Mathew	CISC
11. Lt Gen Pratik Sharma	DCOAS (Strat)
12. Samir Kumar Sinha	AS & DG(Acq)
13. Lt Gen Ulhas Kirpekar	DG FP
14. Ms. Dipti Mohil Chawla	AS, DoD
15. Vice Admiral Atul Anand	AS, DMA
16. Rajesh Sharma	Addl. FA(RS) & JS
17. Maj Gen G S Choudhry	JS(Army & TA)/ DMA
18. Manish Tripathi	JS(Parliament)
19. Subhash Kumar	Director (Budget)

Procurement Policy & Defence Planning

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Rajesh Kumar Singh	Defence Secretary
3.	Sanjeev Kumar	Secretary (DP)
4.	Dr. S V Kamat	Secretary (DDR&D)

5.	Dr. Niten Chandra	Secretary (ESW)
6.	Sugata Ghosh Dastidar	FA(DS)
7.	Vice Admiral Sanjay Vatsayan	DCIDS(PP&FD)
8.	Samir Kumar Sinha,	AS & DG(Acq)
9.	Siddhartha Singh Longjam	AS & FA(Acq)
10.	Dr. Ajay Kumar	JS & AM (LS)
11.	Dharmendra Kumar Singh	JS & AM (Air)
12.	Dinesh Kumar	JS & AM(MS)
13.	AVM GK Mohan	ADG Acq Tech (Air)
14.	Maj Gen Tarun Agrawal	ADG Acq Tech (Army)
15.	Rajesh Sharma	Addl. FA(RS) & JS
16.	Sanjay Kumar	Addl. FA(SK) & JS
17.	Amit Satija	JS(DIP)/DDP
18.	Manish Tripathi	JS(Parliament)
19.	Subhash Kumar	Director (Budget)

Indian Army

1.	Gen. Anil Chauhan,	CDS & Secretary (DMA)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Vice Admiral Atul Anand	Addl. Secy., DMA
4.	Lt Gen NS Raja Subramani	VCOAS
5.	Lt Gen Pratik Sharma	DCOAS (Strat)
6.	Lt Gen Rahul R Singh	DCOAS (CD&S)
7.	Lt Gen Ulhas Kirpekar	DGFP
8.	Lt Gen VPS Kaushik	AG
9.	Lt Gen VMB Krishnan	QMG
10.	Ms. Dipti Mohil Chawla	AS, DoD
11.	Maj Gen Sandeep Narang	ADG Proc(B)
12.	Maj Gen GS Choudhry	JS(Army & TA)/ DMA
13.	Rajesh Sharma	Addl. FA(RS) & JS
14.	Subhash Kumar	Director (Budget)

Indian Air Force

1.	Gen. Anil Chauhan,	CDS & Secretary (DMA)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Vice Admiral Atul Anand	Addl. Secy., DMA
4.	Air Mshl SP Dharkar	VCAS

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|----|-------------------------|-------------------|
| 5. | Air Mshl Tejinder Singh | DCAS |
| 6. | Ms. Dipti Mohil Chawla | Addl. Secy., DoD |
| 7. | AVM Vikram Gaur | JS(Air), DMA |
| 8. | Rajesh Sharma | Addl. FA(RS) & JS |
| 9. | Subhash Kumar | Director (Budget) |

Indian Navy

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|----|----------------------------------|-----------------------|
| 1. | Gen. Anil Chauhan | CDS & Secretary (DMA) |
| 2. | Sugata Ghosh Dastidar | FA(DS) |
| 3. | Vice Admiral Krishna Swaminathan | VCNS |
| 4. | Vice Admiral Atul Anand | Addl. Secy., DMA |
| 5. | Ms. Dipti Mohil Chawla, | Addl. Secy., DoD |
| 6. | Rear Admiral Vikram Menon | JS (Navy) |
| 7. | Rear Admiral Alok Ananda | ACNS (P&P) |
| 8. | Rajesh Sharma | Addl. FA(RS) & JS |
| 9. | Subhash Kumar | Director(Budget) |

Joint Staff

- | | | |
|----|--------------------------|-----------------------|
| 1. | Gen. Anil Chauhan | CDS & Secretary (DMA) |
| 2. | Sugata Ghosh Dastidar | FA(DS) |
| 3. | Lt Gen JP Mathew | CISC |
| 4. | V Adm Sanjay Vatsayan | DCIDS (PP&FD) |
| 5. | Rear Admiral Puruvir Das | ACIDS (T&I) |
| 6. | Ms. Dipti Mohil Chawla, | Addl. Secy., DoD |
| 7. | AVM Manish V Patel | ACIDS(FP & Adm) |
| 8. | Rajesh Sharma | Addl. FA(RS) & JS |
| 9. | Subhash Kumar | Director (Budget) |

Indian Coast Guard

- | | | |
|----|--------------------|-------------------|
| 1. | S Paramesh | DG ICG |
| 2. | Dipti Mohil Chawla | Addl. Secy., DoD |
| 3. | Pawan Kumar Sharma | JS(Coast Guard) |
| 4. | ADG AP Badola | ADG CG |
| 5. | Rajesh Sharma | Addl. FA(RS) & JS |

