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

**(EIGHTEENTH LOK SABHA)**

**MINISTRY OF DEFENCE**

**DEMANDS FOR GRANTS (2024-25)**

**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)**

**FIRST REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**December, 2024 / Agrahayana 1946 (Saka)**

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**(DEMAND NOS. 19 AND 22)**

*Presented to Lok Sabha on 17.12..2024.*

*Laid in Rajya Sabha on 17.12.2024.*



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**December, 2024 / Agrahayana 1946 (Saka)**

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

SHRI RADHA MOHAN SINGH

-

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

## **SECRETARIAT**

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

## INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2024-25), having been authorised by the Committee, present this First Report (18<sup>th</sup> 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)'.

2. The Demands for Grants of the Ministry of Defence were laid on 2<sup>nd</sup> August, 2024 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 21 and 26 November, 2024. The draft Report was considered and adopted by the Committee at their Sitting held on 12<sup>th</sup> December, 2024.

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

4. The Committee wish to express their thanks to the officers of the Ministry of Defence and representatives of the Services/Organisations for appearing before the Committee and furnishing the material and information which the Committee desired in connection with examination of the Demands for Grants.

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

**New Delhi;**  
**17 December, 2024**  
**26 Agrahayana, 1946 (Saka)**

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

# REPORT

## CHAPTER – I

### GENERAL DEFENCE BUDGET

#### Introductory

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

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

- i. **Department of Defence (DoD):** The Department of Defence deals with Defence Policy and planning, Defence Cooperation with foreign countries. It is also responsible for the Defence Budget, establishment matters, matters relating to Parliament and co-ordination of all defence related activities. The Major Organisations/Wings, under this Department are Acquisition Wing, Directorate General of Armed Forces Medical Services (DGAFMS), Indian Coast Guard, Border Roads Organisation, Directorate General of Defence Estates (DGDE), Canteen Stores Department, National Cadet Corps, Sainik School Society and Defence Accounts Department.
- ii. **Department of Military Affairs (DMA):** The Department of Military Affairs (DMA) was created in 2019 and deals with the promotion of jointness in procurement, training and staffing for the Services. Facilitation of restructuring of Military commands for optimal utilization of resources and promotion of use of indigenous equipment are also the mandates of this Department.
- iii. **Department of Defence Production (DDP):** The Department of Defence Production deals with matters pertaining to defence production, indigenisation of imported stores, equipment and spares, planning and control of Defence Public Sector Undertakings (DPSUs).
- iv. **Department of Defence Research and Development (DDR&D):** The function of Department of Defence Research and Development is to advise the Government on scientific aspects of military equipment and

logistics and the formulation of research, design and development plans for equipment required by the Services.

- v. **Department of Ex-Servicemen Welfare (DESW):** The Department of Ex-Servicemen Welfare deals with all resettlement, welfare and pensionary matters of Ex-Servicemen.

### **Demands for Grants**

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

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

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

1.5 The 'running' or 'operating' expenditure of the three Services and other Departments viz., DRDO, Directorate of Ordnance (Coordination and Services) {DoO(C&S)}, DGQA, NCC, and ECHS are provided under the Demand No.20- Defence Services (Revenue), which cater for the Revenue expenditure, while the Demand No 21 viz. Capital Outlay on Defence Services, caters for the Acquisition of platforms / equipment / weapons and expenditure on Land and Capital works of the Defence Services and other associated Organizations viz DRDO & DoO (C&S) (erstwhile Ordnance Factories). Re-structuring of Capital budget has been done with effect from FY 2024-25 wherein budgetary allocation of the three Services under common minor heads has been clubbed under the newly introduced Sub Major Head 09 i.e Defence services. Allocation under other minor heads which are not common to the Services has been kept as it is.

1.6 Revenue expenditure includes expenditure on pay & allowances, transportation, revenue stores (like ordnance stores, rations, petrol, oil and lubricants, spares, maintenance of various platforms / equipment etc), revenue works (which include maintenance of buildings, water and electricity charges, rents, rates and taxes, etc)

