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**STANDING COMMITTEE ON DEFENCE
(2024-25)**

(EIGHTEENTH LOK SABHA)

MINISTRY OF DEFENCE

[Action Taken by the Government on the Observations/Recommendations contained in the Second Report of Standing Committee on Defence (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2024-25 on 'Army, Navy, Air Force, Joint Staff and Ex-Servicemen Contributory Health Scheme (Demand Nos. 20 and 21)']

TWELFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025 / Sravana 1947 (Saka)

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(2024-25)

(EIGHTEENTH LOK SABHA)

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Presented to Lok Sabha on 07.08.2025

Laid in Rajya Sabha on 07.08.2025



LOK SABHA SECRETARIAT
NEW DELHI
August, 2025 / Sravana 1947 (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
10	Ms. S. Jothimani
11	Shri Ravindra Shukla Alias Ravi Kishan
12	Shri Shashank Mani
13	Shri Lumba Ram
14	Shri Bishnu Pada Ray
15	Shri Jagannath Sarkar
16	Shri Jagadish Shettar
17	Shri Virendra Singh
18	Shri Kesineni Sivanath
19	Dr. Thirumaavalavan Tholkappiyan
20	Com. Selvaraj V.
21	Shri Richard Vanlalhmangaiha

Rajya Sabha

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

****Shri N. Chandrasegharan ceased to be a Member of the Standing Committee on Defence (2024-25) w.e.f. 25 July, 2025 consequent upon cessation of his Membership of Rajya Sabha on 24 July, 2025.***

SECRETARIAT

- | | | |
|---------------------------|---|------------------|
| 1. Smt. Jyochnamayi Sinha | - | Joint Secretary |
| 2. Smt. Juby Amar | - | Director |
| 3. Shri Ajay Kumar Prasad | - | Deputy Secretary |
| 4. Shri Tenzin Gyaltsen* | - | Deputy Secretary |
| 5. Shri Anjorem Kerketta | - | Under Secretary |

***served in the Committee Branch till 14.07.2025**

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2024-25), having been authorized by the Committee, present this Twelfth Report (18th Lok Sabha) of the Committee on Action Taken by the Government on the Observations/Recommendations contained in the Second Report of Standing Committee on Defence (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2024-25 on 'Army, Navy, Air Force, Joint Staff and Ex-Servicemen Contributory Health Scheme (Demand Nos. 20 and 21)'.

2. The Second Report (18th Lok Sabha) was presented to Lok Sabha and laid in Rajya Sabha on 17th December, 2024. The Report contained 30 Observations/Recommendations. The Ministry of Defence furnished Action Taken Replies on all the Observations/Recommendations in April, 2025.

3. The Report was adopted at the Sitting held on 5th August, 2025.

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

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Second Report (18th Lok Sabha) of the Standing Committee on Defence is given in Appendix II.

**New Delhi;
05 August, 2025
14 Sravana, 1947 (Saka)**

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

REPORT

CHAPTER – I

This Report of the Standing Committee on Defence deals with Action Taken by the Government on the observations/recommendations contained in the Second Report of Standing Committee on Defence (18th Lok Sabha) on 'Demands for Grants of the Ministry of Defence for the year 2024-25 on Army, Navy, Air Force, Joint Staff and ECHS (Demand Nos. 20 and 21)', which was presented to Lok Sabha and laid in Rajya Sabha on 17 December, 2024.

2. The Second Report (18th Lok Sabha) of the Committee contained 30 observations/recommendations on the following aspects:-

Para No.	Subject
Army	
1-2	Budget
3	Percentage Share of Army Budget
4	Budget for Modernization
5	Modernization and Modern Warfare Tactics
6	Indigenization
7	Bullet Proof Jackets (BPJs)
8	Capacity Building
9	Women empowerment
10	Role of Army during disaster
Air Force	
11-12	Budgetary Provisions
13	Percentage Share of Air Force Budget
14	Budget for Modernization
15	Planning and Procurement
16	Indigenization
17	Force Level
18	Modernisation of Air Field Infrastructure (MAFI)
19	Manpower
Indian Navy	
20	Budget
21	Indigenisation
22	Operational Preparedness and threat perception
23	Manpower
Joint Staff	
24	Budget
25	Jointness and integration of Armed Forces
ECHS	
26	Budget

27-28	Vacancies in ECHS Polyclinics
29	Payment of pending bills by ECHS to empanelled private hospitals
30	ECHS in far-flung areas

3. Action Taken Replies have been received from the Government in respect of 30 observations/recommendations contained in the Report. The replies have been examined and categorized as follows:-

(i) Observations/Recommendations which have been accepted by the Government (Chapter II):

Para Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24, 25,26,27,28,29,30

(Total - 30)

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government (Chapter III):

Para Nos. -NIL-

(Total -0)

(iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee (Chapter IV):

Para Nos. -NIL-

(Total - 0)

(iv) Observations/recommendations in respect of which final replies of the Government are still awaited (Chapter V):

Para Nos. -NIL-

(Total - 0)

4. The Committee desire that the Action Taken Notes in respect of comments contained in Chapter I should be furnished to them at the earliest and as any case not later than six months of the presentation of this report.

5. The Committee will now deal with the action taken by the Government on some of the recommendation /observations made in the Second Report in the succeeding Paragraphs.

A. Budget

Recommendation (Para No. 1)

6. The Committee had recommended as under:

“The Committee note that Indian Army is a vital land component of the Armed Forces. The Indian Army strengthens the idea of India and lives by national values, dedicated to preserving national interests, safeguarding sovereignty, territorial integrity and unity of our Nation. The challenges before the Army include thwarting proxy wars, defeating/arresting internal threats, assist the Government and the people of India during all needs and crises including natural and manmade disasters. To perform all the duties with perfection, the Army needs Revenue as well as Capital Budget as per the projection. For the financial year 2024-25, the Army projected for Rs. 2,14,577.03 Crore and allocated Rs. 1,91,319.60 Crore, just Rs. 23,257.43 Crore less than the projection. During the financial year 2023-24, against the projection of Rs 1,84,989.60 Crore, it was allocated Rs. 1,81,371.97 Crore, which was reduced by Rs. 3,617.63 Crore. In the RE same year, the Army made a projection of Rs.1,97,628.57 Crore but the allocation was Rs 1,95,032.23 Crore. The Committee find that during FY 2023-24 only Rs 1,91,602.05 Crore was spent and Rs 3,430.18 Crore remained unutilized by the Army. This, in the opinion of the Committee, would require prudent fiscal planning and concerted efforts. The Committee would like to know the final outcome in this regard from the Ministry consequent to the end of Financial Year while furnishing the Action Taken Notes. The Committee understand that a major portion of the budget head primarily goes towards salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of the Army. Therefore, the Committee recommend that the trend which has been introduced with favourable allocation this year under the Revenue Head should be continued in the coming years also. It is needless to state here that regular interactions may be held with the Ministry of Finance as soon as the proposals for the subsequent budget are formed.”

7. The Ministry in its Action Taken Reply has stated as under:

“The Committee may be apprised that this Ministry submits the requirements projected by the Services to Ministry of Finance for favourable consideration. In the pre-budget meeting with M/o Finance, broad reasons for requirements projected by the Services are justified/ elaborated. While allocating funds, Ministry of Finance analyses past absorption capacity of the Services, pace of expenditure in the current Financial Year, overall resource envelope available and pressing demands from other quarters etc. Based on the overall ceilings conveyed by M/o Finance, Ministry of Defence allocate funds among the Services and Organisations under MoD, taking into account Inter-Services priorities, pace of expenditure, pending committed liabilities etc.”

8. **The Committee note from the action taken reply that the Ministry of Defence submits the requirements projected by the Services to Ministry of Finance for favourable consideration during the pre-budget meeting, specifying the broad reasons for requirements projected by the Services. Further, the Committee has also been apprised that while allocating funds, Ministry of Finance takes into account the trends of the past absorption capacity, pace of expenditure during the current Financial Year, overall resource envelope available, alongwith pressing demands from other quarters, etc. The Committee further note that the Ministry of**

Defence consequently allocates funds among the Services and Organisations, taking into account Inter-Services priorities, pace of expenditure, pending committed liabilities etc. The Committee in their original report had recommended for continuance of favourable allocation under Revenue Head in coming years as per the projection to the Army. The Committee therefore, while acknowledging the importance of non-salary expenditure which caters to crucial expenses such as stores, ration, transportation, fuel etc., essential for regular training and operational preparedness of the Army, would reiterate for favourable allocation during the FY 2024-25 and in future under Revenue Head. Notwithstanding, the upkeeping trend, it must be ensured that variation between demand and allocation is minimised to the extent possible, so as to not affect the operational preparedness and requirements of the Army, due to lack of availability of resources.

Keeping in mind the underutilization of fund to the tune of Rs. 3,430.18 Crore, during the Financial Year, 2023-24, the Committee in their original Report had recommended the Ministry for ensuring prudent fiscal planning commensurate with concerted efforts. They further desired the Ministry to be apprised of the final outcome there on. However, the Ministry has not furnished action taken in this regard. Therefore, the Committee wish to reiterate their earlier recommendation and desire the Ministry to furnish the same while furnishing Action Taken Statement.

Recommendation (Para No. 2)

9. The Committee had recommended as under:

“The Committee deduce that under Capital Head, in BE for the financial year 2024-25, Army’s projection was Rs. 35,664.95 Crore and the same amount has been allocated to it. In RE 2023-24, the projection of the Army was Rs. 33,412.16 Crore and there was no deduction in allocation. However, the expenditure in FY 2023-24 was Rs. 28,613.45 Crore. The Committee understand that Capital Budget usually provides for expenditure on modernization, enhancement of force level, infrastructure development, etc, which are essential not only for the modernization of the Army but also to safeguard territorial integrity of the nation. The Committee feel that Capital Projection should be incremental in nature, invariably consistent and it should not be less than that of a previous year so that it can absorb the inflationary trends. The Committee opine that though the expenditure on salaries of manpower deployed is fixed and is an essential component, the budget should cater as to induct state-of-the-art weapon systems and development of other infrastructure at the borders which, at any cost, cannot be compromised. Our expenditure should be in proportion to the increase in Defence spending of our neighbours. Therefore, the Committee feels that the Capital Budget of the Army should be sufficient to have a deterrent capacity to ward off adversaries in case of any hostility.”