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|----|---------------|-------------------|
| 6. | Subhash Kumar | Director (Budget) |
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Directorate General of Defence Estate

- | | | |
|-----|-------------------------|-------------------|
| 1. | Ms. Dipti Mohil Chawla, | Addl. Secy., DoD |
| 2. | Sugata Ghosh Dastidar, | FA(DS) |
| 3. | Meena Balimane Sharma | SADG |
| 4. | Valeti Premchand | Addl. DG |
| 5. | Nigar Fatima | Addl. DG |
| 6. | Sonam Yangdol | Addl. DG |
| 7. | Vibha Sharma | Addl. DG |
| 8. | Shreyas M Patel | DDG |
| 9. | Rakesh Mittal | JS(Lands & Works) |
| 10. | Rajesh Sharma | Addl. FA(RS) & JS |
| 11. | Subhash Kumar | Director (Budget) |

Border Roads Organization

- | | | |
|----|-------------------------|-------------------|
| 1. | Samir Kumar Sinha | AS & DG(Acq) |
| 2. | Ms. Dipti Mohil Chawla | AS, DoD |
| 3. | Sugata Ghosh Dastidar | FA(DS) |
| 4. | Lt Gen Raghu Srinivasan | DGBR |
| 5. | Rakesh Mittal | JS(BR) |
| 6. | Rajesh Sharma | Addl. FA(RS) & JS |
| 7. | Subhash Kumar | Director (Budget) |

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 2025-26.

3. Thereafter, the Chairperson welcomed the Defence Secretary and Chief of Defence Staff (CDS) along with, the representatives of the Armed Forces and Ministry of Defence to the Sitting of the Committee convened to deliberate on the subjects 'General Defence Budget, Department of Military Affairs (DMA), Ministry of Defence (Civil), Capital Outlay on Defence Services, Procurement Policy and Defence Planning, Army, Air Force, Navy, Joint Staff, Coast Guard Organisation (CGO), Directorate General Defence Estate (DGDE) and Border Roads Organization (BRO)' in connection with examination of Demands for Grants of the Ministry of Defence for the year 2025-26.

4. Subsequently, drawing attention to the Direction 55(1) of the Directions by the Speaker, Lok Sabha to treat the deliberations of the sittings as 'confidential', he requested the representative of the Ministry to give an overview of the subject after introducing themselves.

5. Thereafter, 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 2025-26. The highlights of the brief given by the Defence Secretary are as under:

- (i) The total outlay for Ministry of Defence is Rs 6,90,710.27 crore which is approx 13.45 percent of Budgetary Estimates of the country;
- (ii) Out of total allocation, Rs. 4,19,731.30 crore has been allotted for Defence Services Estimates, Rs. 28,682.97 crore for MoD (Civil) and Rs. 1,60,795.00 crore for Defence pensions;
- (iii) Seventy-five percent of Defence Modernization budget has been earmarked for domestic industry in FY 2025-26; and
- (iv) Out of total allocation for Ministry of Defence for the financial year 2025-26 is Rs. 6.81 lakh crore, out of which Rs. 4.92 lakh crore, i.e 72 %, is allocated for the defence forces;

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) The total Defence Budget for 2024-25 i.e. BE Rs. 6,90,710.27 crore is an increase of 4.65 percent in Defence Budget in comparison to BE 2024-25;
- (ii) Defence Service Estimates which is almost seventy-three percent of the total Defence Budget;
- (iii) Enhancement in Non-salary revenue outlays allocation for the Defence Services in BE 2025-26 in comparison to BE 2024-25;
- (iv) Increase in revenue and capital budget as compared to previous year allocation;
- (v) Total allocation for revenue expenditure for the Defence Forces is Rs.3.12 lakh crore, which is 10.24 per cent and 4.88 per cent higher than the BE and the RE of the current financial year 2024-25.;
- (vi) Rs. 28,682 crore (4.21 %) is allocated (civil) budget, out of the total Rs. 4.92 lakh crore, Rs. 3.12 lakh crore is for the revenue expenditure, and Rs. 1.8 lakh crore is for the capital expenditure for the financial year 2025-26;
- (vii) total defence budget is 13.45 per cent of the total expenditure of the Government of India which is at Rs. 50.65 lakh crore, 9.53 per cent higher than the budget estimate of the 2024-25;
- (viii) 30 per cent of the expenditure is on the salary and allowances, 28 per cent on the capital head, 24 per cent on the defence pensions and 18 per cent on non-salary expenditure;
- (ix) The revenue expenditure of MOD is 12.39 per cent of the Government of India revenue expenditure which is at Rs. 39.44 lakh and capital expenditure of MOD is

17.16 per cent of the Government of India capital expenditure which is at Rs. 11.21 lakh crore.;