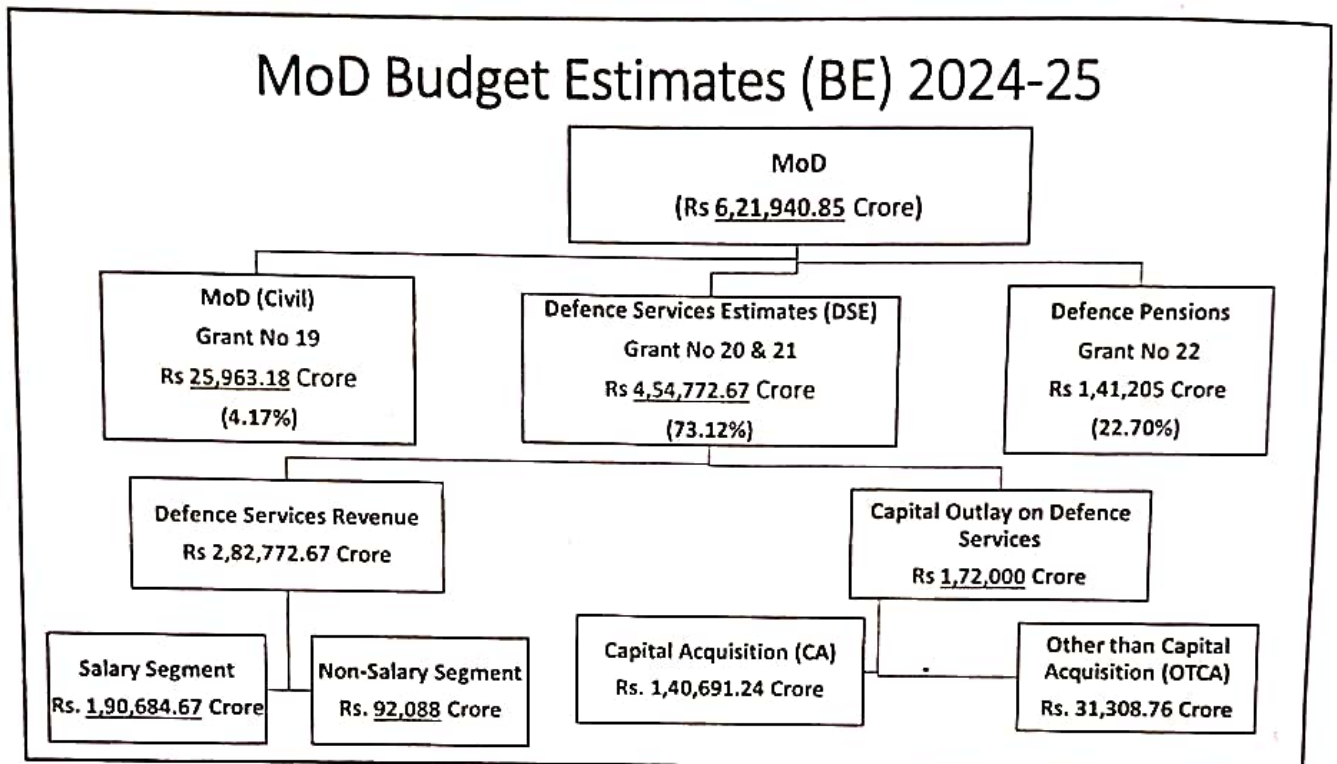


and other miscellaneous expenditure. Capital expenditure includes expenditure on land, construction works, plant and machinery, equipment, heavy and medium vehicles, Naval Vessels, Aircraft and Aero engines, Dockyards, etc.

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

**Defence Budget 2024-25: Summary**

1.8 During examination of Demand for Grants 2024-25, the Ministry, through a Power Point Presentation before the Committee submitted the following information:



## Total Defence Budget: At a Glance (Net)

(₹ in crore)

Service	REVENUE			CAPITAL			TOTAL		
	2023-24 (BE)	2024-25 (BE)	% increase	2023-24 (BE)	2024-25 (BE)	% increase	2023-24 (BE)	2024-25 (BE)	% increase
Army	1,82,649.97	1,92,680.60	5.49	37,361.54	35,684.95	-4.49	2,20,011.51	2,28,365.55	3.80
Navy	32,284.20	32,778.73	1.53	52,804.75	62,545.98	18.45	85,088.95	95,324.71	12.03
Air Force	44,345.58	46,223.49	4.23	58,268.71	59,062.07	1.36	1,02,614.29	1,05,285.56	2.60
DoO(C&S)	426.50	442.46	3.74	1,315.00	1,499.00	13.99	1,714.50	1,941.46	13.24
DRDO	10,413.89	10,647.61	2.24	12,850.00	13,208.00	2.79	23,263.89	23,855.61	2.54
Total-DSE	2,70,120.14	2,82,772.67	4.68	1,62,600.00	1,72,000.00	5.78	4,32,720.14	4,54,772.67	5.10
MoD(Civil)	13,837.71	15,722.33	13.62	8,774.79	10,240.85	16.71	22,612.50	25,963.18	14.82
<b>Total</b>							4,55,332.64	4,80,735.85	5.58
<b>Defence Pension</b>							1,38,205.00	1,41,205.00	2.17
<b>Grand Total</b>							5,93,537.64	6,21,940.85	4.79

### Defence Services Estimates (DSE) 2024-25: Demand Nos. 20 and 21

1.9 The Committee have been apprised that for the Financial Year 2024-25, the total allocation under Defence Services Estimates (Net) covering Grant No. 20 and 21 is ₹ 4,54,772.67 crore, of which the total Outlay for Revenue Expenditure (Grant No.20) stands at ₹ 2,82,772.67 crore presenting an increase of 10.38% over the Actual Expenditure of Financial Year i.e. 2022-23. Similarly, Capital Outlay (Grant No. 21) stands at ₹ 1,72,000.00 crore representing an increase of 20.33% over Actual

Expenditure of the Financial Year i.e 2022-23.The Services and Organizations covered under DSE are as follows:

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

1.10 The summary of Defence Services Estimates 2024-25 compared with 2023-24, as furnished by the Ministry in a Power Point Presentation, is tabulated below:

(₹ in crore)

	BE 2023-24			BE 2024-25		
	Allocation	% of Rev. Exp.	% of DSE	Allocation	% of Rev. Exp.	% of DSE
Revenue Expenditure						
Salary (including Wages)	1,80,120.14	66.68	41.63	1,90,684.67	67.43	41.93
Stores & Equipment	56,617.73	20.96	13.08	56,290.54	19.91	12.38
Transportation	7,094.04	2.63	1.64	7,190.78	2.54	1.58
Miscellaneous	10,269.75	3.80	2.37	12,087.81	4.27	2.66
Revenue Works, etc	16,018.48	5.93	3.70	16,518.87	5.84	3.63
(a) Total Revenue Expenditure	2,70,120.14	100.00	62.42	2,82,772.67	100.00	62.18
(b)Capital	1,62,600.00		37.58	1,72,000.00		37.82

Outlay					
Capital Acquisition/ Modernisation	1,32,301.27		30.57	1,40,691.24	30.94
Total (a & b)	4,32,720.14		100.00	4,54,772.67	100.00

### **Civil and Pension Estimates (2024-25): Demand Nos. 19 and 22**

1.11 While examining the subject, the Committee also learnt that the requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department, Defence Estates Organisation, Coast Guard Organisation, Jammu & Kashmir Light Infantry (J&K LI), Border Roads Organization, etc., and Defence Pensions, are provided for in two separate Civil Demands for Grants of the Ministry of Defence, viz. Demand No.19- MoD(Civil) and Demand No. 22 - Defence Pensions. The allocation under Demand No. 19 and 22 in Budget Estimates 2024-25 is ₹ 25,963.18 crore and ₹ 1,41,205 crore, respectively.

### **Demand No.19-Ministry of Defence (Civil)**

1.12 The Committee found that the provision of funds for Ministry of Defence (Civil) under Demand Number 19 in Budget Estimates (BE) 2024-25 is ₹ 25,963.18 crore. Further details of MoD (Civil) Budget and comparison with BE 2023-24 are given below:

(₹ in crore)

	2023-24(BE)	2024-25(BE)	% increase
Salary	9,595.61	9,998.47	4.20
Non-Salary	4,242.10	5,723.86	34.93
Total(Revenue)	13,837.71	15,722.33	13.62
Capital	8,774.79	10,240.85	16.71
Total(Revenue+ Capital)	22,612.50	25,963.18	14.82

1.13 The Committee have been informed that budgetary allocations to different Organisations/Departments under MoD (Civil) for 2024-25 (BE) and 2023-24 (BE) are as under:

(₹ in crore)