10. The Ministry in its Action Taken Reply has stated as under:

“The recommendation of the Committee has been noted and it may be assured that the allocated funds will be optimally utilized and on the basis of additional requirement, funds will be sought at Supplementary stage. Also, if required, through reprioritization, it will be ensured that the Capital Budget of the Army is sufficient enough to have a deterrent capacity to ward off adversaries in case of any hostility.”

B. Percentage Share of Army Budget

Recommendation (Para No. 3)

11. The Committee had recommended as under:

“Notwithstanding the percentage share of the Army budget, the Committee have been assured by the representative of the Ministry of Defence that any additional budget required for priority operations, sustenance and Modernization of the Indian Army will be met at the revised/supplementary stage. Keeping in view the important role of Army’s responsibility to secure the vast land borders and operating as an agency for counterinsurgency, the Committee hope that fund will not be an issue of concern for the Army and as per submission made by the Ministry, Army’s further requirement will be met at the revised/supplementary stage”

12. The Ministry in its Action Taken Reply has stated as under:

“The recommendation of the Committee has been noted and if required, additional funds will be sought at revised Supplementary stage.”

C. Budget for Modernization

Recommendation (Para No. 4)

13. The Committee had recommended as under:

“The Committee note from the replies submitted that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the Financial Year 2023-24, an amount of Rs. 30163.00 Crore was allocated to Army at BE stage under Capital Acquisition (Modernization) Head. The submissions made by the Ministry during oral evidence revealed that the Capital Budget has two major heads: modernisations through procurement of new equipment and weapon platforms which amounts to Rs.27,421 Crore or 77 per cent of the total allocation. With the balance Rs.8,227 Crore or 23 per cent being allocated for development of key infrastructure in the financial year 2024-25, the Committee have been informed that the allocation will take care of renewed focus on expenditure on infrastructure to safeguard the northern borders as well as improvement of habitat in field areas and military stations. Modernization budget would be utilized to make delivery-based payments for weapons, ammunition and other warlike equipment as also for payment against new acquisitions. The Committee have also been informed that

Major focus has been in areas of precision targeting, long-range vectors, intelligence, surveillance and recce systems, satellite communication enablement, night vision equipment, unmanned aerial systems and counter-unmanned aerial systems. The Committee are happy to know that this year also, modernisation through induction of indigenous weapons and platforms is being explored further. In the current financial year, acceptance of necessity worth Rs.1,06,974 Crore has been accorded for procurement of new equipment and weapons from indigenous sources. In view of this renewed emphasis on modernization, the Committee feel that modernization of the Army will be accorded top priority in view of the current global scenario and they also hope that in case of any further need, effort will be made by the Ministry to substantiate at the revised/supplementary grant stage.”

14. The Ministry in its Action Taken Reply has stated as under:

“The recommendation of the Committee has been noted and it may be assured that the allocated funds will be optimally utilized and on the basis of additional requirement, funds will be sought at Supplementary stage under Modernisation (Capital Acquisition) Head of Army.”

D. Budget for Modernization

Recommendation (Para No. 14)

15. The Committee had recommended as under:

“The Committee note that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). Further, earmarking between Committed Liabilities and New Schemes is carried out by Service HQrs based on a prioritization among the projects/schemes and the progress of contractual milestones. The Committee also note that in the Financial Year 2023-24, an amount of Rs. 54,024.37 crore was allocated at BE stage under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Moreover, in RE 2023-24, allocation to Air Force was increased by Rs. 602.62 Crore (to Rs. 54,626.99 Crore) over BE 2023-24. Further, at MA stage, the allocation was increased to Rs. 59271.16 crore. Against these allocations, an expenditure of Rs. 57427.53 crore has been incurred in Financial Year 2023-24. The Committee hope that keeping the modernization of the Armed Forces in view of the current global scenario, the Ministry will ensure modernization and technological upgradation in armament procurement in the Forces.”

16. The Ministry in its Action Taken Reply has stated as under:

“Adequate budget is allocated for modernisation (Capital Acquisition) of Indian Armed Forces every Financial Year as per their requirement and earnest efforts are made to ensure maximum utilization. For the Financial Year 2025-26, Rs 1,80,000 crore has been allocated on Capital Outlay. Out of this, Rs 1,48,722.80 crore is planned to be spent on the Capital Acquisition, termed as modernization budget of the Armed Forces and remaining Rs 31,277.20 crore is for capital expenditure on Research & Development and creation of infrastructural assets across the country.

Moreover, with reference to technological upgradation, the Services Qualitative Requirements (SQRs) are formulated after due cognizance of appreciated adversary capabilities and comparative analysis of all available & future technologies. These are regularly revised, thus, ensuring currency & relevance of the technologies in the procurement of armament of the Armed forces ensuring contemporary weapon systems availability.

The recommendation of the Committee has been noted. Further, all efforts are made to ensure modernisation and technological upgradation in armament procurement in the Forces and if required, additional funds are sought at RE/ Supplementary stages during the financial year.”

17. The Committee note that with regard to the recommendations number 2,3,4 and 14, the Ministry has stated that adequate budget is allocated for Modernisation (Capital Acquisition) of Indian Armed Forces for every Financial Year as per their requirement, alongwith making earnest efforts to ensure maximum utilization. The Committee also note that for the Financial Year 2025-26, Rs 1,80,000 crore has been allocated for Capital Outlay, out of which, Rs 1,48,722.80 crore is proposed to be spent on Capital Acquisition, termed as modernization budget of the Armed Forces, while remaining Rs 31,277.20 crore is for capital expenditure on Research & Development and creation of infrastructural assets across the country. The Committee also appreciate the efforts being made to ensure modernisation and technological upgradation with regard to armament procurement across the Forces. Regarding this, additional funds would also be sought at RE/ Supplementary stages during the financial year. At this stage, the Committee desire that they may be apprised about the additional fund requirements raised by the Ministry of Defence and the response of the Ministry of Finance thereon.

E. Bullet Proof Jackets (BPJs)

Recommendation (Para No. 7)

18. The Committee had recommended as under:

“From the written replies submitted by the Ministry, the Committee note that Bullet Proof Jackets (BPJs) against various protection levels are being developed & produced within the country. The development agencies include R&D agencies like DMSRDE, Kanpur (a unit of DRDO), IIT Delhi etc. Adequate industry base is available indigenously for production and manufacture of BPJ as per the requirement of Service HQs and State Police Forces. Bullet Proof Jackets are being procured by SHQs and the Ballistic Testing is carried out in accordance with General Staff Qualitative Requirement (GSQR), Bureau of Indian Standards (BIS) and approved testing plan formulated through collegiate with testing agencies like Terminal Ballistics Research Laboratory (TBRL), Chandigarh or National Forensic Sciences University (NFSU), Gandhinagar. The Committee further note that till date, a total of 41 licences have been issued for manufacturing of Bullet Proof Jackets/Body Armour/Body Protector since 2001 by private industries. Out of these companies, 10 companies have commenced manufacturing. The Committee also

note that Troop Comforts Limited (TCL) [erstwhile Ordnance Equipment Group of Factories] is also involved in the development of Bullet Proof Jackets and Vests for various threat levels. Ordnance Equipment Factory (OEF), Kanpur has developed one version of BPJ in collaboration with MIDHANI as 'BHABHA KAVACH' based upon the technologies developed by DRDO and Bhabha Atomic Research Centre (BARC). Another Unit of TCL, Ordnance Clothing Factory (OCF) Avadi has developed another version of BPJ as per MHA requirement and State Police Forces. The Committee are happy to note that our soldiers will get protection through the indigenously made BPJs to save their precious lives. The Committee hope that the remaining 31 companies, which got licences for manufacturing BPJs, be pursued to start manufacturing at the earliest with a view to meet the urgent need of BPJs in the Armed Forces."

19. The Ministry in its action taken reply has stated as under:

"The Defence Industry sector, which was hitherto reserved for the public sector, was opened up to 100% for Indian private sector participation in May, 2001. Till date, a total of 43 license have been issued for manufacture of Bullet Proof Jackets/Body Armour/Body Protector since 2001. Further, as per the data available in D(DIP), 10 companies have commenced manufacturing.

The initial validity of Industrial License for Defence Sector has been relaxed from 3 years to 15 years, further extendable up to 18 years for existing as well as future Licences. However, in case a license has already expired, the Licensee has to apply afresh for issue of license." (a copy of Press Note No. 10 (2015 Series) is enclosed)".

20. The Committee are pleased to note that the Defence Industry sector was opened up to 100% for participation by Indian private sector in May, 2001. The Committee note that till date, a total of 43 licenses have been issued for manufacture of Bullet Proof Jackets/Body Armour/Body Protector since 2001, whereas, only 10 companies have commenced manufacturing. Further, the initial validity of Industrial License for Defence Sector had been relaxed from 3 years to 15 years, further extendable up to 18 years for existing as well as future Licences. The Committee appreciate the steps taken by the Government to ensure increased participation of private sector along with relaxing the timeline for initial validity of Industrial Licensing for Defence Sector. However, the Committee note that 33 out of 43 licensed companies have not commenced their manufacturing Bullet Proof Jackets. To this extent, the Committee would like the Ministry to ascertain the reasons for avoidable delay on part of such companies. The Committee would like to reiterate the recommendation that the remaining 33 companies be pursued to commence manufacturing at the earliest, with full capacity to meet regular and urgent requirements of BPJs for the Armed forces and other consumers. The Committee would also like the Ministry of Defence to share a status report in this regard with the Committee within three months of presentation of the report.

F. Budgetary Provisions

Recommendation (Para No. 12)

21. The Committee had recommended as under:

“The Committee find that in Capital segment, the allocation has been same as that of the projected during 2024-25. It is a known fact that the Capital Budget of a department primarily provides for expenditure on modernisation, enhancement of force level, infrastructure development etc. and allocating as per projection shares determination on the part of the Government for potential development of the force. Moreover, during oral evidence, the representative of the Ministry informed the Committee that over the last five years, there has been a comfortable allocation of funds, both for the capability enhancement as well as sustenance. IAF’s total budgetary allocation in the last five years has grown at an average rate of approximately 11 per cent. The Committee was further informed that the capital budget allocation in the last five years has grown at an average growth rate of 8 per cent, whereas the revenue budget has seen an enhancement by approximately 9.71 per cent. In line with the Government’s initiative of Aatmanirbhar Bharat, IAF’s capital acquisition expenditure towards foreign sources will be kept below the given target of 30 per cent. In this current financial year, IAF is expected to surpass the domestic expenditure target of 70 per cent. Approximately 50 per cent of the revenue budget is utilised for other than salary. However, the Committee expect the Ministry to ensure that the allocated resources are fruitfully and judiciously utilized in full by Air Force so that modernisation trajectory of Air Force is not adversely affected.”