- (x) Capital Budget has been increased by Rs. 66,266 Cr (58.26%) in the 1st 5 years which showed a growth rate of 9.62 % Compounded Annual Growth Rate in the last 5 Years;
- (xi) Budget allocation for modern warfare to equip Armed Forces;
- (xii) Modernisation of defence equipments;
- (xiii) Quantity of defence equipments exported by DPSUs and Private Sector;
- (xiv) Reasons for emergency procurement of defence equipments;
- (xv) Inclusion of all indigenized products in Srijan portal
- (xviii) Increase in Defence allocation to meet actual requirement keeping in view current security scenario;
- (xix) Planning for upgradation and modernisation of conventional arms;
- (xx) Strategy for achieving complete indigenization and self-reliance in Defence sector;
- (xxi) Comparison with neighboring countries regarding expenditure on equipments and development of infrastructure.

7. The representatives of the Ministry of Defence then gave a Power Point Presentation on **Capital Outlay on Defence Services, Procurement Policy and Defence Planning** which was followed by discussion on a wider gamut of issues encompassing the following:

- (i) Defence Planning to cater current and further modernisation needs of the Armed Forces in terms of platforms, equipment, ammunitions, infrastructure and manpower;
- (ii) Allocation under capital head has been gone up from 1.72 Lakh Crore in FY 2024-25 to 1.8 Lakh crore in FY 2025-26, an increase in 4.65%;
- (iii) Capital allocation budget is also termed as modernisation budget of the armed forces and issued for acquisition of military equipment;
- (iv) 75% (Rs. 1,48,722 crore) of Capital Acquisition Budget has been earmarked for domestic industries;
- (iv) The overall increase in capital outlay of 4.65 per cent in BE of 2025-26 over BE of 2024-25 and 12.85 per cent over RE of 2024-25;
- (v) Capital outlay on defence services in FY 2025-26 is 1.80 Lakhs crores, has been increased by 58% in the last 5 years;
- (vi) Mission Atmanirbharta and Earmarking of Fund for Domestic Industries.
- (vii) Growth in Defence Capital Acquisition (Modernization) Budget from FY

2020-21 to FY 2025-26;

- (viii) Defence Acquisition Procedure (DAP)-2020 for Defence Procurement Policy has been revised nine times during 2002-2020;
- (ix) Defence procurements carried out as per Defence Acquisition Procedure (DAP)- 2020;
- (x) Fundamental Philosophy for acquisition process;
- (xi) Defence Acquisition Policy which aims to ensure timely procurement of defence equipment to meet the operational requirements;
- (xii) Priority of procurement of defence equipments;
- (xiii) Basic categories for classification of acquisition process i.e. pre-AoN and Post-AoN;
- (xiv) Three pillars of Atmanirbharta i.e. Atmanirbhar Bharat, Make in India and ease of doing business;
- (xv) Push for domestic defence ecosystem in FY 2025-26;
- (xvi) Allocation of 75% of Modernisation Defence budget in FY 2025-26.
- (xvii) Aero India 2025.
- (xviii) Visibility of Capability Development Plan to Indian Defence Cosystem.
- (xix) Indigenization of various weapons and platforms including missiles, submarines, LCA, etc.;
- (xx) Promotion of 'Make in India' aspects in domestic production ;
- (xxi) Transparency in the defence acquisition process;
- (xxii) Ensuring level playing field between the DPSUs and the Private Players;
- (xxiii) Parity in securities and payment terms between DPSUs and industry.
- (xxiv) Recent initiative in DAP;
- (xxv) Recent Initiatives in Indigenous Content (IC) for Material, Components and Software for Defence Procurement .
- (xxvi) Development of domestic defence ecosystem through enhanced avenues and increase vendor base.
- (xxvii) Ensuring Level Playing field for private defence industry.
- (xxviii) Reduction of Timelines for Defence Procurement.

***(The witnesses then withdrew and representatives
of Department of Military Affairs and the Army came in)***

8. The Chief of Defence Staff gave an overview of the working of the three forces following which a Power Point presentation on the Army was made. This was followed by detailed deliberations on following issues:

- (i) Maintaining of territorial Integrity by Army;
- (ii) Security situation in border areas of the country;
- (iii) Strengthening of Border Area Development programme in border areas by army;
- (iv) Extension of Year of Transformation initiatives;
into a Decade of Transformation from 2023 to 2032;
- (v) Logistic operations in High Altitude Areas;
- (vi) Infrastructure development in northern and western borders;
- (vii) Induction of state-of-the art weapon system and platforms;
- (viii) 6G initiatives to the latest National Quantum Mission;
- (ix) Training of Army with friendly foreign countries;
- (x) Contribution of Army in Military Diplomacy;
- (xi) Role of women officers in Army;
- (xii) Contribution of Army in management of natural disasters and calamities relief;
- (xiii) Indian Army AI Incubation Centre has been started;
- (xiv) Modernization through induction of indigenous weapons and platforms;
- (xviii) Schemes to enhance security infrastructure, surveillance, research and development and fighting abilities of Army;
- (xix) Transform Indian Army into an Atmanirbhar Future Ready Force;
- (xx) Project NAMAN has been started by Indian Army;
- (xxi) Mission Olympics for 2036;
- (xxii) Funds for Ex-servicemen Contributory Health Scheme(ECHS);
- (xxiii) AGNIPATH Scheme has been started;
- (xxiv) Participation in United Nations peacekeeping operations by March, 2025;
- (xxv) Training of 17 Lakh National Cadet Corps cadets including Six lakh girls every year;
- (xxvi) Budgetary allocation to Army;
- (xv) Contribution in sports by Army;
- (xvi) Role of Army towards humanitarian assistance and speedy relief during calamities;
- (xvii) Medical assistance and health care of veterans;