Org	2023-24 (BE)	2024-25 (BE)		2023-24 (BE)	2024-25 (BE)		2023-24 (BE)	2024-25 (BE)	
	Revenue	Revenue	% increase	Capital	Capital	%age increase	Total	Total	% increase
AFT	44.80	68.00	51.79	4.70	3.10	-34.04	49.50	71.10	43.64
ICG	3,661.47	4,151.80	13.39	3,536.00	3,500	-1.02	7,197.47	7,651.80	6.31
BRO	5,167.75	5,595.41	8.28	5,012.00	6,512.00	29.93	10,179.75	12,107.41	18.94
CSD(Gross)	22,981.00	26,250.00	14.22	23.50	27.30	16.17	23,004.50	26,277.30	14.23
CSD(Receipts)	23,232.00	26,375.00	13.53	-	-	-	23,232.00	26,375.00	13.53
CSD(NET)	251.00	125.00	-50.20	23.50	27.30	16.17	227.50	97.70	-57.05
DEO	620.05	621.61	0.25	42.65	42.60	-0.12	662.70	664.21	0.23
DAD	2,299.23	2,559.01	11.30	148.50	148.41	-0.06	2,447.73	2,707.42	10.61
MoD Secretariat	467.72	885.28	89.28	7.44	7.44	-	475.16	892.72	87.88
JAKLI	1,797.71	1,936.24	7.71	-	-	-	1,797.71	1,936.24	7.71
IDSA	29.98	29.98	-	-	-	-	29.98	29.98	-
<b>Total</b>	<b>13,837.71</b>	<b>15,722.33</b>	<b>13.62</b>	<b>8,774.79</b>	<b>10,240.85</b>	<b>16.71</b>	<b>22,612.50</b>	<b>25,963.18</b>	<b>14.82</b>

## **Demand No. 22- Defence Pensions**

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

(₹ in crore)

<b>BE 2023-24</b>	<b>RE 2023-24</b>	<b>BE 2024-25</b>
1,38,205	1,42,095	1,49,205

1.15 The Committee have been apprised that the additional requirement of ₹11,000crore for BE 2024-25 over BE 2023-24 is mainly due to normal growth in pensions and impact of dearness relief.

### **Budget Allocation for 2023-24**

1.16 The Committee have found that the provision for Defence Services under Demand Nos. 20 and 21 for 2023-24 in the Budget Estimates (BE) was ₹4,32,720.14crore (Net). The Revised Estimates (RE) have been provided at ₹ 4,55,896.95 crore (Net). On a net basis, the R.E. for 2023-24 show an increase of ₹23,176.81 crore over the B.E. 2023-24. The net Revenue budget for BE 2023-24 at ₹2,70,120.14crore has been increased by ₹28,548.61crore to bring the RE at ₹2,98,668.75crore. In the Capital Outlay, the RE 2023-24 is ₹ 1,57,228.20 crore which is ₹ 5,371.80 crore less than the BE 2023-24 allocation of ₹1,62,600.00crore.

1.17 The Major Head wise position, as the Committee have learnt, under the Demand Nos. 20 and 21 for BE 2023-24 and RE 2023-24 is as follows:

(₹ in crore)

S.No.	Demand	Major Head	B.E. 2023-24	R.E. 2023-24
1.	20- Defence Services ( Revenue )	2076- Army	1,87,206.44	2,00,633.20
		2077- Navy	33,034.20	35,900.53
		2078- Air Force	45,645.58	57,972.10
		2079-	433.50	425.50

		OrdFys/DoO(C&S)		
		2080- R& D	10,713.89	11,048.89
2.	21- Capital Outlay on Defence Services	4076- Capital Outlay on Defence Services	1,62,600.00	1,57,228.20
Total (Gross)			4,39,633.61	4,63,208.42
Receipts/Recoveries			6,913.47	7,311.47
Total (Net)			4,32,720.14	4,55,896.95

1.18 The Committee have been informed that out of the Revised Estimates of ₹ 4,55,896.95 crore for 2023-24, the provision for Revenue expenditure is ₹ 2,98,668.75 crore, while that for Capital expenditure was ₹ 1,57,228.20 crore. The major components of the net Capital expenditure of ₹ 1,57,228.20 crore are for Land – ₹ 1,050.71 crore, Works – ₹ 12,773.44 crore (incl. Married Accommodation Project), Aircraft – ₹ 24,113.20 crore, Heavy and Medium Vehicles – ₹ 2,718.28 crore, Other Equipment – ₹ 72.135.59 crore, Naval Fleet ₹ 24,475.66 crore, Naval Dockyard – ₹ 5,359.64 crore and other items ₹ 14,601.68 crore.

### **Budget Estimates 2024-25 under Defence Services Estimates**

1.19 The Committee have learnt that Budget Estimates for 2024-25 under Defence Services Estimates work out to ₹4,61,687.14 crore (Gross) and ₹4,54,772.67 crore (Net) and the details are as under:

(₹ in crore)

S.No.	Demand	Major Head	BE 2023-24	R.E. 2023-24	BE 2024-25
1.	20- Defence Services (Revenue)	2076- Army	1,87,206.44	2,00,633.20	1,97,236.85
		2077- Navy	33,034.20	35,900.53	33,528.73
		2078- Air Force	45,645.58	57,972.10	47,523.49
		2079- OrdFys/DoO(C&S)	433.50	425.50	450.46
		2080- R&D	10,713.89	11,048.89	10,947.61

2.	21- Capital Outlay on Defence Services	4076- Capital Outlay on Defence Services	1,62,600.00	1,57,228.20	1,72,000.00
Total (Gross)			4,39,633.61	4,63,208.42	4,61,687.14
Receipts/Recoveries			6,913.47	7,311.47	6,914.47
Total (Net)			4,32,720.14	4,55,896.95	4,54,772.67

1.20 The net Budget Estimates of Revenue expenditure for the year 2024-25 is ₹ 2,82,772.67 crore which shows decrease of ₹ 15,896.08 crore when compared with the Revised Estimates for 2023-24. The net Budget Estimates of Capital expenditure for the year 2024-25 is ₹ 1,72,000 crore which shows an increase of ₹ 14,771.80 crore over the Revised Estimates 2023-24.