22. The Ministry in its action taken reply has stated as under:

“In BE 2024-25, Air Force had been allocated an amount of Rs. 54,569.91 Crore under Modernisation (Capital Acquisition) Head which has been reduced to Rs. 43,736.15 Crore at RE 2024-25 stage based on the pace of expenditure, status of conclusion on New Schemes, carry over liabilities and overall availability of resources with MoF and competing demands from other Ministries. However, the Committee may be assured that the allocated funds will be judiciously utilized and on the basis of additional requirement, funds will be sought at Supplementary stage.”

23. The Committee note from the action taken reply that in BE 2024-25, the Air Force had been allocated an amount of Rs. 54,569.91 Crore under Modernisation (Capital Acquisition) Head which was reduced to Rs. 43,736.15 Crore at RE 2024-25 stage based on reasons like the pace of expenditure, status of conclusion on new schemes, carry over liabilities and overall availability of resources with Ministry of Finance and competing demands from other Ministries. The Committee in their considered opinion had observed that the Capital Budget primarily provides for expenditure on modernisation, enhancement of force level, infrastructure development etc. and allocation as per projection shares determination on the part of the Government for potential development of the force. Therefore, the Committee are of the view that in line with the government’s initiatives of Atmanirbharata, IAF’s domestic capital acquisition expenditure target should be more than 70 percent. Further, the Committee take positive note of the reaffirmation given by the government that the allocated funds would be judiciously utilized, alongwith additional funds being provided at the supplementary stage. The Committee expect the government to ensure speedy and time bound modernization of IAF alongwith a substantial increase in indigenous components under ‘Atmanirbharata’

programme. To this extent, the Committee reiterate that the IAF's capital acquisition expenditure be incrementally increased, while also ensuring to cover any shortfall of funds at BE stage, to be reinforced with positive allocation at RE/Supplementary Stage, as per the requirements of IAF.

G. Planning and Procurement

Recommendation (Para No. 15)

24. The Committee had recommended as under:

"The Committee note that acquisitions planned for fighter aircrafts include LCD Mk1A, Multi Role Fighter Aircraft (MRFA) LCA Mk-II, Advance Medium Combat Aircrafts (AMCA); Helicopter Flee i.e. Light Combat Helicopter (LCH), Light utility Helicopter (LUH MK-I), Indian Multi-Role Helicopter (IMRH) & Deck Based Multi Role Helicopter (DBMRH); Transport Fleet i.e, Avro Replacement (C-295MW), Avionics Upgrade of Dornier aircraft; combat enablers i.e. Flight Refueling Aircraft (FRA), SIGINT and COMJAM aircraft (SCA), AEW&C Mk 1A AEW&C Mk-II, transport fleet i.e. HTT-40, Surface to Air Guided Weapons i.e. Close-in Weapon System (CIWS), VSHORADS, RPAs and UAVs, Radars {LLTR (Ashwini)}, Indigenous weapons development i.e. New Generation Anti-Radiation Missile, Astra Mk-I & Mk-II BVR AA Missile, Pralay, LR-SOW, Tactical Advance Range Augmentation Kit, Long range Glide Bomb, SAAW Weapon System. The Committee wish that the Ministry of Defence will negotiate and finalise the acquisition plans in a time bound manner to help maintain equipment and aircraft at an optimum level."

25. The Ministry in its action taken reply has stated as under:

"MoD is pursuing a number of schemes, including Design & Development with Defence Research & Development Organisation(DRDO), to fill the critical voids in capabilities. Ministry is striving and making concerted efforts to finalise the acquisition plans in a time bound manner to help IAF to maintain equipment and aircraft at an optimum level.

(a) **HTT-40**. A contract for supply of 70 x HTT-40 Basic Trainer Aircraft (BTA) and associated equipment to IAF was signed between MoD and Hindustan Aeronautics Limited in March, 2023. In October,2024, HAL has intimated that there are no major issues envisaged that will have impact on the proposed series production of aircraft and delivery schedule.

(b) **Light Combat Aircraft (LCA) Mk 1A**. A contract was signed with HAL on 25 Jan 21 for delivery of 83 x LCA Mk 1A along with associated equipment. However, the delivery of aircraft is delayed due to Design and Development

(D&D) activities and delivery of GE-404 engines from M/s GE. HAL has stated that delivery of engines is likely to commence very soon. Additionally, IAF has progressed a case for procurement of 97 x LCA Mk 1A, AoN was obtained on 15 Jan 24.

(c) **Su-30 MKI**. MoD has signed a contract with HAL for procurement of 12 x SU 30 MKI aircraft with associated equipment on 12 December, 2024.

(d) **C-295 MW**. IAF has signed a contract for 56 x C-295 MW transport aircraft. Till date, eight aircraft have been delivered.

(e) **SIGINT & COMJAM Aircraft (SCA) and Aerial Early Warning & Control Systems(AEW&C)**. MoD plans to procure three SIGINT and COMJAM aircraft (SCA) and AEW&C where AoN have been accorded by Defence Acquisition Council (DAC). The D&D of mission system will be carried out indigenously by DRDO.

(f) **Low Level Transportable Radar (Ashwini)**. AoN for procurement of LLTR (Ashwini) was obtained from DAC on 22 December, 22. The acquisition is under process."

26. The Committee are pleased to note that the Ministry is pursuing a number of schemes including design & development with Defence Research & Development Organisation (DRDO) to address all existing shortcomings in capabilities. The Committee note that the Ministry endeavors to make concerted efforts to finalise all acquisition plans in a time bound manner to ensure that IAF maintains equipment and aircraft at an optimum level which include HTT-40, Light Combat Aircraft (LCA) Mk 1A, Su-30 MKI, C-295 MW, SIGINT & COMJAM Aircraft (SCA) and Aerial Early Warning & Control Systems(AEW&C) and Low Level Transportable Radar (Ashwini). The Committee appreciate the development regarding the contracts mentioned in the planned acquisitions that have already been signed in respect of HTT-40, LCA Mk 1A, Su-30 MKI and C-295 MW alongwith AoN for procurement accorded by Defence Acquisition Council (DAC) in respect of SIGINT & COMJAM Aircraft (SCA) and AEW&C and LLTR (Ashwini). The Committee would like the Ministry to address all concerns regarding the delay in delivery of LCA Mk 1A aircraft due to Design and Development (D&D) activities alongwith the issue of delivery of GE-404 engines from M/s GE. In this regard, the Committee have been apprised that the delivery of engines is likely to commence very soon. The Committee are of the considered view that the Air Force plays a pivotal role in any country's defence and therefore, planning and timely procurement should be accorded top priority which certainly galvanizes the force. The Committee therefore reiterate their recommendation that the Ministry ensure the delivery of engines for LCA, Mk 1A aircraft at the earliest, so that the planned acquisition is executed within the given timeframe. The Committee also hope that the planned acquisitions of all equipment and aircrafts be worked out in a meticulous manner to translate the planning of acquisitions into tangible accomplishments. The Committee may

also be informed of the developments in this regard within three months of presentation of the report.

CHAPTER – II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Army

Budget

Recommendation (Para No. 1)

The Committee note that Indian Army is a vital land component of the Armed Forces. The Indian Army strengthens the idea of India and lives by national values, dedicated to preserving national interests, safeguarding sovereignty, territorial integrity and unity of our Nation. The challenges before the Army include thwarting proxy wars, defeating/arresting internal threats, assist the Government and the people of India during all needs and crises including natural and manmade disasters. To perform all the duties with perfection, the Army needs Revenue as well as Capital Budget as per the projection. For the financial year 2024-25, the Army projected for Rs. 2,14,577.03 Crore and allocated Rs. 1,91,319.60 Crore, just Rs. 23,257.43 Crore less than the projection. During the financial year 2023-24, against the projection of Rs 1,84,989.60 Crore, it was allocated Rs. 1,81,371.97 Crore, which was reduced by Rs. 3,617.63 Crore. In the RE same year, the Army made a projection of Rs.1,97,628.57 Crore but the allocation was Rs 1,95,032.23 Crore. The Committee find that during FY 2023-24 only Rs 1,91,602.05 Crore was spent and Rs 3,430.18 Crore remained unutilized by the Army. This, in the opinion of the Committee, would require prudent fiscal planning and concerted efforts. The Committee would like to know the final outcome in this regard from the Ministry consequent to the end of Financial Year while furnishing the Action Taken Notes. The Committee understand that a major portion of the budget head primarily goes towards salary expenses which is a fixed expenditure. The non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of the Army. Therefore, the Committee recommend that the trend which has been introduced with favourable allocation this year under the Revenue Head should be continued in the coming years also. It is needless to state here that regular interactions may be held with the Ministry of Finance as soon as the proposals for the subsequent budget are formed.

Reply of the Government

The Committee may be apprised that this Ministry submits the requirements projected by the Services to Ministry of Finance for favourable consideration. In the pre-budget meeting with M/o Finance, broad reasons for requirements projected by the Services are justified/ elaborated. While allocating funds, Ministry of Finance analyses past absorption capacity of the Services, pace of expenditure in the current Financial Year, overall resource

envelope available and pressing demands from other quarters etc. Based on the overall ceilings conveyed by M/o Finance, Ministry of Defence allocate funds among the Services and Organisations under MoD, taking into account Inter-Services priorities, pace of expenditure, pending committed liabilities etc.

Recommendation (Para No. 2)

The Committee deduce that under Capital Head, in BE for the financial year 2024-25, Army's projection was Rs. 35,664.95 Crore and the same amount has been allocated to it. In RE 2023-24, the projection of the Army was Rs. 33,412.16 Crore and there was no deduction in allocation. However, the expenditure in FY 2023-24 was Rs. 28,613.45 Crore. The Committee understand that Capital Budget usually provides for expenditure on modernization, enhancement of force level, infrastructure development, etc, which are essential not only for the modernization of the Army but also to safeguard territorial integrity of the nation. The Committee feel that Capital Projection should be incremental in nature, invariably consistent and it should not be less than that of a previous year so that it can absorb the inflationary trends. The Committee opine that though the expenditure on salaries of manpower deployed is fixed and is an essential component, the budget should cater as to induct state-of-the-art weapon systems and development of other infrastructure at the borders which, at any cost, cannot be compromised. Our expenditure should be in proportion to the increase in Defence spending of our neighbours. Therefore, the Committee feels that the Capital Budget of the Army should be sufficient to have a deterrent capacity to ward off adversaries in case of any hostility.