***(The officials of Army then withdrew
and officials of Air Force came in)***

9. Thereafter, a Power Point presentation on the Air Force was made. This was followed by detailed deliberations on following issues:

- (i) Integrated Air Command and Control System;
- (ii) Anti Piracy Joint Maritime operation
- (iii) Propelling India to become an aerospace power
- (iv) Air Defence: Surface to air guided weapon;
- (v) Air Exercises;
- (vi) Joint Air-Ground –Sea exercises;
- (vii) Promoting AGNIPATH Scheme;
- (viii) Reduction in carbon emission;
- (ix) Promoting growth in civil aviation;
- (x) Promoting service in cyber and CRYPTO;
- (xi) Increasing induction of women in IAF as Empowerment of Women;
- (xii) Enabling operations through technology infusion;
- (xiii) Upgradation of Fighter Aircrafts upto 4th Generation capability;
- (xiv) Indigenous upgradation of Su-30MKI;
- (xv) Shortage of authorized squadrons strength;
- (xvi) Study to analyze the major reasons for the delay of LCA;
- (xvii) Joint air-ground-sea exercises;
- (xviii) Promoting and commitment for Atmanirbharta in Air Force;
- (xix) Role of Air Force towards human assistance and disaster relief operations;
- (xx) Decline in accident rates in Air Force;
- (xxi) Increase in Budget Estimate (BE) for the year 2025-26 as compared to the previous year 2024-25.

***(The officials of Air Force then withdrew
and officials of Navy came in)***

10. Consequently, a power point presentation on the Navy was also made before the Committee following which deliberations on the following issues were held:

- (i) More allocation in Budget Estimates, Capital Budget and Revenue Budget of 2025-26 in comparison to Budget Estimates, Capital Budget and Revenue Budget of 2024-25;
- (ii) Maritime threats and challenges from traditional and non traditional sources;
- (iii) Maritime security operations by Navy;
- (iv) Area of operations of Navy to Africa and Australia continents;
- (v) Bilateral and Multilateral exercises with friends by foreign countries;
- (vi) Indian Ocean Region (IOR) maritime information hub linkages with 25 national and 50 multinational centres;
- (vii) Role of Navy in Multi-National contracts;
- (viii) `Projection of growth of the number of ships and submarines;
- (ix) Anti-piracy operations by Navy;
- (x) Anti-Narcotics Operations by Navy;
- (xi) HADR/SAR operations by Navy;
- (xii) Promoting Coastal Security;
- (xiii) Role of women officers in Navy;
- (xiv) Promotion of Atmanirbharta through various projects;

(The officials of Navy then withdrew and officials of Joint Staff came in)

11. Following the discussion on the Navy, a power point presentation on Joint Staff was made. Members raised various queries related to the following:

- (i) Promoting jointness and integration of Armed Forces;
- (ii) Formulation of policy on Joint Capabilities, Training and Functional aspects;
- (iii) Financial planning and oversight of joint staff organizations;
- (iv) Defence Crisis Management Group for coordination of Armed Forces during humanitarian assistance and disaster relief operations;
- (v) Coordination of strategic defence intelligence;
- (vi) Integrated Capability Development Plan (ICDP) and indigenization;

(The witnesses then withdrew and representatives of the

Ministry of Defence and Indian Coast Guard came in)

12. After a brief introduction of the officials of Indian Coast Guard, a Power Point Presentation on the working of Indian Coast Guard was made. This was followed by discussion on following points:

- (i) More allocation in BE 2025-26 as compared to BE 2024-25;
- (ii) Safety and protection of artificial islands and offshore oil terminals;
- (iii) Protection of fishermen including assistance at sea;
- (iv) Preservation and protection of marine environment;
- (v) Prevention and control of marine pollution;
- (vi) Assistance to customs and other authorities in anti-smuggling operations;
- (vii) Securing life and property at sea;
- (viii) Assistance in collection of scientific data;
- (ix) Enforcement of maritime enactments.