1.21 A comparison of the Service/Department-wise allocations in RE 2023-24 and BE 2024-25 under Defence Services Estimates, as furnished by the Ministry, is given below:

(₹ in crore)

Service/ Deptt.	R.E. 2023-24	%age of Total Budget	B.E. 2024-25	%age of Total Budget
Army	2,32,900.86	50.28%	2,31,441.02	50.14%
Navy	86,952.71	18.77%	96,074.71	20.81%
Air Force	1,16,472.61	25.14%	1,06,585.56	23.09%
DGOF/ DoO(C&S)	1,736.00	0.37%	1,949.46	0.42%
R&D	23,991.74	5.18%	24,155.61	5.23%
DGQA	1,154.5	0.25%	1,480.78	0.32%
<b>Total</b>	<b>4,63,208.42</b>	<b>100%</b>	<b>4,61,687.14</b>	<b>100%</b>

Note: Gross Revenue plus Capital provision has been shown here



## **Highlights of Defence Budget 2024-25**

1.22 During examination of Demands for Grants of the Ministry of Defence for the year 2024-25, the Committee have been apprised that highlights of the Defence Budget 2024-25 are as under:

- i. The total outlay for the Ministry of Defence for BE 2024-25 is ₹ 6,21,940.85 crore and amounts to approx. 12.90% of Budgetary Estimate of Union of India, which is highest among the Ministries. The allocation to MoD for FY 2024-25 is 4.79% more than BE allocation of FY 2023-24.
- ii. Out of the total outlay for the Ministry of Defence for BE 2024-25, a share of 27.66% goes to capital; 14.82% for revenue expenditure on sustenance and operational preparedness; 30.66% for Pay and Allowances; 22.70% for Defence Pensions, and 4.17% for civil organizations under MoD.
- iii. The total Capital allocation to the Ministry of Defence is ₹ 1,82,240.85 crore, which is 16.40% of Central Government Capital expenditure. Capital Allocation of Defence Services has been increased to ₹ 1,72,000 crore and the projected requirement has been fully met.
- iv. In addition to this ₹ 10,240.85 crore is allocated as Capital under MoD(Civil) primarily for Border Roads & Indian Coast Guard.
- v. In BE of FY 2024-25, ₹ 6,968 crore has been allotted to Ex-Servicemen Contributory Health Scheme (ECHS) which is 28% higher than the previous year allocation.
- vi. 75 % of Defence Modernization budget has been earmarked for domestic industry in FY 2024-25.
- vii. To further foster innovation, encourage technology development and strengthen the Defence Industrial eco-system in the country, allocation under iDEX (including sub-scheme ADITI) scheme has been enhanced to ₹ 519 crore in Current Financial Year from ₹ 116 crore in the last financial year.

## **Projection and allocation under Defence Budget**

1.23 Details of budget provided to the MoD (all four Grants) in Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure for the last five years and BE 2024-25 are tabulated as under:

(₹ in crore)

Years	BE Projections	BE Allocations	RE Projections	RE Allocation	Actual Expenditure
2019-20	5,41,073.17	4,31,010.79	5,64,185.75	4,48,820.10	4,52,996.44
2020-21	5,74,314.91	4,71,378.00	5,61,004.07	4,84,736.06	4,85,680.54
2021-22	6,22,800.51	4,78,195.62	5,73,882.54	5,02,883.54	5,00,680.88
2022-23	6,33,346.02	5,25,166.15	5,92,689.40	5,84,791.10	5,73,098.08
2023-24	6,37,113.51	5,93,537.64	6,30,899.21	6,23,888.94	6,09,853.98
2024-25	6,80,310.22	6,21,940.85		-	-

1.24 During discussion on Demands for Grants 2024-25, the Committee desired to know whether the allocated budget is optimally utilised by the Ministry of Defence. In response, the Defence Secretary replied in affirmative as under:

“रेवेन्यू बजट के यूटिलाइजेशन में कोई दिक्कत नहीं होती है।यूजअली हमें और ज्यादा जरूरत पड़ती है।क्योंकि फ्यूल, ऑर्डिनेंस, मेडिकल अलाउंसेज आदि इस तरह की चीजों में बढ़ोतरी ज्यादा होती हैं।हमने कैपिटल एक्विजिशन बजट में भी पिछले साल 99 परसेंट यूटिलाइजेशन किया था।सेविंग बहुत मामूली सी थी।इस वर्ष हमारा बजट 1 लाख 72 हजार करोड़ रुपये का है, उसमें भी हमारी प्लानिंग है कि हम जो कान्ट्रैक्ट्स अप्रूवल के लिए गवर्नमेंट ऑफ इंडिया में प्रोसेस कर रहे हैं, उसके आधार पर हमें विश्वास है कि हम 1 लाख 70 हजार करोड़ रुपये तक का खर्चा कर पाएंगे।यूटिलाइजेशन में हम काफी हद तक सेविंग्स को अवाॅइड करने की स्थिति में है।”

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

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

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

(₹ in crore)

Financial Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Defence Budget (all four Grants) (BE)</b>	431,010.79	471,378.00	478,195.62	525,166.15	593,537.64	621,940.85
<b>Growth in Defence Budget over previous year</b>	-	9.37	1.45	9.82	13.02	4.79
<b>Inflation Rate (CPI) (%age)</b>	-	6.6	5.2	5.7	5.4	5.1
<b>Growth in Defence Budget adjusting inflation (%age)</b>	-	2.77	-3.75	4.12	7.62	-0.31
<b>Inflation Rate (WPI) (%age)</b>	-	0.1	12.5	5	-	-

Note:- Inflation rate is as per the Economic Survey of the respective financial year.

It may be noted that Defence Budget has increased at a Compound Annual Growth Rate (CAGR) of 7.6% from FY 2019-20 to FY 2024-25 which is greater than the inflation rate in each year.”

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

1.26 The Committee have been apprised that the total Defence Budget (including MoD (Civil) and Defence Pensions) is ₹ 6,21,940.85 crore for the year 2024-25, which is 12.90% of total Central Government Expenditure and 1.91% of GDP for the year 2024-25. Also, Capital Budget {includes Capital portion of MoD(Civil)} of Ministry of

Defence for 2024-25 is approximately 16.40% of the total capital expenditure of the Central Government Expenditure.