Reply of the Government

The recommendation of the Committee has been noted and it may be assured that the allocated funds will be optimally utilized and on the basis of additional requirement, funds will be sought at Supplementary stage. Also, if required, through reprioritization, it will be ensured that the Capital Budget of the Army is sufficient enough to have a deterrent capacity to ward off adversaries in case of any hostility.

Percentage Share of Army Budget

Recommendation (Para No. 3)

Notwithstanding the percentage share of the Army budget, the Committee have been assured by the representative of the Ministry of Defence that any additional budget required for priority operations, sustenance and Modernization of the Indian Army will be met at the revised/supplementary stage. Keeping in view the important role of Army's responsibility to secure the vast land borders and operating as an agency for counterinsurgency, the Committee hope that fund will not be an issue of concern for the Army and as per submission made by the Ministry, Army's further requirement will be met at the revised/supplementary stage.

Reply of the Government

The recommendation of the Committee has been noted and if required, additional funds will be sought at revised Supplementary stage.

Budget for Modernization

Recommendation (Para No. 4)

The Committee note from the replies submitted that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). In the Financial Year 2023-24, an amount of Rs. 30163.00 Crore was allocated to Army at BE stage under Capital Acquisition (Modernization) Head. The submissions made by the Ministry during oral evidence revealed that the Capital Budget has two major heads: modernisations through procurement of new equipment and weapon platforms which amounts to Rs.27,421 Crore or 77 per cent of the total allocation. With the balance Rs.8,227 Crore or 23 per cent being allocated for development of key infrastructure in the financial year 2024-25, the Committee have been informed that the allocation will take care of renewed focus on expenditure on infrastructure to safeguard the northern borders as well as improvement of habitat in field areas and military stations. Modernization budget would be utilized to make delivery-based payments for weapons, ammunition and other warlike equipment as also for payment against new acquisitions. The Committee have also been informed that Major focus has been in areas of precision targeting, long-range vectors, intelligence, surveillance and recce systems, satellite communication enablement, night vision equipment, unmanned aerial systems and counter-unmanned aerial systems. The Committee are happy to know that this year also, modernisation through induction of indigenous weapons and platforms is being explored further. In the current financial year, acceptance of necessity worth Rs.1,06,974 Crore has been accorded for procurement of new equipment and weapons from indigenous sources. In view of this renewed emphasis on modernization, the Committee feel that modernization of the Army will be accorded top priority in view of the current global scenario and they also hope that in case of any further need, effort will be made by the Ministry to substantiate at the revised/supplementary grant stage.

Reply of the Government

The recommendation of the Committee has been noted and it may be assured that the allocated funds will be optimally utilized and on the basis of additional requirement, funds will be sought at Supplementary stage under Modernisation (Capital Acquisition) Head of Army.

Modernization and Modern Warfare Tactics

Recommendation (Para No. 5)

The Committee understand that conventional wars were fought in only three modes i.e. land, air and water, but recently there is a paradigm shift in the technology used in fighting a war. There have been innovations and experiments in western countries, and the use of drones, space, cyberspace, kinetic and non-kinetic format etc. has enveloped the sphere of war, which can be fought from very distant locations through a remote controlled mode. In this regard, the Committee are confident that the effect of

modernization will definitely will our country to develop a robust digital infrastructure, besides improving the exiting weaponry.

Reply of the Government

In the on-going Information Age, information, cyber and digital media have acquired considerable significance. The Armed Forces are also correspondingly increasingly dependent on digital assets. These digital assets are vulnerable to deliberate/unintended disruption/infection, which may have an effect on the operational performance of the Armed Forces and needs to be guarded against.

The Framework for enhancing the Cyber posture of Defence Forces was approved by the Government of India in 2018. DCyA and Army, Navy and Air Force Cyber Groups along with certain other structures have been established to protect & defend the Defence Forces information & Communication Technology assets.

Armed Forces have undertaken numerous initiatives to improve upon the Space Situational Awareness. Defence Space Agency (DSA) has been created as the nodal agency for the three Services in defence related space activities. The agency deals with all issues of Space Warfare including integration of all aspects affecting military assets in space and their operations.

HQ IDS serves as the apex organization to foster Jointness among the three Services. It is responsible for consolidating operational requirements, long-term planning, roll on Plan and prioritizing procurements for the Armed Forces in view changing security and technological advancement.

Modernisation ensure that defence forces existing capabilities remain relevant efficient and integrated with contemporary technologies. The services are seized of the multi-domain operations in future, such as kinetic and non-kinetic and are progressing rapidly towards building of capabilities in this domain. By representing the services' needs, HQ IDS provides the foundational input necessary to guide defence production initiatives. HQ IDS also coordinates with DDP, DRDO, private industry & Production agencies engaged in indigenous development of futuristic weapons and systems.

The domain of modern warfare is a dynamic and rapidly evolving field. Threat actors, vectors malware, 'Tactics, Techniques & Procedures' (TTP), and technologies are undergoing continuous change. The contest between the attacker and defender is always ongoing, with either side gaining transient advantage at different points in time.

Indigenization

Recommendation (Para No. 6)

The Committee find from the replies submitted by the Ministry that during the last five financial year (2019-20 to 2023-24) and the current Financial year 2024-25 (upto September, 2024), a total of 330 capital acquisition contracts have been signed for capital procurement of Defence equipment for Army, out of which 278 contracts worth about 88% of total contracts value, with Indian Vendors for capital procurement of Defence equipment.

Further, the Committee find that the Ministry of Defence is committed to Aatmanirbharta in Defence. The Ministry emphasized on self reliance & Make in India, which is evident from the initiatives undertaken i.e. Highest priority to procurement under Buy (Indian-IDDm) category, introduction of new category of Buy (Global-Manufacture in India) to give push to 'Make in India' initiative of the Government, increased Indigenous Content (IC) in various categories of procurement under DAP-2020, inclusion of provision for minimum 50% IC in the form of indigenous material/components/software in the equipment being acquired with an aim at boosting indigenous production and reduce import dependency, notification of 'Positive Indigenization Lists' on a periodic basis to promote Aatmanirbharta out of which five Positive Indigenization Lists comprising of 509 platforms/equipment have been issued, Self-Reliance in Indian Defence eco system with "No foreign sourcing", foreign procurements only as exceptions with prior approval of Defence Acquisition Council and earmarking of 75% of the total capital budget for domestic Capital procurement for FY 2023-24 and FY 2024-25.

The Committee appreciate the efforts made by the Ministry towards indigenization and expect that this would continue unabated.

Reply of the Government

Ministry is thankful to the Committee for recognizing and appreciating efforts of Deptt/Ministry for promoting "Make in India" & Atmanirbhar Bharat.

Bullet Proof Jackets (BPJs)

Recommendation (Para No.7)

From the written replies submitted by the Ministry, the Committee note that Bullet Proof Jackets (BPJs) against various protection levels are being developed & produced within the country. The development agencies include R&D agencies like DMSRDE, Kanpur (a unit of DRDO), IIT Delhi etc. Adequate industry base is available indigenously for production and manufacture of BPJ as per the requirement of Service HQrs and State Police Forces. Bullet Proof Jackets are being procured by SHQs and the Ballistic Testing is carried out in accordance with General Staff Qualitative Requirement (GSQR), Bureau of Indian Standards (BIS) and approved testing plan formulated through collegiate with testing agencies like Terminal Ballistics Research Laboratory (TBRL), Chandigarh or National Forensic Sciences University (NFSU), Gandhinagar. The Committee further note that till date, a total of 41 licences have been issued for manufacturing of Bullet Proof Jackets/Body Armour/Body Protector since 2001 by private industries. Out of these companies, 10 companies have commenced manufacturing. The Committee also note that Troop Comforts Limited (TCL) [erstwhile Ordnance Equipment Group of Factories] is also involved in the development of Bullet Proof Jackets and Vests for various threat levels. Ordnance Equipment Factory (OEF), Kanpur has developed one version of BPJ in collaboration with MIDHANI as 'BHABHA KAVACH' based upon the technologies

developed by DRDO and Bhabha Atomic Research Centre (BARC). Another Unit of TCL, Ordnance Clothing Factory (OCF) Avadi has developed another version of BPJ as per MHA requirement and State Police Forces. The Committee are happy to note that our soldiers will get protection through the indigenously made BPJs to save their precious lives. The Committee hope that the remaining 31 companies, which got licences for manufacturing BPJs, be pursued to start manufacturing at the earliest with a view to meet the urgent need of BPJs in the Armed Forces.

Reply of the Government

The Defence Industry sector, which was hitherto reserved for the public sector, was opened up to 100% for Indian private sector participation in May, 2001. Till date, a total of 43 license have been issued for manufacture of Bullet Proof Jackets/Body Armour/Body Protector since 2001. Further, as per the data available in D(DIP), 10 companies have commenced manufacturing.

The initial validity of Industrial License for Defence Sector has been relaxed from 3 years to 15 years, further extendable up to 18 years for existing as well as future Licences. However, in case a license has already expired, the Licensee has to apply afresh for issue of license.” (a copy of Press Note No. 10 (2015 Series) is enclosed)”.

Capacity Building

Recommendation (Para No. 8)

The Committee is happy to note that Indian Army remains committed to build its capability and be ready to operate in all kinds of operating environments thereby ensuring territorial integrity of our nation. The Committee understands that the nomenclature of modern warfare has drastically changed and it warrants coordinated and concerted efforts by the three forces jointly to mitigate any evil design of the adversaries. They are happy that besides taking various steps such as the Inter-Services Organisation (Command, Control & Discipline) Bill, Joint Logistics Nodes, joint exercises and HADR, etc., Army has also supported other policies like Nari Shakti, Gati Shakti, Digital India, Start-up India etc. Indian Army's engagement in intense counter-terrorism and counter insurgency operations is yet another fur in the cap of success. The Committee has also been given to understand that rigorous training is being imparted to the Army personnel so as to maintain high standard of efficiency. Restructuring of training has been undertaken in synchronization with current realities and requirements. The Committee expresses their immense satisfaction over the continuous effort being made to further augment the capacity of the hitherto existing capable forces in the Army.