***(The officials of Indian Coast Guard then withdrew
and officials of Directorate General Defence Estates came in)***

13. Followed by brief introduction of the officials of Directorate General Defence Estates (DGDE), a Power Point Presentation on the working of Defence Estates Organisation was made. This was followed by discussion on following points:

- (i) Allocation in BE in FY 2025-26;
- (ii) Provisions relating to Municipal Administration of notified cantonments, land acquisition, post acquisition, land survey, etc.;
- (iii) Duties of cantonment Board *i.e.* sanitation, drains and sewerage, water supply, primary education, health, roads, street lights and survey, etc.;
- (iv) Status of cantonment board schools;
- (v) Infrastructure and facilities in cantonment board hospitals;
- (vi) Environment and waste management works;
- (vii) Skill development programmes and centres;
- (viii) Industrial training institutes in cantonment Board;
- (ix) Provision of eChhawani-Digital portal for online municipal services;
- (x) Bhoomi Raksha IT module was started in 2022;
- (xi) New initiatives *i.e.* polythene Kachra Bank and E-Waste Drives/Bank
- (xii) Proposal from the State Government for provision of Defence Land;

- (xiii) Issues such as access to roads etc. faced by general public in Cantonment areas and efforts for resolution of these issues;
- (xiv) Enforcement of building laws in cantonment area;
- (xv) Removal of encroachment on the Defence land in the cantonment area;
- (xvi) Policy regarding handing over of Defence institutions to civil municipal bodies adjoining the cantonment areas;

***(The representatives of Directorate General Defence Estates
withdrew and representatives of Border Roads Organization came in)***

14. After a Brief introduction of the officials of Border Roads Organization (BRO), a Power Point presentation on Border Roads Organization was made. The deliberations were held on the subject on following points:

- (i) Budgetary figures for BRO for 2025-26;
- (ii) Role of BRO during the peace and in war periods;
- (iii) Involvement of Government Agencies like NHAI, CPWD, Ministry of Road Transport and Highways by BRO;
- (iv) Construction of roads in Ladakh;
- (v) Shortage of manpowers particularly engineers in BRO;
- (vi) Challenging terrain, unfavourable climate and difficult security situation faced by BRO;
- (vii) Construction of Indo-China Road under India-China Border Roads(ICBR);
- (viii) Initiation of Engineering Procurement and Construction to boost efficiency; and
- (ix) Strategic projects being executed in J&K, Himachal Pradesh, Uttarakhand, Ladakh, Mandi, Manali, Pithauragarh Sikkim, West Bengal, Meghalaya;

15. The Chairperson, then thanked the representatives of the Ministry of Defence 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.

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2024-25)

**Minutes of the Eighth Sitting of the Standing Committee on
Defence (2024-25)**

**The Committee sat on Tuesday, the 18th February, 2025 from 1100 hrs. to 1740 hrs. in
Committee Room `D`, Parliament House Annexe, New Delhi.**

PRESENT

Shri Radha Mohan Singh — *Chairperson*

MEMBERS

Lok Sabha

2. Dr. Rajeev Bharadwaj
3. Shri Captain Viriato Fernandes
4. Shri Mohamad Haneefa
5. Shri S. Jagathratchakan
6. Ms Jothimani
7. Shri Ravindra Shukla alias Ravi Kishan
8. Shri Shashank Mani
9. Shri Lumba Ram
10. Shri Jagannath Sarkar
11. Shri Jagadish Shettar
12. Shri Virendra Singh
13. Shri Kesineni Sivanath
14. Shri Richard Vanlalhmangaiha

Rajya Sabha

15. Shri Naresh Bansal
16. Shri Prem Chand Gupta
17. Shri Muzibulla Khan
18. Shri Sanjay Singh
19. Shri Sudhanshu Trivedi

SECRETARIAT

- | | | |
|------------------------|---|-----------------|
| 1. Dr. Sanjeev Sharma | — | Joint Secretary |
| 2. Shri Tirthankar Das | — | Director |

3. Shri Tenzin Gyaltsen --- Deputy Secretary

LIST OF WITNESSES

Ministry of Defence

Defence Public Sector Undertakings (DPSUs)

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Sanjeev Kumar	Secretary (DP)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	DiptiMohil Chawla	AS, DoD
4.	Rajeev Prakash	JS(NS)
5.	ShalabhTyagi	JS(P&C)
6.	Amit Satija	JS(DIP)
7.	Dr. GarimaBhagat	JS(LS)
8.	Dr. DK Sunil	CMD, HAL
9.	Manoj Jain	CMD, BEL
10.	Cmde A Madhavarao	CMD, BDL
11.	Shantanu Roy	CMD, BEML
12.	N GowriSankara Rao	MIDHANI
13.	Cmde PR Hari	CMD, GRSE
14.	Sanjeev Singhal	CMD, MDL
15.	Brajesh Kumar Upadhyay	CMD, GSL
16.	Cmde Hemant Khatri	CMD, HSL
17.	Rajesh Sharma	Addl FA (RS) & JS
18.	Subhash Kumar	Director (Budget)

Directorate of Ordnance (Coordination and Services)- (New DPSUS)