1.27 Data on growth of Defence Budget (all 4 Grants) in comparison to central budget and GDP, in absolute and relative terms, for the last five years and FY 2023-24as provided to the Committee by the Ministry, is as under:

(₹ in crore)

Year	Defence Expenditure	Total CGE (Actuals)	Def. Exp % of CGE	GDP	Def. Exp % of GDP
<b>2019-20(Actual)</b>	4,52,996	26,86,330	16.86	2,01,03,593	2.25
<b>2020-21(Actual)</b>	4,85,681	35,09,836	13.84	1,98,54,096	2.45
<b>2021-22 (Actual)</b>	5,00,681	37,93,801	13.20	2,35,97,399	2.12
<b>2022-23 (Actual)</b>	5,73,098	41,93,157	13.67	2,69,49,646	2.13
<b>2023-24 (Provisional Actual)</b>	6,09,854	44,42,542	13.73	2,95,35,667 (1 <sup>st</sup> RE)	2.06
<b>2024-25 (BE)</b>	6,21,941	48,20,512	12.90	3,26,36,912 (PE)	1.91

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

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

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

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

“A like to like comparison of the data on defence spending vis-à-vis that of other countries is difficult due to lack of uniformity in treatment of different components of expenditure and non-availability of reliable published data.

Nevertheless, based on inputs from Stockholm International Peace Research Institute (SIPRI) Military Expenditure Database, data on defence budget in respect of neighbouring countries and some advanced countries, including defence spending as percentage of their GDP and share of government spending, is given below:

[In current US \$ Million]

Country	2021			2022			2023		
	Def. exp.	% of GDP	% of govt. exp	Def. exp.	% of GDP	% of govt. exp	Def. exp.	% of GDP	% of govt. exp
China	285930.5	1.61	4.96	291958.4	1.6	4.79	296438.6	1.6	4.9
Pakistan	11836.4	2.87	18.66	10337.5	2.63	17.89	8521.2	2.8	14.45
USA	806230.2	3.46	8.04	876943.2	3.45	9.32	916014.7	3.36	9.06
Russia	65907.7	3.72	10.22	86373.1	4.06	10.35	109454.4	5.86	16.14
UK	67500.7	2.1	4.7	68462.6	2.1	5.2	74942.84	2.3	-

Source: SIPRI Military Expenditure Data Base”

### **Projections made by the Services, allocation and expenditure**

1.29 Details regarding the projections made by the three Services, allocations made at BE and RE stage and the expenditure incurred during the last five years, and the projected and allocated budget for FY 2024-25, separately and combined under Capital and Revenue Heads, are as follows: -

**A. REVENUE****(₹ in crore)**

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2019-20	Army	1,52,321.32	1,40,398.49	1,52,424.82	1,42,773.83	1,42,529.38
	Navy	27,086.29	22,211.71	28,737.09	22,786.71	22,387.31
	Air Force	34,849.50	29,601.69	40,382.40	29,951.69	30,124.31
2020-21	Army	1,65,228.28	1,45,785.88	1,53,436.68	1,44,545.67	1,39,903.33
	Navy	32,237.96	22,934.75	28,379.84	23,347.69	23,166.05
	Air Force	43,904.17	29,962.66	44,605.21	31,742.07	32,825.23
2021-22	Army	1,70,705.28	1,47,644.13	1,68,657.23	1,57,619.06	1,57,092.05
	Navy	34,256.83	23,360.68	30,069.08	23,925.91	23,834.99
	Air Force	44,992.90	30,652.53	48,816.59	34,283.02	34,375.46
2022-23	Army	1,74,038.35	1,63,713.69	1,80,526.71	1,73,335.62	1,70,019.87
	Navy	34,701.66	25,406.42	34,441.48	30,734.58	30,042.41
	Air Force	50,692.44	32,873.46	54,997.72	44,728.10	45,667.15
2023-24	Army	1,84,989.60	1,81,371.97	1,97,628.57	1,95,032.23	1,91,602.05
	Navy	36,605.04	32,284.20	36,776.65	35,150.53	34,261.53
	Air Force	68,081.58	44,345.58	58,565.41	56,272.10	53,024.91
2024-25	Army	2,14,577.03	1,91,319.60			
	Navy	40,649.26	32,778.73	-	-	-
	Air Force	60,847.17	46,223.49			

*Note:- Navy includes Joint Staff.*

**B. Capital****(₹ in crore)**

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2019-20	Army	44,660.57	29,511.25	46,032.00	29,666.90	29,000.88
	Navy	37,220.98	23,156.43	40,123.18	26,156.43	27,446.68
	Air Force	74,894.56	39,347.19	81,301.99	44,947.19	45,104.23
2020-21	Army	50,373.60	32,462.38	39,019.17	33,283.28	26,320.93
	Navy	45,268.31	26,688.28	51,769.28	37,542.88	41,666.76
	Air Force	66,207.29	43,281.91	72,955.18	55,083.91	58,207.95
2021-22	Army	51,492.10	36,531.90	38,344.90	25,377.09	25,130.94
	Navy	70,920.78	33,253.55	50,011.38	46,021.54	45,028.64
	Air Force	77,140.56	53,214.77	71,176.39	53,214.77	53,217.19
2022-23	Army	46,844.37	32,115.26	32,598.49	32,598.49	36,616.19
	Navy	67,622.96	47,590.99	47,727.03	47,727.03	46,091.48
	Air Force	85,322.60	56,851.55	56,264.54	53,871.17	44,917.78
2023-24	Army	37,341.54	37,341.54	33,412.16	33,412.16	28,613.45
	Navy	52,804.75	52,804.75	51,283.98	51,052.18	50,762.62
	Air Force	58,808.48	58,268.71	58,268.71	58,500.51	60,757.63
2024-25	Army	35,664.95	35,664.95			
	Navy	62,545.98	62,545.98			
	Air Force	59,062.07	59,062.07			

*Note:- Navy includes Joint Staff.*

**C. REVENUE + Capital**

(₹ in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2019-20	Army	1,96,981.89	1,69,909.74	1,98,456.82	1,72,440.73	1,71,530.26
	Navy	64,307.27	45,368.14	68,860.27	48,943.14	49,833.99
	Air Force	1,09,744.06	68,948.88	1,21,684.39	74,898.88	75,228.54
2020-21	Army	2,15,601.88	1,78,248.26	1,92,455.85	1,77,828.95	1,66,224.26
	Navy	77,506.27	49,623.03	80,149.12	60,890.57	64,832.81
	Air Force	1,10,111.46	73,244.57	1,17,560.39	86,825.98	91,033.18
2021-22	Army	2,22,197.38	1,84,176.03	2,07,002.13	1,82,996.15	1,82,222.99
	Navy	1,05,177.61	56,614.23	80,080.46	69,947.45	68,863.63
	Air Force	1,22,133.46	83,867.30	1,19,992.98	87,497.79	87,592.65
2022-23	Army	2,20,882.72	1,95,828.95	2,13,125.20	2,05,934.11	2,06,636.06
	Navy	1,02,324.62	72,997.41	82,168.51	78,461.61	76,133.89
	Air Force	1,36,015.04	89,725.01	1,11,262.26	98,599.27	90,584.93
2023-24	Army	2,22,331.14	2,18,713.51	2,31,040.73	2,28,444.39	2,20,215.50
	Navy	89,409.79	85,088.95	88,060.63	86,202.71	85,024.15
	Air Force	1,26,890.06	1,02,614.29	1,16,834.12	1,14,772.61	1,13,782.54
2024-25	Army	2,50,241.98	2,26,984.55	-	-	-
	Navy	1,03,195.24	95,324.71	-	-	-
	Air Force	1,19,909.24	1,05,285.56	-	-	-

Note:- Navy includes Joint Staff.