Reply of the Government

This is factual information and Ministry has no comments to offer.

Women Empowerment

Recommendation (Para No. 9)

The Committee is happy that in connection with the policy of 'Nari Shakti', the Indian Army is committed towards women empowerment. The Army has deployed its women officers in difficult areas such as Siachen Glacier, Line of Actual Control, along the Northern Borders, and women pilots have been inducted in Army Aviation. The Committee was informed that two officers and 25 sepoys form part of the all women contingent to the United Nations Mission in Sudan. Even this year saw the first all women officers and soldiers marching contingent in the Republic Day Parade. The Committee appreciated the efforts made by the Indian Army for their commitment towards women empowerment. This, the Committee feels, will go a long way in creating a level playing field for women in society at large.

Reply of the Government

This is factual information and Ministry has no comments to offer.

Role of Army during Disaster

Recommendation (Para No. 10)

Role of the Army in providing relief during natural disasters and calamities is yet another success story. Indian Army is often the first responder in times of natural disaster and calamities by virtue of its inherent organisational structure and deployment pan India. Providing humanitarian assistance and speedy relief during calamities remains a priority for the Indian Army for which the Army trains and liaises with civilian administration and other stakeholders on a periodic basis. The Committee wish the Army all success in their endeavour, for which people of our country feel secure even during calamities.

Reply of the Government

This is factual information and Ministry has no comments to offer.

Air Force

Budgetary Provisions

Recommendation (Para No. 11)

While examining Demand Nos. 19 & 20 in respect of the Air Force for the year 2024-25, the Committee find that in Revenue Section, Air Force projected Rs. 60,847.17 Crore against which an allocation of Rs. 46,223.49 Crore has been made. The allocation is deficient by Rs. 14,623.68 Crore and approximately 24 per cent lower than the projection. As informed, the non-salary expenditure caters to the expenses on stores, ration, transportation, fuel, etc. which are essential for regular training and operational preparedness of the Air Force, therefore, 24 per cent cut in the allocation may hamper the training and operational preparedness of the Air Force. Therefore, to avoid any such contingency situation, the Committee hope that during Supplementary Grants and Revised Estimate stages, the Ministry will take into consideration this fact and make additional allocation as per the need of the force.

Reply of the Government

In BE 2024-25, Air Force had been allocated an amount of Rs. 46,223.49 Crore under Revenue Head which is further enhanced by Rs. 4,153.28 Crore to Rs. 50,376.77 Crore at RE 2024-25 stage. Further, the Committee may be assured that the allocated funds will be optimally utilized and on the basis of additional requirement, funds will be sought at Supplementary stage.

Recommendation (Para No. 12)

The Committee find that in Capital segment, the allocation has been same as that of the projected during 2024-25. It is a known fact that the Capital Budget of a department primarily provides for expenditure on modernisation, enhancement of force level, infrastructure development etc. and allocating as per projection shares determination on the part of the Government for potential development of the force. Moreover, during oral evidence, the representative of the Ministry informed the Committee that over the last five years, there has been a comfortable allocation of funds, both for the capability enhancement as well as sustenance. IAF's total budgetary allocation in the last five years has grown at an average rate of approximately 11 per cent. The Committee was further informed that the capital budget allocation in the last five years has grown at an average growth rate of 8 per cent, whereas the revenue budget has seen an enhancement by approximately 9.71 per cent. In line with the Government's initiative of Aatmanirbhar Bharat, IAF's capital acquisition expenditure towards foreign sources will be kept below the given target of 30 per cent. In this current financial year, IAF is expected to surpass the domestic expenditure target of 70 per cent. Approximately 50 per cent of the revenue budget is utilised for other than salary. However, the Committee expect the Ministry to ensure that the allocated resources are fruitfully and judiciously utilized in full by Air Force so that modernisation trajectory of Air Force is not adversely affected.

Reply of the Government

In BE 2024-25, Air Force had been allocated an amount of Rs. 54,569.91 Crore under Modernisation (Capital Acquisition) Head which has been reduced to Rs. 43,736.15 Crore at RE 2024-25 stage based on the pace of expenditure, status of conclusion on New Schemes, carry over liabilities and overall availability of resources with MoF and competing demands from other Ministries. However, the Committee may be assured that the allocated funds will be judiciously utilized and on the basis of additional requirement, funds will be sought at Supplementary stage.

Percentage Share of Air Force Budget

Recommendation (Para No.13)

From the data supplied by the Ministry, the Committee note an evident increase in the percentage share of the revenue budget of the Air Force, out of Defence Services Estimates. The budget of the Air Force increased from 9.70 per cent of DSE in 2019-20 to 10.25 per cent in 2023-24. At the same time, there is an increase in capital budget share from 12.89 per cent in 2019-20 to 13.47 per cent in 2023-24. The Committee are of the considered view that % increase in both capital and revenue segment of the Air Force in the DSE budget will further help galvanise the Indian Air Force.

Reply of the Government

This Ministry agrees with the views of the Committee.

Budget for Modernization

Recommendation (Para No. 14)

The Committee note that in the Defence Services Estimates (DSE), there is no separate allocation of funds for Committed Liabilities (CL) and New Schemes (NS). Further, earmarking between Committed Liabilities and New Schemes is carried out by Service HQrs based on a prioritization among the projects/schemes and the progress of contractual milestones. The Committee also note that in the Financial Year 2023-24, an amount of Rs. 54,024.37 crore was allocated at BE stage under Modernisation (Capital Acquisition) Head (which includes Committed Liabilities and New Schemes). Moreover, in RE 2023-24, allocation to Air Force was increased by Rs. 602.62 Crore (to Rs. 54,626.99 Crore) over BE 2023-24. Further, at MA stage, the allocation was increased to Rs. 59271.16 crore. Against these allocations, an expenditure of Rs. 57427.53 crore has been incurred in Financial Year 2023-24. The Committee hope that keeping the modernization of the Armed Forces in view of the current global scenario, the Ministry will ensure modernization and technological upgradation in armament procurement in the Forces.

Reply of the Government

Adequate budget is allocated for modernisation (Capital Acquisition) of Indian Armed Forces every Financial Year as per their requirement and earnest efforts are made to ensure maximum utilization. For the Financial Year 2025-26, Rs 1,80,000 crore has been allocated on Capital Outlay. Out of this, Rs 1,48,722.80 crore is planned to be spent on the Capital Acquisition, termed as modernization budget of the Armed Forces and remaining Rs 31,277.20 crore is for capital expenditure on Research & Development and creation of infrastructural assets across the country.

Moreover, with reference to technological upgradation, the Services Qualitative Requirements (SQRs) are formulated after due cognizance of appreciated adversary capabilities and comparative analysis of all available & future technologies. These are regularly revised, thus, ensuring currency & relevance of the technologies in the procurement of armament of the Armed forces ensuring contemporary weapon systems availability.

The recommendation of the Committee has been noted. Further, all efforts are made to ensure modernisation and technological upgradation in armament procurement in the Forces and if required, additional funds are sought at RE/ Supplementary stages during the financial year.

Planning and Procurement

Recommendation (Para No. 15)

The Committee note that acquisitions planned for fighter aircrafts include LCD Mk1A, Multi Role Fighter Aircraft (MRFA) LCA Mk-II, Advance Medium Combat Aircrafts (AMCA); Helicopter Flee i.e. Light Combat Helicopter (LCH), Light utility Helicopter (LUH MK-I), Indian Multi-Role Helicopter (IMRH) & Deck Based Multi Role Helicopter (DBMRH); Transport Fleet i.e. Avro Replacement (C-295MW), Avionics Upgrade of Dornier aircraft; combat enablers i.e. Flight Refueling Aircraft (FRA), SIGINT and COMJAM aircraft (SCA), AEW&C Mk 1A AEW&C Mk-II, transport fleet i.e. HTT-40, Surface to Air Guided Weapons i.e. Close-in Weapon System (CIWS), VSHORADS, RPAs and UAVs, Radars {LLTR (Ashwini)}, Indigenous weapons development i.e. New Generation Anti-Radiation Missile, Astra Mk-I & Mk-II BVR AA Missile, Pralay, LR-SOW, Tactical Advance Range Augmentation Kit, Long range Glide Bomb, SAAW Weapon System. The Committee wish that the Ministry of Defence will negotiate and finalise the acquisition plans in a time bound manner to help maintain equipment and aircraft at an optimum level.

Reply of the Government

MoD is pursuing a number of schemes, including Design & Development with Defence Research & Development Organisation(DRDO), to fill the critical voids in capabilities. Ministry is striving and making concerted efforts to finalise the acquisition plans in a time bound manner to help IAF to maintain equipment and aircraft at an optimum level.

(g) **HTT-40.** A contract for supply of 70 x HTT-40 Basic Trainer Aircraft (BTA) and associated equipment to IAF was signed between MoD and Hindustan Aeronautics

Limited in March, 2023. In October,2024, HAL has intimated that there are no major issues envisaged that will have impact on the proposed series production of aircraft and delivery schedule.

(h) **Light Combat Aircraft (LCA) Mk 1A.** A contract was signed with HAL on 25 Jan 21 for delivery of 83 x LCA Mk 1A along with associated equipment. However, the delivery of aircraft is delayed due to Design and Development (D&D) activities and delivery of GE-404 engines from M/s GE. HAL has stated that delivery of engines is likely to commence very soon. Additionally, IAF has progressed a case for procurement of 97 x LCA Mk 1A, AoN was obtained on 15 Jan 24.

(i) **Su-30 MKI.** MoD has signed a contract with HAL for procurement of 12 x SU 30 MKI aircraft with associated equipment on 12 December,2024.

(j) **C-295 MW.** IAF has signed a contract for 56 x C-295 MW transport aircraft. Till date, eight aircraft have been delivered.

(k) **SIGINT & COMJAM Aircraft (SCA) and Aerial Early Warning & Control Systems(AEW&C).** MoD plans to procure three SIGINT and COMJAM aircraft (SCA) and AEW&C where AoN have been accorded by Defence Acquisition Council (DAC). The D&D of mission system will be carried out indigenously by DRDO.

(l) **Low Level Transportable Radar (Ashwini).** AoN for procurement of LLTR (Ashwini) was obtained from DAC on 22 December, 22. The acquisition is under process.