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Sanjeev Kumar	Secretary (DP)
2.	Sugata Ghosh Dastidar	FA(DS)
3.	DiptiMohil Chawla	AS, DoD
4.	GarimaBhagat	JS(LS)
5.	Sanjeev Gupta	DGO(C&S)
6.	SunitaMansukhani	DDG(Budget)
7.	Sanjay Mehrishi	DDG(NDCD)

8.	Rakesh Ojha	Director (Operations), MIL
9.	Sanjay Dwivedi	CMD, AVANI
10.	AK Maurya	Dir.(Ops) & CMD (Addl Charge), AWEIL
11.	Dr. SK Saxena	Dir(Fin) & CMD(Addl Charge), TCL
12.	MC Balasubramaniam	CMD, GIL
13.	Rakesh Singh Lal	Dir(Fin.), YIL
14.	TusharTripathi	CMD, IOL
15.	BirendraPratap	DDG(NDCD-I)
16.	Rajesh Sharma	Addl FA (RS) & JS
17.	Subhash Kumar	Director (Budget)

**Directorate General of Quality Assurance (DGQA)& Directorate General of
Aeronautical Quality Assurance (DGAQA)**

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Sugata Ghosh Dastidar	FA(DS)
2.	Dipti Mohil Chawla	AS, DoD
3.	N Manoharan	DG, DGQA
4.	S.K. Kapoor	ADG, HQ DGAQA
5.	Rajesh Sharma	Addl. FA(RS) & JS
6.	Subhash Kumar	Director (Budget)

Defence Research and Development Organisation (DRDO)

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Dr. SV Kamat	Secretary, DDR&D
2.	Sugata Ghosh Dastidar	FA(DS)
3.	DiptiMohil Chawla	AS, DoD
4.	Mangal Lal Chand	DS&DG(TM)
5.	U. JeyaSanthi	OS & DG(HR)
6.	Dr. Chandrika Kaushik	OS & DG(PC&SI)
7.	Dr. Manu Korulla	OS & DG(R&M)
8.	Sunil Sharma	OS & Director, DPARO&M
9.	Dr. SumitGoswami	Sc 'G' & Director, P&C
10.	Vedveer Arya	Addl FA (VA) & JS
11.	Rajesh Sharma	Addl. FA(RS) & JS
12.	Subhash Kumar	Director (Budget)

Department of Ex-Servicemen Welfare (Defence Pension, Welfare of Ex-Servicemen & Ex-Servicemen Contributory Health Scheme (ECHS))

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Dr.Niten Chandra	Secretary, ESW
2.	Sugata Ghosh Dastidar	FA(DS)
3.	Dipti Mohil Chawla	AS, DoD
4.	MayankTewari	JS(ESW)
5.	Lt Gen VPS Kaushik	AG
6.	V Adm Sanjay Bhalla	COP
7.	AVM Updesh Sharma	ACAS(Accts & AV)
8.	Dr. Mayank Sharma	Special CGDA
9.	Maj Gen Manoj Natarajan	MD, ECHS
10.	Maj Gen SBK Singh	DG(R)
11.	Lt Gen Ulhas Kirbekar	DGFP
12.	Rajesh Sharma	Addl. FA(RS) & JS
13.	Subhash Kumar	Director (Budget)

Directorate General Armed Forces Medical Services (DGAFMS)

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Sugata Ghosh Dastidar	FA(DS)
2.	Dipti Mohil Chawla	AS, DoD
3.	Surg VAdm Arti Sarin	DGAFMS
4.	Maj Gen Manas Chatterjee	Addl. DGAFMS
5.	Rajesh Sharma	Addl. FA(RS) & JS
6.	Subhash Kumar	Director (Budget)

National Cadet Corps (NCC)

S. No.	Name & Designation (Shri/Smt./Mr./Ms.)	Designation
1.	Sugata Ghosh Dastidar	FA(DS)
2.	Dipti Mohil Chawla	AS, DoD
3.	Lt Gen Gurbirpal Singh	DG NCC
4.	AVM PVS Narayana	ADG(A)
5.	Pawan Kumar Sharma	JS(Trg.)
6.	Rajesh Sharma	Addl. FA(RS) & JS
7.	Subhash Kumar	Director (Budget)

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 2025-26.

3. Thereafter, the Chairperson welcomed the representatives of Ministry of Defence to the Sitting of the Committee convened to deliberate upon Defence Public Sector Undertakings (DPSUs), Directorate of Ordnance(Coordination and Services)-New DPSUs, Directorate General of Quality Assurance (DGQA), Directorate General of Aeronautical Quality Assurance (DGAQA), Defence Research and Development Organisation (DRDO), Department of Ex-Servicemen Welfare (Defence Pension, Welfare of Ex-Servicemen and Ex-servicemen Contributory Health Scheme (ECHS), Directorate General of Armed Forces Medical Services (DGAFMS) and National Cadet Corps(NCC) in connection with examination of Demands for Grants of the Ministry of Defence for the year 2025-26.