1.30 During oral evidence of the representatives of the Ministry of Defence in connection with examination of Demands for Grants 2024-25, the Committee observed that the capital allocation for Army decreased in comparison with BE 2023-24 whereas the Navy's capital allocation registered an increase over that in BE 2023-24. The Defence Secretary furnished the reasons for this difference as under:

“जहां तक आर्मी, नेवी और एयरफोर्स के बीच में थोड़ा डिफरेंस है, आर्मी का जो इन्विपमेंट्स होता है, वह उतना महंगा नहीं होता है। नेवी और एयरफोर्स के जो प्लेटफार्म्स हैं, वह कहीं ज्यादा एक्सपेंसिव होते हैं। इसलिए नेवी का ज्यादा दिख रहा है। यह भी बात है कि कई केसेस में नेवी के जो बड़े ऑर्डर्स हैं, जैसे प्रीडेटर ड्रॉन्स का एक बड़ा ऑर्डर आया, कभी-कभी लम्पी एक्सपेंडिचर एक साथ आ जाता है, इसलिए एक जम्प दिख रहा है। आर्मी के लिए हमारा विश्वास है कि यह जो एमाउंट है, यह काफी होगा।”



1.31 The Committee are aware that non-salary segment of Grant Number 20, *inter alia*, is for the emergency requirements of the Forces. During discussion on DFG 2024-25, the Committee sought details regarding contingency fund for emergency requirements of the Services. The Chief of Defence Staff in this regard submitted as under:

“इमर्जेंसी प्रोक्योरमेंट इमर्जेंसी के टाइम में की जाती हैं, जैसे चाइना के साथ हमारा वर्ष 2020 में प्रॉब्लम हुआ था। तब माननीय रक्षा मंत्री जी ने चार बार इमर्जेंसी प्रोक्योरमेंट सैंक्शन किए थे। तीन इमर्जेंसी प्रोक्योरमेंट ओपन थे, अर्थात् हम कहीं से भी ले सकते थे, लेकिन जो लास्ट इमर्जेंसी प्रोक्योरमेंट था, वह हम सिर्फ इंडियन फर्म से ही ले सकते थे। उस से हम लोगों को हमारे जो गैप्स थे, उनको एड्रेस करने में काफी सुविधा मिली और आसानी हुई। लेकिन इमर्जेंसी प्रोक्योरमेंट इमर्जेंसी के लिए ही है, वह रेगुलर प्रोक्योरमेंट में नहीं है। उसके लिए डिफेंस सेक्रेट्री साहब और हम सब लोग मिलकर एक फास्टट्रैक प्रोक्योरमेंट का तरीका बनाने की कोशिश कर रहे हैं।”

### **Additional Allocation sought by the Services**

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

(₹ in crore)

Year	Service	BE	RE		Additional amount sought in RE	MA Allocation
		Allocated	Projected	Allocated		
2019-20	Army	1,69,909.74	1,98,456.82	1,72,440.73	28,547.08	1,73,405.32
	Navy	45,368.14	68,860.27	48,943.14	23,492.13	48,261.58
	Air Force	68,948.88	1,21,684.39	74,898.88	52,735.51	74,906.18
2020-21	Army	1,78,248.26	1,92,455.85	1,77,828.95	14,207.59	1,70,677.21
	Navy	49,623.03	80,149.12	60,890.57	30,526.09	64,725.13
	Air Force	73,244.57	1,17,560.39	86,825.98	44,315.82	90,817.31
2021-22	Army	1,84,176.03	2,07,002.13	1,82,996.15	22,826.10	1,82,862.81
	Navy	56,614.23	80,080.46	69,947.45	23,466.23	69,619.46
	Air Force	83,867.30	1,19,992.98	87,497.79	36,125.68	87,660.98
	Army	1,95,828.95	2,13,125.20	2,05,934.11	17,296.25	2,09,398.89

2022-23	Navy	72,997.41	82,168.51	78,461.61	9,171.10	77,696.59
	Air Force	89,725.01	1,11,262.26	98,599.27	21,537.25	94,864.64
2023-24	Army	2,18,713.51	2,31,040.73	2,28,444.39	12,327.22	2,23,232.41
	Navy	85,088.95	88,060.63	86,202.71	2,971.68	85,712.78
	Air Force	1,02,614.29	1,16,834.12	1,14,772.61	14,219.83	1,16,111.40

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

“This Ministry submits the requirements projected by Services to Ministry of Finance for favourable consideration. While allocating funds, Ministry of Finance analyses past absorption capacity of the Services and the pace of expenditure in the current Financial Year. In addition to this, based on the overall ceilings conveyed by MoF, Ministry of Defence allocates funds among the Services and Organisations under MoD, based on Inter-Services priorities, committed liabilities, allocations/earmarking for critical projects etc.”

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

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

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

during the year. The remaining allocation is distributed to meet the projected requirement for other items including Land/Works.