Indigenization

Recommendation (Para No. 16)

The Committee note that Air Force is vigorously pursuing indigenisation and expenditure is being made as per committed liabilities and internal budgetary allocation for domestic capital acquisition. During deliberations also, a representative of the Air Force apprised the Committee that the capability of Su-30 is being upgraded through indigenous upgraded programme. The Committee have also been informed that Mark 1A would be a good example to showcase wherein IAF, DRDO and HAL have been able to build a contemporary all-weather light combat aircraft, which is designed on modular concept. It boasts of advance avionics and a fully indigenous Fly-by Wire system which is comparable to the best in the world. It is capable of air-to-air refuelling, and in the ongoing contract, its airborne radar will eventually be replaced by an indigenous Uttam Radar. The Committee further note that Air Force has indigenized many components required for regular use through its Base Repair Depots. The Committee understand that 100 per cent indigenization is not possible and feasible, however, they recommend that constant, and continuous efforts should be made towards achieving whatever is achievable towards making the country self-reliant.

Reply of the Government

-Classified-

Force Level

Recommendation (Para No. 17)

The Committee have been informed that the authorized strength of the IAF is 42 fighter squadrons, however, as on date it has 31 active fighter squadrons. The Air Force also has an ageing fleet of MiG 21, MiG 23 and MiG-27 and other aircraft which are soon going to be phase out from the services, making rapid depletion in squadron strength of the force. The Committee have also been informed that IAF has received and operationalized two squadrons of Tejas Mk1 ac. The aircraft is being employed for operational roles and participated in the recently concluded international exercise Tarang Shakti. The Committee also find that Tejas Mk-1A programme has been delayed due to design & development issues. The Ministry have also informed that HAL has been asked to increase the production of Tejas. IAF has also progressed as case for procurement of additional 97 LCA Mk IA aircraft for which AoN was accorded and RFP was issued. The Committee have been informed that with these acquisitions, IAF will have 220 LCA Mk-I & Mk-IA ac. In addition, the Committee find that Tejas Mk 2 which is under design and development, will be a day and night capable, all weather multirole combat aircraft with adequate self Defence capability to operate in a dense and hostile AD environment. The Committee at this stage would like to impress upon the Ministry to sensitize HAL to augment production of Tejas so that operational role of Air Force is not affected due to depletion in squadrons strength. They would also like to urge upon the Ministry to expedite procurement of contracted fighter aircrafts. The Committee may be informed of the outcome of the effort made in this regard.

Reply of the Government

-Classified-

Modernisation of Air Field Infrastructure (MAFI)

Recommendation (Para No. 18)

During deliberation before the Committee, a representative of the Air Force submitted that under the IAF's Modernisation of Airfields Infrastructure Programme, all 52 airfields are being equipped with the Modern Airfield System. 39 of the airfields are operating as joint user airfield. It was also submitted that the project of Next Generation Hardened Aircraft Shelters is being implemented at the forward airfield for the protection of critical assets. The Committee find that the joint usage of the Air Force airfields along with some of the advanced landing ground help in enhancing regional connectivity as part of Government UDAN scheme. All this, in turn, leads to significant financial and carbon emission saving. It was also informed that IAF is cognisant of the enormous human and material costs that are involved in military aviation and hence, pays great emphasis on aerospace safety. To complement its substantial flying effort, IAF has a comprehensive inbuilt safety programme that works towards prevention and minimising accidents and these efforts have paid dividends in the form of a steady decline in the accidents. While appreciating the pace of work, the Committee emphasize that the endeavour made by the

Indian Air Force towards achieving the targets should be accomplished within a given time-frame.

Reply of the Government

-Classified-

Manpower

Recommendation (Para No. 19)

The Committee have been informed that as on 01 Oct 24, there were 11,916 officers (except Med/Dental branch) against an establishment of 12,929 leading to a deficiency of 1,013. The induction plans have been revamped so as to gradually bring the strength at par with the sanctioned establishment. IAF selection process comprises of AFCAT, AFSB evaluation, Computerised Pilot Selection System (when applicable) and stringent medical criteria. The Committee note that while adequate candidates register for joining IAF in the officer cadre, total number of candidates who eventually get commissioned varies. The Committee have also been informed that efforts are in place to increase the induction of officers which include establishing a dedicated department named 'DISHA' by Indian Air force as the tag line, a focused Digital Publicity campaign is being undertaken on all social media platforms. They are also happy to note that the IAF has come up with a new concept of installing Facilitation cum Publicity Pavilion (FCPs) at prominent locations across the country. FCP is a technologically advanced platform to provide information about the IAF and its career opportunities in a trendy, logical and appealing manner. In addition, Air Force participates in various exhibitions and fairs. Publicity stalls at various forums including youth festivals, career conclaves, youth related exhibitions etc. that are set up from time to time for the benefit of the targeted youth. Two customized buses with information displayed about IAF and consisting of a flying simulator in each bus, visit various educational institutes across the county to motivate students. The Committee find that these initiatives have borne positive results and there has been an increase in number of aspiring youth getting commissioned. While appreciating the fact that recruitment in IAF is an ongoing process based on scheduled and unscheduled discharges, the Committee desire that the Ministry should ensure that there is no shortage of manpower essential for the operations of the Indian Air Force.

Reply of the Government

-Classified-

Budget

Recommendation (Para No. 20)

The Committee understand that the Indian Navy has been playing a maritime leadership role in the Indian Ocean Region due to its multi-dimensional capabilities and active presence in the region. The environment in India's maritime neighbourhood is dynamic, with increasing instabilities, deepening geopolitical and ethnic faultiness, growing military capabilities and wide range of security challenges. These pose a combination of conventional and sub-conventional threats emanating from the seas. In this regard, a representative of Navy, during the presentation before the Committee, stated that a major share in the Navy's budget (i.e. Rs. 90,998.95 Crore) devoted towards the substantial increase in capital expenditure. The Committee find that under Capital Head in BE 2024-25, allocation has been same as that of projected of Rs. 62,545.98 Crore. The allocation of BE 2024-25 is an increase of Rs. 9,741.23 in compare to BE 2023-24. The Committee are of the considered view that increase in capital segment of the Navy budget will further help strengthen the Indian Navy. In the revenue head, the Committee find that the allocation in 2024- 25 is, however, marginally higher than the previous years. Noticing a higher projection during 2024-25, the Committee hope that the Ministry would provide additional grant during the supplementary/revised stage, if needed, to carry out their modernisation plan.

Reply of the Government

In BE 2024-25, Navy had been allocated an amount of Rs. 58,700.00 Crore under Modernisation (Capital Acquisition) Head which is further enhanced by Rs. 1,058.87 Crore to Rs. 59,758.87 Crore at RE 2024-25 stage. Further, the Committee may be assured that the allocated funds will be judiciously utilized and on the basis of additional requirement, funds will be sought at Supplementary stage.

Indigenisation

Recommendation (Para No. 21)

During the oral evidence, a representative of Ministry informed the Committee that a total of 65 ships and submarines are under construction at the moment. These will be inducted into the Navy. The Navy submitted that they continue their relentless efforts towards the country 's technological and industrial self-reliance. The committee note that Navy has played a major role in the development of Indigenous Shipbuilding. The first indigenous naval ship was ready in the 60s and till date they have inducted around 130 ships and submarines made in the country. The committee have also been informed that as on date, 63 Naval Ships and Submarines are under construction in Indian shipyards. 3 such projects have got government sanction. The committee are happy to note that to promote self-reliance in the field of aviation, work on several important projects such as TEDBF and DBMRH is underway. Work is underway on 187 projects under Make, IDEX and DDF schemes of the Government of India. Appreciating the efforts made by the Navy towards achieving indigenisation, the committee desire that concerted efforts be made to expedite completion of the ongoing projects so that the Navy attains greater degree of 'Aatmanirbharta' in near future.

Reply of the Government

(i) Indian Navy is committed to become fully Atmanirbhar by 2047, with its modernisation programme centered on Atmanirbharta.

(ii) Currently, 60 of the 61 warships under construction are being built in India, while orders for 62 more ships and submarines, and 120 Fast Interceptor Craft, to be built in domestic shipyards, are also at advanced stages. Achieving higher Indigenous Content across weapons, sensors and equipment that supports the growth of Indian shipbuilding sector continues to be a key focus area. Ongoing shipbuilding/ aviation projects are being actively pursued with concerned shipyards and development/ production agencies for timely fructification.

(iii) Besides, Indian Navy continues to pursue the development of weapons, sensors and equipment in close coordination with DRDO and DPSUs. Primary radars and critical Air Defence missiles for future frigates are earmarked to be developed by DRDO. Other smaller weapon Systems are also being pursued through domestic defence industry, including start-ups/ MSMEs. Indian Navy has been in the first Service to conclude a contract for 12.7 mm Stabilised Remote Control Gun in 'Buy and Make' category as well as for Fire Fighting BOT, under the IDEX scheme. It has also issued Project Sanction Order under Make-II category for Deep Sea Side Scan Towing Winch, thereby recognising efforts by industry to promote indigenous development.

(iv) In the last 10 years, an average of 65% of the total expenditure has been focused towards indigenous procurement. During FY 2023-24, the ratio of 83.91:16.09 between Indian and foreign sources has been achieved.

Operational Preparedness and threat perception

Recommendation (Para No. 22)

1. The Committee is of the considered view that for the safety and security of India's national Interest, it is important to maintain peace and security in the maritime space. The Committee feels that there are two types of threats to the peace and security of our maritime space threat from traditional sources like China and Pakistan, non-traditional sources like piracy, drone attacks, missile attacks, human drug trafficking illegal fishing etc.

2. The Committee finds that Indian Navy's operations are conducted to mitigate all these threats The Indian Navy's Area of Operation extends from the West coast of the African continent in the West to Australia in the East Further, this part is divided into two parts, the western part comes under the jurisdiction of the Western Naval Command and the eastern part comes under the jurisdiction of the Eastern Naval Command Naval ships aircraft, autonomous aircraft are always deployed to keep the maritime coastal areas under 24/7 constant surveillance.