4. Later, drawing attention to Direction 55(1) of the Direction by the Speaker, Lok Sabha to treat the deliberations of the sittings as 'confidential', he requested the representatives of the Ministry to give an overview of the subject after introducing themselves.

5. After formal introduction, the Secretary, Defence Production initiated the discussion by highlighting the works of the department which includes production of defence equipment in country, incorporating the components of indigenization, export of defence products, inclusion of new technologies in defence and creating an ecosystem of defence manufacturing wherein MSMEs, Start-Ups and private sector can participate . The highlights of the brief given by the Secretary are as under:

- (i) Export of defence product till 31.01.2025 is Rs. 18,487 Cr, is expected to cross 23000 Cr. In FY 2025-26:
- (ii) Export of defence products increased up to Rs 21,000 crores in the year 2023-24 from Rs. 686 crores in the 2013-14 ;
- (iii) Substantial steps taken towards 'Make in India' and achieving 'Atma Nirbhar Bharat'.
- (iv) A new portal 'SRIJAN' has been launched to promote indigenization by participation of MSMEs and Start ups. On this portal 32,000 defence components were listed for indigenization out of which process of indigenization of 12-13,000 components have

been done. It is likely to be increased drastically by 2028-29. Consequently import of such components will be stopped.

- (v) Increase in R&D Budget;
- (vi) ADITI Scheme has been launched to promote Export;
- (vii) Export Promotion Cell (EPC) has been set up to boost Export.
- (viii) Open General Export License (OGEL) scheme has been launched to boost Defence Exports.

6. Thereafter, a Power Point Presentation was made by the representatives of nine Defence Public Sector Undertakings (DPSUs) viz. Hindustan Aeronautics Limited, Bharat Electronics Limited, Mazagon Dock Shipbuilders Limited, Garden Reach Shipbuilders and Engineers Limited, Goa Shipyard Limited, Bharat Dynamics Limited, Mishra Dhatu Nigam Limited, BEML Limited and Hindustan Shipyard Limited. This was followed by detailed deliberations on the following issues:

- (i) Financial Data comprising turnover and profit made by said DPSUs;
- (ii) Status of Order Book Positions of DPSUs;
- (iii) Various measures undertaken to increase export and minimize import;
- (iv) Modernisation activities taken by all DPSUs;
- (v) Measures taken towards indigenization and achieving 'Atma Nirbharta';
- (vi) Initiative taken for technological advancements in light of latest warfare techniques.
- (vii) Optimum focus on investment in research and Development;
- (viii) Share of FDI and FII in DPSUs along with foreign investment by DPSUs; and
- (ix) Utilisation of CSR fund.

(The representatives of the DPSUs then withdrew and representative of Directorate of Ordnance(Coordination and Services) came in.)

7. After introduction of the representative of Directorate of Ordnance (Cord. & Serv.), a brief overview regarding seven new DPSUs was presented by the Secretary. Then representatives of new DPSUs made a Power Point Presentation before the Committee. This was followed by detailed deliberations on the following issues:

- (i) Types of products being manufactured by these new DPSUs;
- (ii) Financial performance comprising turnover and profit made by these new DPSUs;
- (iii) Status of Order Book Positions;

- (iv) Challenges in transfer and merger of employees;
- (v) Financial Assistance being given by Government to these DPSUs;
- (vi) Diversification in products being manufactured ;
- (vii) Merger of existing seven DPSUs to synchronize their productions;
- (viii) Various initiatives being taken towards technological upgradation;

The Chairperson commended their journey despite several challenges being faced by new DPSUs.

(The witnesses then withdrew and representatives Directorate General of Quality Assurance (DGQA)& Directorate General of Aeronautical Quality Assurance (DGAQA came in.)

8. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) Restructuring of DGQA (Director General Quality Assurance);
- (ii) DGQA Role in Induction of New System;
- (iii) Ministry of Defence Schemes for Defence Industries to promote Atmanirbhar Bharat;
- (iv) Defence Export Promotion Schemes;
- (v) Defence Testing Infrastructure Scheme;
- (vi) Reforms and Initiatives by DGQA for Ease of Doing Business;
- (vii) DGAQA (Directorate General of Aeronautical Quality Assurance) is a Regulatory authority for Quality Assurance & Final Inspection of Military Aviation stores for use by IAF, Army Aviation, Naval Aviation, ICG Aviation, BSF etc;

(The witnesses then withdrew and representatives of Defence Research and Development Organisation (DRDO) came in.)

9. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) An overview of functions of DRDO;
- (ii) New initiative taken to meet changing requirements in defence sector;

- (iii) Technology Development Fund;
- (iv) Opening of Centre of Excellence for promotion of R&D in academia;
- (v) Initiative to Atma Nirbhar Bharat in defence technologies and systems;
- (vi) Induction of women scientists;
- (vii) Upgradation in drone detection and anti missile technology;
- (viii) Progress in landmine detection;
- (ix) Investment in R&D;
- (x) Monitoring of ongoing projects for timely delivery; and
- (xi) Vacancy and attrition rates in DRDO.