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

### **Modern warfare**

1.35 When asked whether our Services have been equipped with state-of-the-art equipment to ensure optimum operational preparedness and reconnaissance purposes, the CDS during oral evidence submitted as under:

“आपने हाल ही में अखबार में पढ़ा होगा कि एसबीएस-3, सैटलाइट बेस्ड सर्वेलेंस-3, गवर्नमेंट ने, सीसीएस ने इसका अप्रूवल दिया है। इसके अंतर्गत अगले पांच सालों में करीब 52 सैटलाइट्स लॉन्च किए जाएंगे। ये सारे सैटलाइट्स आईएसआर रिक्वायर्मेंट, intelligence, surveillance and reconnaissance के लिए हैं। इसके अलावा हम लोगों का एलिट सैटलाइट्स, समूहा, को भी अगले तीन-चार सालों में अंतरिक्ष में भेजने का प्लान है। इसके अलावा डिफेंस सेक्रेट्री ने ब्रीफ में MALE and HALE UAVs के बारे में बताया था, ये जो हमने प्रिडिटर ड्रॉन्स खरीदे हैं, ये भी सर्वेलेंस के लिए इस्तेमाल होते हैं। इसके अलावा नेवी ने मेरिटाइम सर्वेलेंस के लिए कोस्टल सर्वेलेंस रडार्स का एक नेटवर्क लगाया है। इसी हिसाब से एयरफोर्स के पास भी एयर से सर्वेलेंस करने के लिए AWACS वगैरह जैसे इक्युपमेंट्स हैं।”

1.36 When further asked about the shift in the strategy of warfare and use of non-kinetic warfare and our preparedness in this regard, the CDS added as under:

“इसके अलावा वॉरफेयर जो चेंज हो रहा है और नॉन-काइनेटिक वॉरफेयर के बारे में एक सवाल आया था कि युद्ध और युद्धकला, दोनों में बहुत तेजी से परिवर्तन आ रहा है। भारतीय सेनाएं इसको बड़े गौर से देख रही हैं कि किस तरह का परिवर्तन है। हम चाहते हैं कि हम आधुनिक देशों के साथ इस तरह के न्यू रेवोल्यूशन में एंटर करें, न कि इस दौड़ में उनसे पीछे रहें। नॉन-काइनेटिक युद्ध जनरली साइबर, इलेक्ट्रॉनिक वॉरफेयर और कॉग्नेटिव डोमेन, इन

तीनों चीजों के ऊपर निर्भर करता है। इन तीनों चीजों में भी हम अपनी क्षमताएं बढ़ाने की कोशिश कर रहे हैं।”

1.37 The Committee further desired to be apprised of the details of the percentage of imported and obsolete equipment in the Armed Forces. In response, the CDS submitted as under:

“Sir, normally in the Armed Forces we have a philosophy of state-of-the-art equipment should be about 30 per cent, contemporary equipment would be about 40 per cent, and 30 per cent which is nearing obsolescence and which requires to be changed. This is the philosophy which we follow.

As far as what was happening in past and what is happening currently, actually there is a major shift in the policy of the Government. Earlier, we would import equipment from outside, but for the past couple of years we are trying to promote Indian equipment whether it is through DPSUs or private industry. Now, as the Defence Secretary has bought out in his presentation that 75 per cent of our capital acquisition this year would be from domestic industry. So, that is a substantial amount of change.”

### **Indigenisation in Defence Sector**

1.38 When asked to entail the steps being taken to further boost indigenisation in Defence sector, the Secretary, Defence Production submitted as under:

“इंडिजिनाइजेशन के लिए ‘सृजन पोर्टल’ लॉन्च किया गया था। उसका मुख्य उद्देश्य यह था कि जो भी इक्युपमेंट्स हम खरीदते हैं और जिनका इंडिजिनाइजेशन संभव है और जो छोटे-छोटे कॉम्पोनेंट्स हैं, उन सबको लिस्ट किया जाए, जिससे पब्लिक इन से अवेयर हो, पब्लिक को पता चले कि आर्म्ड फोर्सज कौन-कौन सी चीजें खरीद रही हैं और पीएसयूज कौन-कौन सी चीजें खरीद रही हैं? इसे वर्ष 2020 में लॉन्च किया गया था। इसमें करीब 36,000 आइटम्स हैं। उनमें से 12,800 आइटम्स अब भारत में ही बनने लगे हैं और उनका प्रोक्योरमेंट भारत से ही शुरू हो गया है। इसकी ऐसी कोई निश्चित समय सीमा नहीं है, लेकिन कोशिश है कि आगामी कुछ वर्षों में इनमें से अधिकतर आइटम्स भारत में बनने लगे और भारत में ही इनका प्रोडक्शन होकर पर चेंज हो। प्रोडक्शन करने के लिए जो स्कीम चलाई जा रही है, वह आईडैक्स, अदिति और मेक-1, मेक-2 है, जिसके अंदर चैलेंज लॉन्च किए जाते हैं। आर्म्ड फोर्सज से जो चैलेंज आते हैं और पीएसयूज से जो चैलेंज लॉन्च होते हैं, उनमें से प्राइवेट इंडस्ट्रीज, स्टार्ट अप कंपनीज, एमएसएमईज को अट्रैक्ट

किया जाता है कि उन चैलेंजेज को पूरा करने के लिए वे काम करें।सरकार की तरफ से उनको कुछ ग्रांट भी दी जाती है और उनसे प्रोक्योरमेंट भी किया जाता है।उसमें भी अच्छा फल मिल रहा है।“

1.39 To a pointed query of the Committee regarding capital acquisition from domestic industry in defence sector in FY 2024-25, the CDS submitted as under:

“Sir, 75 per cent of whatever we procure this year from capital will be Indian companies and that is it. So, only 25 per cent could be from outside.

### **Exports in Defence Sector**

1.40 During the Sitting held in connection with examination of DFG 2024-25, the Committee sought details of the defence equipment being exported and the countries to which these equipment are being exported to. In this regard, the Defence Secretary submitted as under:

“जहां तक एक्सपोर्ट्स का सवाल है कि कौन से इम्प्लिमेंट्स हम एक्सपोर्ट कर रहे हैं और कौन सी कंट्रीज को एक्सपोर्ट कर रहे हैं।मैं बहुत ब्रीफली बताऊंगा कि 100 से ऊपर देशों को हम एक्सपोर्ट कर रहे हैं और हमारे पीएसयूज ही ज्यादातर करते हैं।लेकिन अब प्राइवेट सेक्टर भी आगे बढ़ रहा है।हमने जो मेजर प्लेटफार्म्स करे हैं, उनमें डॉर्नियर 228 एयरक्राफ्ट है, 155 मिमीटर एडवांस टोड आर्टिलर गन है, ब्रह्मोस मिसाइल है, आकाश मिसाइल्स हैं, राडार सिमुलेटर्स, पिनाक रॉकेट इत्यादि हैं।काफी चीजें हैं, लेकिन ज्यादातर पीएसयूज ड्रिवन एक्सपोर्ट्स हैं।

ओवरऑल, हमारा जो डोमेस्टिक डिफेंस प्रोडक्शन है, उसमें भी करीब 70 परसेंट शेयर हमारे पीएसयूज का ही है।“