3. The Committee have further been informed that besides attending to maritime territorial integrity, it is also the responsibility of the Indian Navy to act against piracy and narco-trading. The Committee also notes that the Indian Navy has been continuously

deployed in the Gulf of Aden and Advisory Area since 2008 for anti-piracy operations, During the year 2024, the Navy has conducted six successful operations and rescued around 120 people, The Gulf of Guinea region in West Africa is also a major source of oil imports, In view of the increasing incidents of piracy in that region, the Navy has in 2022, started deploying ships at regular intervals in the Gulf of Guinea, The Committee are aware that in the year 2024, shipping attacks by Yemen's Houthi group made the maritime situation in the Western Indian Ocean even more serious. To protect the ships engaged in import and export from India, the Navy has so far deployed 30 naval ships, made direct intervention in about 25 incidents, saved about 400 lives. Expressing their satisfaction over the role and preparedness of the Indian Navy, the Committee feels that keeping in view the drastic change in the modern warfare tactics, the Navy will continue to protect the maritime zone and prevent piracy and other maritime security threats.

Reply of the Government

1. Indian Navy is committed to safeguarding national interests in the maritime domain and strengthen the strategic narrative of being the 'First Responder' and Preferred Security Partner' in the region.
2. Maritime challenges arise from both traditional and non-traditional threats, with the former comprising conventional and non-conventional warfare by potential adversaries. Non-traditional threats include Piracy and Armed Robbery, Terrorist act from the sea, illegal, unreported and unregulated fishing, drug smuggling, gun running and human trafficking. Additionally, natural disasters and pandemics also entail deployment of military resources for intervention as required.
3. Manifestation of conflicts in the maritime domain threatens our maritime interests and complicates the maritime security calculus. Indian Navy in close coordination with all elements of Higher Defence Organisation, sister Services and Ministries dealing with aspects of maritime security and coastal defence, constantly analyses the geopolitical developments and emerging threats challenges, and reviews its operational preparedness to retain an edge over potential adversaries during crisis or conflict at sea. Indian Navy maintains a near continuous surveillance in maritime areas of interests, through consistent deployment of Indian Navy assets. Also, capability development by potential adversaries, as well as activities by both state and non-state actors, that threaten our national interests, are closely monitored. Further, coastal defence mechanism is periodically assessed towards necessary refinement.

Manpower

Recommendation (Para No. 23)

During deliberations, a representative of the Navy informed the Committee that the Indian Navy has 10,143 officers 64,770 sailors, 9,413 Agniveers and 32,171 Defence Civilians. The Committee has been informed that all personnel are fully trained for their work and are fully capable of maintaining combat-worthiness and operational preparedness of the Navy. The initial training of naval officers takes place at the Indian Naval Academy. Further, professional training is done in different professional schools according to their branch and trade. The Indian Navy also trains naval personnel from neighbouring and friendly countries, So far, more than 20 thousand professionals from

about 50 countries have been trained. The Committee, while appreciating the measures taken by the Navy for enriching Human Resources Management, hopes that they would continue to impart state-of-art training, both in logistics management and technology management.

Reply of the Government

1. The recommendation of the Committee have been noted for compliance. Salient aspects relevant in this regard are enumerated in succeeding paragraphs.
2. The training in Indian Navy is regularly reviewed and updated as per requirements. There is a robust mechanism in place for the same, with details as follows:-

(a) **Comprehensive Assessment/ Review of Training.** The training in Indian Navy has been tailored to meet emerging requirements, based on feedback/ training gaps as received from Commands/ units and newly inducted equipment and systems. Headquarters, Southern Naval Command (HQ SNC) is the 'Training Command' of Indian Navy. The training needs across Indian Navy are assessed by HQ SNC through a robust feedback mechanism at multiple levels, as elucidated below:-

(i) At the apex level, Annual Training Meeting (ATM)/ Annual Training Conference (ATC), chaired by Flag Officer Commanding-in-Chief (South), with representation from Naval Headquarters, all Commands and both the Fleets, is conducted on yearly basis.

(ii) Quarterly training meetings are held at Southern Naval Command to discuss training needs and issues related to training. Feedback received from the field is a key agenda during discussion.

(iii) Evolving training philosophy for future inductions is an ongoing process to future proof training in the Indian Navy. Regular revision of syllabus and exchange of information/ linkages between professional directorates at Naval Headquarters and Headquarters, Southern Naval Command, keeps the training current. A mechanism to facilitate early induction of training aids pertaining to the equipment/ systems inducted/ planned to be inducted, has been set-up in the Indian Navy. This is termed as New Induction Training Committee (NITC). NITC is chaired by Assistant Chief of Personnel (Human Resources Development) and discusses training needs arising from induction of new equipment and accords approval for induction of requisite training aids. The NITC has members from Naval Headquarters, Headquarters Southern Naval Command and various training establishments/ schools. NITC meetings are conducted annually and induction of training aids commensurate to the newly inducted/ under induction equipment are addressed on priority.

(b) **Revision of Syllabi and Upskilling of Indian Navy Personnel.** Indian Navy's maritime operations heavily rely on complex networks and systems. The rapidly emerging technologies and threats necessitate Indian Navy to regularly upskill its personnel in niche technology domains such as Cyber Security, Artificial Intelligence, Big Data Analysis, etc., in association with reputed civilian institutes. Accordingly, periodic review of syllabi for various courses is being

conducted at training schools of Indian Navy, based on policies promulgated by Naval Headquarters and training directives promulgated by Headquarters, Southern Naval Command

(c) In addition to the basic and advanced training, Indian Navy also has been imparting training on future technologies. The following are relevant in this regard:-

(i) **Training on Niche Technologies**. Training on future technologies such as Electric Propulsion and Medium Voltage (MV), Artificial Intelligence and Big Data Analytics, are being given due impetus. IITs and other reputed institutes are being engaged for specialised training to equip Indian Navy personnel with skills and expertise in military decision-making wrt allocation of scarce resources, selection of new equipment and processes, optimal deployment of available resources to achieve success in missions.

(ii) **Training on New Induction Equipment**. For newly inducted equipment, reference systems for training establishments are being included as part of the contracts.

(d) Memorandum of Understanding (MOU) with industry/ academia towards strengthening industry-academia relation, research collaboration, technology development and technical solutions, have been undertaken with IISc (Kharagpur, Kanpur and Bombay), IISc Bangalore and Indian Maritime University.

Joint Staff

Budget

Recommendation (Para Nos. 24 & 25)

The Committee note that in the Budget Estimates for 2024-25, Joint Staff has made a projection of Rs. 5,312.40 Crore against which an allocation of Rs. 5,075.76 Crore has been provided resulting into a shortfall of Rs. 236.64 Crore. However, during the deliberations before the Committee, a representative of Joint Staff apprised the Committee that BE from the FY 2023-24 onwards Ministry of Defence has allotted substantially higher BE to Headquarter IDS vis-a-vis the previous years and the enhancement at BE stage has benefitted the joint staff organizations for growing not only in structure and size but also in overall responsibilities in undertaking their plan, training, operations and other functional activities smoothly. The Committee understand that Joint Staff act as single point organization for jointmanship in Ministry of Defence which integrates policy, doctrine, war-fighting and procurement and find that during the years role of Joint Staff has risen many folds. Presently, it supports financial aspects and capability building of more than 120 units. The Committee further note that Integrated Defence staff (IDS) formulates policies and doctrines to coordinate, synergize, enhance and optimise operation capability, training and other functional aspects such as foreign cooperation, logistics, communications, medical, and harmonises identification and acquisition of modern capabilities and technologies by the three services. The Committee, while appreciating the role and responsibilities of HQ

Integrated Defence staff/Joint Staff express their hope that the Ministry would provide additional grant, if required, at the supplementary/revised stage in order to strengthen the Joint Staff.

The Committee note that Headquarter IDS is responsible to enhance the jointness and integration of Armed Forces so as to ensure that the resources of three services can optimally be utilized to meet the challenges across the spectrum of war fighting and security of the nation. The Committee have been informed that the Joint Staff includes operational commands like Andaman and Nicobar, signal intelligence units, premier training establishments such as National Defence Academy, Defence Services Staff College and College of Defence Management. Only two units namely Headquarters Integrated Defence Staff (IDS) and Andaman-Nicobar Command were supported through Joint Staff budget in 2001, yet there is an increase in the list and it has grown progressively and currently there are 13 JSOs. The Committee have also been informed that IDS also includes oversight of three joint logistics nodes and with the additional four joint logistics nodes strengthen the objective of optimization. There is an increase in the growth in accordance with budgetary allocation. The Committee also note that the Command also safeguards strategic interests of the nation in Eastern Bay of Bengal and Andaman Sea abutting Southeast Asia and the strategic waterway Straits of Malacca, an important choke point in the Indian Ocean region from where the majority of maritime trade passes. Keeping in view the role played by the Command in securing Indian Ocean Region, the Committee are more than hopeful that the Ministry would provide additional grant at supplementary/revised stage in case of any future need in future.

Reply of the Government

In BE 2024-25, Joint Staff had been allocated an amount of Rs. 5,075.76 Crore (including Revenue and Capital Heads) which was further enhanced by Rs. 1,232.00 Crore to Rs. 6,307.76 Crore at RE 2024-25 stage. Further, the Committee may be assured that the allocated funds will be judiciously utilized and on the basis of additional requirement, funds will be sought at Supplementary stage.

ECHS

Budget

Recommendation (Para No. 26)

The Committee note that close to 59 lakh beneficiaries including ESM and their dependents are presently availing ECHS benefits. In the financial year 2023-24, the projection of ECHS was Rs. 9880.99 and there was no deduction in allocation. However, the expenditure was Rs. 9831.86 crore. The Committee have also been informed that ECHS was also provided additional allocation of Rs. 3789.74 crore against projected requirement of Rs. 3600.00 crore at supplementary stage. During the FY 2024-25 the projection was Rs. 9683.72 crore, however, allocation was Rs. 6968.00 crore. During oral evidence, the representatives of ECHS informed the Committee that 84 percent of the budget incurred in medical expenditure includes expenses on empanelled hospitals, dental care institutions, diagnostic laboratories, various investigations, etc. out of which around 13 percent incurred in medicine and 3 percent on salary. The Committee desire that the budget allocated at BE or RE stage may be fully utilized as such expenditure is for the welfare of Ex-Servicemen of our country.

Reply of the Government

The status of current year budget is as under:-

Allotment	Expenditure	Remarks
Rs.9429.00 Cr.	Rs.7003.72 Cr.	Out of this RE allotment of Rs. 9429 crore, Rs. 7531 crore is for MTRE Head which is 80% of total allotment. The point regarding full utilisation of the above allocated budget has been noted.