(The witnesses then withdrew and representatives of Department of Ex-Servicemen Welfare (Defence Pension, Welfare of Ex-Servicemen & Ex-Servicemen Contributory Health Scheme (ECHS)) came in.

10. The representatives of the Department gave an overview of the the organization with the help of Power Point presentation. This was followed by detailed deliberations on the following issues/topics:

- (i) Armed Forces Veterans (Ex-Servicemen) including pensioners;
- (ii) Armed Forces Veterans (Ex-Servicemen) Contributory Health Scheme (ECHS) along with services provided by the Poly clinics;
- (iii) Initiatives undertaken for the welfare schemes of ESM through Directorate General of Resettlement;
- (iv) Key Functions of Kendriya Sanik Boards;
- (ix) Status and beneficiaries of Marriage Grants and Children Education Grants;
- (x) Challenges to generate employment for ESM and measures undertaken to resolve them;
- (xi) Measures taken for stress management and mental health of ESM;

(The witnesses then withdrew and representatives of Directorate General Armed Forces Medical Services (DGAFMS) came in.)

11. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) Delivery of Comprehensive Medical Care of highest standards during operations as well as peacetime within the country;

- (ii) AFMS provides medical care in both War & Peace;
- (iii) Training and Medical Research in AFMS;
- (iv) Preventive Healthcare in AFMS;
- (v) Collaborative research, training & faculty exchange program through MoUs;
- (vi) Artificial Limb Centre, has been established in Pune;
- (vii) Satellite-based Warship Assistance and Support Tele Helpline (SWASTH) has been established for consultation;
- (viii) 'RUKMANI' a dedicated military communication satellite primarily used by the Indian Navy has been launched;
- (ix) Artificial Limb Centre has been set up in Pune for providing State-of-the art prostheses for amputee soldiers;
- (x) Tele MANAS (Mental health Assistance and Networking Across States cell has been established at AFMC with the assistance of NIMHANS Bangalore and IIIT Bengaluru;
- (xi) Armed Forces Centre for Computational Medicine (AFCCM) was inaugurated by The Hon'ble President of India, in Dec, 2023 in Pune;
- (xii) Frozen RBC storage has been established for frozen RBC storage At AFTC, Delhi;
- (xiii) Providing Humanitarian Assistance and Disaster Relief;
- (xiv) AFMC was awarded the prestigious President's Colour in 2023;

(The witnesses then withdrew and representatives of Directorate General National Cadet Corps (NCC) came in.)

12. The representatives of the Department gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following issues/topics:

- (i) Annual training camps;
- (ii) Adventure Camps;
- (iii) Mountaineering Expeditions;
- (iv) Social Service and Community Development (SSCD) Efforts;
- (v) Women Empowerment;
- (vi) Awareness about environmental hazards;

13. The Chairperson, then, thanked the representatives of the Ministry of Defence 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 to the Secretariat expeditiously.

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2024-25)

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2024-25)**

The Committee sat on Wednesday, the 12th March, 2025 from 1500 hrs. to 1530 hrs. in the Committee Room `B`, Parliament House Annexe, New Delhi.

PRESENT

Shri Radha Mohan Singh - **Chairperson**

MEMBERS

Lok Sabha

2. Dr. Rajeev Bharadwaj
3. Shri Karti P. Chidambaram
4. Shri Ranjit Dutta
5. Captain Viriato Fernandes
6. Shri Mohmad Haneefa
7. Ms. Jothimani
8. Shri Lumba Ram
9. Shri Jagannath Sarkar
10. Shri Jagadish Shettar
11. Shri Virendra Singh
12. Shri Richard Vanlalhmangaiha

Rajya Sabha

13. Shri Naresh Bansal
14. Shri N. Chandrasengharan
15. Shri Muzibulla Khan
16. Shri Dhairyashil Mohan Patil
17. Shri Sanjay Singh
18. Dr. Sudhanshu Trivedi

SECRETARIAT

- | | | | |
|----|----------------------|---|------------------|
| 1. | Dr. Sanjeev Sharma | - | Joint Secretary |
| 2. | Shri Tirthankar Das | - | Director |
| 3. | Shri Tenzin Gyaltzen | - | 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) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Welfare of Ex-Servicemen and Defence Research and Development Organisation (Demand Nos. 19, 20 and 21)';**
- (ii) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Army, Air Force, Navy, Joint Staff, Ex-Servicemen Contributory Health Scheme and Directorate General of Armed Forces Medical Services (Demand Nos. 20 and 21)';**
- (iii) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Capital Outlay on Defence Services, Defence Planning, Procurement Policy and Defence Pensions (Demand Nos. 21 and 22)'; and**
- (iv) **Demands for Grants of the Ministry of Defence for the year 2025-26 on 'Defence Public Sector Undertakings, Directorate of Ordnance (Coordination and Services–New DPSUs), Directorate General of Quality Assurance, Directorate General of Aeronautical Quality Assurance 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, then, 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.

5. ****Does not pertain to the report****

The Committee then adjourned.