Vacancies in ECHS Polyclinics

Recommendation (Para No. 27)

The Committee find that there is a gap between authorized and actual manpower at ECHS Polyclinics. The Committee have also been apprised that Government has sanctioned 23 New PCs, upgradation of 50 PCs and an additional 1357 contractual manpower in the year 2024. The Committee note that remedial measure have been taken by the Ministry to overcome unutilized vacancies in ECHS polyclinics. Since vacancies in hospitals/ polyclinics affect the healthcare facilities being provided to the Ex-servicemen, the Committee recommend that such vacancies be fill-up in a time-bound manner to provide adequate healthcare facilities to our ex-soldiers so that they do not feel neglected after exiting the service.

Reply of the Government

The additional vacancies sanctioned by the MoD have already been allocated to the Polyclinics for carrying out contractual employment in a time bound manner.

Vacancies in ECHS Polyclinics

Recommendation (Para No. 28)

Establishment of new polyclinics is yet another phenomena which has come to the notice of the Committee. They find that a case for De-Novo review of ECHS Polyclinics has already been carried out which would include the establishment of 21 new Polyclinics, upgradation of 50 ECHS Polyclinics. The establishment of new polyclinics and the upgradation of polyclinics will enhance the authorised number of contractual employees by around 2000. The proposal is stated to have been under consideration with MoD. The Committee would like to be apprised of the outcome of the pending proposal.

Reply of the Government

Government of India, Ministry of Defence has accorded sanction for establishment of 21 new ECHS Polyclinics including two in Nepal and upgradation of 50 Polyclinics on

01 Nov 2024. Accordingly, executive instructions on the subject have been issued to concerned formations on 07 Nov 2024. The progress on the subject is being monitored on regular basis.

Payment of pending bills by ECHS to empanelled private hospitals

Recommendation (Para No. 29)

From the reply submitted by the Ministry to resolve perennial problem of unsettled ECHS medical bills of the private recognized hospitals, the Committee note that the Ministry is continuously monitoring Turn Around Time (TAT) with Bill Processing Agencies (BPA), monitoring response to 'Need More Information (NMI)' cases with empanelled hospitals for early processing, assignment of more doctors to Regional Centres (RCs) under heavy bill processing workloads to accelerate approvals, establishment of centralized dashboard to track the status of all submitted, approved and pending bills, ensuring better transparency and faster processing and exploring the use of artificial intelligence (AI) to streamline bill processing and detect fraudulent claims. Currently, inflated bills from empanelled hospitals are leading to multiple review cycles, increasing approval times. Introducing AI could significantly reduce processing time and improve accuracy. The Committee wish and hope that such regular allotments are being provided by the Ministry to the ECHS, so the inconvenience being faced by the ESM would be resolved, and the private hospital would not reject ESM for admission and treatment.

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

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

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

Reply of the Government

The points are as follows :-

- (i) Data on the number of ESM/ dependents who approached all the PCs during the last three years.

Ser	Year	No of Patients Visit in PCs
-----	------	-----------------------------

No		
(i)	2022	15837777
(ii)	2023	17177491
(iii)	2024	20112732

(ii) Number of ESM who approved all Defence Hospitals combined from treatment of self & dependent during the last three years.

Ser No	Year	No of Patients Referred to Service Hosp
(i)	2022	783708
(ii)	2023	316133
(iii)	2024	634771

(iii) Number of ESM/ dependents referred for speciality/super-speciality treatment in private hospitals in the last year is 10,07,994.

ECHS in far-flung areas

Recommendation (Para No. 30)

The Committee note that in order to increase the outreach of ECHS in far-flung areas, the Ministry have sanctioned 17 Mobile Polyclinics in the State of Uttarakhand, Karnataka, Himachal Pradesh, Assam, Arunachal Pradesh, Punjab, Madhya Pradesh, Jammu & Kashmir and West Bengal. These Mobile Polyclinics offer Medical Services to all beneficiaries including women & children also. Besides this, the Performance Bank Guarantee (PBG) rates were reduced in non-CGHS areas/cities to facilitate more hospitals to empanel with the ECHS. Further, the Ministry has submitted a proposal for the establishment of 130 Mobile Medical Units (MMUs) including the existing 20 Type 'E' (Mobile) Polyclinics under consideration to increase the reach of ECHS to remote locations and hilly/mountainous terrain. In addition to that, a Fixed Medical Allowance (FMA) has been granted to all ECHS beneficiaries who are residing in far flung areas where Polyclinics are not available. Further, the requirement of new Polyclinics as also dependency of ESM on Polyclinics is reviewed from time to time with an objective to open new Polyclinics as also for upgrading/downgrading the existing ones.

The Committee express their satisfaction that over the years with the increase in ESM, the organization is growing and devising new methods to help ESM. The Committee hope that with these new proposed arrangements to be put in place in the coming years, medical related problems of ESM would be minimized and ex-soldiers will not be facing any healthcare problems.

Reply of the Government

Matter of fact. The progress on the subject is being monitored on regular basis.

CHAPTER – III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE
TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT**

- NIL -

CHAPTER – IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

-NIL-

CHAPTER – V

OBSERVATIONS/ RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES/REPLIES AWAITED

-NIL-

**New Delhi;
05 August, 2025
14 Sravana, 1947 (Saka)**

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

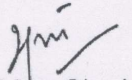
Government of India
Ministry of Commerce and Industry
Department of Industry Policy & Promotion
Udyog Bhavan, New Delhi.

Press Note No. 10 (2015 series)

**STREAMLINING THE PROCEDURE FOR GRANT OF INDUSTRIAL
LICENSES**

The initial validity of Industrial License for Defence Sector, as per Press Note 5 (2015 series), is presently seven years, further extendable up to 10 years.

2. In partial modification of the above mentioned Press Note, the initial validity of Industrial License for Defence Sector is being revised to 15 years, further extendable up to 18 years for existing as well as future Licenses. However, in case a license has already expired, the Licensee has to apply afresh for issue of license. This is being done as a measure to further promote ease of doing business, in view of the long gestation period of Defence contracts to mature.



(Shubhra Singh)

Joint Secretary to the Government of India

DIPP File No. 9(8)/2014-IL(IP) Dated the 22nd September, 2015.

1. Press Information Officer, Press Information Bureau –for giving necessary publicity
2. NIC, DIPP with the request to upload the Press note on DIPP's website
3. Hindi Section, DIPP for providing Hindi version.

APPENDIX I

STANDING COMMITTEE ON DEFENCE (2024-25)

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

The Committee sat on Tuesday, the 5th August, 2025 from 1500 hrs to 1600 hrs in Committee Room No. 1, Block A, Extension to 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. S. Jothimani
8	Shri Ravindra Shukla Alias Ravi Kishan
9	Shri Shashank Mani
10	Shri Lumba Ram
11	Shri Jagannath Sarkar
12	Shri Jagadish Shettar
13	Shri Virendra Singh
14	Shri Kesineni Sivanath
15	Shri Richard Vanlalhmangaiha
Rajya Sabha	
16	Shri Naresh Bansal
17	Shri Prem Chand Gupta
18	Shri Muzibulla Khan
19	Shri Praful Patel
20	Shri Dhairyashil Mohan Patil
21	Dr. Sudhanshu Trivedi

SECRETARIAT

- | | | |
|---------------------------|---|------------------|
| 1. Smt. Jyochnamayi Sinha | - | Joint Secretary |
| 2. Smt. Juby Amar | - | Director |
| 3. Shri Ajay Kumar Prasad | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the Sitting *i.e.* consideration and adoption of the draft Action Taken Reports on the Observations/Recommendations contained in their 1st, 2nd, 3rd and 4th Reports on Demands for Grants of the Ministry of Defence for the year 2024-25 and briefing by the representatives of the Ministry of Defence on the subject 'Consolidation of Defence lands by Defence Estates Organization and working of Cantonment Boards'.

3. The Committee then took up the following four draft Reports for consideration:

(i) Action Taken by the Government on the Observations/Recommendations contained in the First Report (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2024-25 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Defence Public Sector Undertakings, Welfare of Ex Servicemen and Defence Pension (Demand Nos. 19 and 22)';

(ii) Action Taken by the Government on the Observations/Recommendations contained in the Second Report (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2024-25 on 'Army, Navy, Air Force, Joint Staff and Ex-Servicemen Contributory Health Scheme (Demand Nos. 20 and 21)';

(iii) Action Taken by the Government on the Observations/Recommendations contained in the Third Report (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2024-25 on 'Capital Outlay on Defence Services, Procurement Policy and Defence Planning (Demand No. 21)'; and

(iv) Action Taken by the Government on the Observations/Recommendations contained in the Fourth Report (18th Lok Sabha) on Demands for Grants of the Ministry

of Defence for the year 2024-25 on 'Directorate of Ordnance (Coordination and Services) – New DPSUs and Defence Research and Development Organisation (Demand Nos. 20 and 21).

4. After deliberations, the Committee adopted the above Reports without any modifications. The Committee, then, authorised the Chairperson to finalise the above draft Report and present the same to the Parliament on a date convenient to him.

5. *****

The Committee then adjourned.

*****Does not pertain to the Reports

APPENDIX II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE SECOND REPORT (18TH LOK SABHA) OF THE STANDING COMMITTEE ON DEFENCE ON DEMANDS FOR GRANTS OF THE MINISTRY OF DEFENCE FOR THE YEAR 2024-25 ON ARMY, NAVY, AIR FORCE, JOINT STAFF AND ECHS (DEMAND NOS. 20 AND 21)'.

- | | |
|---|---|
| 1. Total No. of Recommendations | 30 |
|
 | |
| 2. Observations/Recommendations which have been accepted by the Government (Chapter II):
Recommendation Para Nos. 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16, 17,18,19,20,21,22,23,24,25,26,27,28,29 and 30. | |
| | Total : 30
Percentage:100% |
|
 | |
| 3. Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government (Chapter III): Recommendation Para Nos. -Nil- | |
| | Total : 00
Percentage:00 % |
|
 | |
| 4. Observations/Recommendations in respect of which reply of Government has not been accepted by the Committee (Chapter IV): -Nil- | |
| | Total : 00
Percentage:00% |
|
 | |
| 5. Observations/recommendations in respect of which final replies of the Government are still awaited (Chapter V) -Nil- | |
| | Total : 00
Percentage:00% |