### **Border villages**

1.41 To a suggestion of the Committee regarding extending cooperation and welfare aid to the border villages in the country, the Chief of Defence Staff submitted as under:

“एक सवाल बॉर्डर विलेजेज के बारे में था, जिसमें यह कहा गया था कि आर्म्ड फोर्सिज और बॉर्डर विलेजेज के बीच समन्वय बनाकर रखना चाहिए।हमारी एक स्कीम है, जिसका नाम ‘ऑपरेशन

सद्भावना' है, जो पहले जम्मू और कश्मीर के लिए ही लागू थी और नॉर्थईस्टर्न एरियाज़ के लिए थी। अब वह नर्दन बॉर्डर्स के लिए भी लागू है। अतः नर्दन बॉर्डर्स के जितने भी विलेजेज़ हैं, आर्मी को स्पेशल फंड दिया जाएगा, ताकि वह, बॉर्डर के जो बाशिंदे हैं, उनकी रिक्वायर्मेंट को समझे और उनके साथ मिलकर काम करे। यह स्कीम एक-डेढ़ साल पहले शुरू की गई है।“

## CHAPTER II

### BORDER ROADS ORGANISATION

The Committee understand that Border Roads Organisation (BRO) is a premier road construction agency raised to meet the road infrastructure requirements of the Armed Forces. During peacetime, the role of BRO is to develop and maintain the operational road infrastructure for Armed Forces in the Border Areas and contribute to the socio-economic development of the Nation with specific reference to Border States. In war, the primary objective of BRO is to develop and maintain roads to keep open all Lines of Communication and to execute additional tasks as laid down by the Government contributing to the war effort. BRO is currently executing infrastructural development works for several Organizations like Army, Navy, Air Force, BSF, CRPF, ITBP, Assam Rifles and Coast Guard.

#### **(BRO PPT)**

2.2 The Committee have learnt that BRO was raised on 7<sup>th</sup> May, 1960 to secure India's borders and develop infrastructure in remote areas of the North and North Eastern States of the country. BRO's operations started in May 1960 with two Projects and now has grown to 18 projects. 9 BRO Projects are located in Northwest India and eight Projects in North Eastern Region of India. 1 project is located in Bhutan. Over past 60 years, the Organization has constructed more than 61000 km of roads, 915 permanent bridges, 04 Tunnels and 19 airfields under adverse climatic and geographical conditions. BRO, till 2015 was under the administrative control of Ministry of Road Transport and Highways (MoRTH) and was constructing roads as per the requirement and priorities of Army. In order to streamline the processes, it was brought under the administrative control of Ministry of Defence in 2015.

## Work profile of BRO

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

“पिछले कुछ सालों में हमने बहुत प्रगति की है। जैसा स्लाइड में दिखाया गया है बीआरओ ने टोटल 62 हजार किलोमीटर सड़क, एक हजार ब्रिज, 21 एयरफील्ड और छह मुख्य टनल बनाए हैं। पिछले चार सालों में 96 रोड्स, 296 ब्रिजेज, 14 में एयरफील्ड और टनल्स बार्डर एरिया में कम्प्लीटेड हैं, जो करीब 11800 करोड़ रुपये की लागत से बने हैं। हमने एक इम्पोर्टेंट पहल इंजीनियरिंग प्रोक्योरमेंट एंड कंस्ट्रक्शन में की है। हमारी डिपार्टमेंटल केपेबिलिटी उतनी ही रहेगी। हम थोड़ी देर तक उसकी एफिशिएंसी बढ़ाकर बढ़ा सकते हैं इसलिए हमने इंजीनियरिंग, प्रोक्योरमेंट आफ कंस्ट्रक्शन की पहल से अच्छे कांटेक्टर लाकर जिसके ऊपर क्वालिटी कंट्रोल, कांटेक्ट प्लानिंग, एग्जिक्यूशन आदि जिसकी जिम्मेदारी बीआरओ लेती है, हमने अपनी क्षमता बढ़ाई है। वर्ष 2021 में हमने 4 हजार करोड़ और ईपीसी से 1120 करोड़ किए हैं। इसमें ईपीसी का शेयर 22 परसेंट था। वर्ष 2023-24 में डिपार्टमेंटल केपेबिलिटी 4 हजार से बढ़कर 5335 करोड़ तक बन गई है। हमने डिपार्टमेंटल केपेबिलिटी बढ़ाने के साथ इंजीनियरिंग साथ- , प्रोक्योरमेंट एंड कंस्ट्रक्शन जो अपने कांटेक्टर से करवा रहे हैं, जो बीआरओ की रिस्पॉन्सिबिलिटी ले कर करवा रही है, उसे हमने 44 परसेंट बढ़ाया है। इससे हमें सामारिक दृष्टि से जो सड़कें बनानी हैं, उसमें तेजी आई है। In every state of the border, we have a footprint and major roads are being constructed to ensure that we have connectivity to the last portions of the requirement of the borders. “



2.4 Further, the DGBR apprised the Committee of the various ongoing strategic projects in the country. The gist of these strategic projects, as furnished by DGBR, is as under:

- i. Rajasthan: Road Birdhwal – Puggal – Bajju, Road Bakasar - Mavasari
- ii. UT of J&K: Road Asha - Cheema – Anita Post – Tristar – Anganpathri Top,
- iii. Ladakh: Road Chusul-Dungti-Fukche-Demchok, Saser Brangsa Bridge, Mudh-Nyoma Airfield
- iv. Himachal Pradesh: Road Nimu-Padum-Darcha
- v. Himachal Pradesh/Ladakh: Shinkun La Tunnel
- vi. Uttarakhand: Road Baluwakote - Tawaghat -Ghatiabagarh - Lipulekh, Road Gunji - Kutti - Jolingkong
- vii. Sikkim: Road Toong-Partem-Pt 4685
- viii. Arunachal Pradesh: Road LGG-Damteng-Yangtse
- ix. Andaman & Nicobar Islands: Road North-South (Package IV)
- x. Manipur, Nagaland and Mizoram: Indo-Myanmar Border Fencing Works

### **Allocations to BRO**

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

(₹ in crore)

S/N	FY	Particulars	BE Projection	BE Allocation	RE Projection	RE Allocation	Actual Expdr
1	FY 2019-20	Revenue					
		MH 2052	2,893.00	2173.22	2,905.00	2547.91	2,733.75
		MH 3054	1,210.00	700.00	900.00	735.00	735.35
		MH 3601 &		40.00		50.00	

		MH 2552	40.00		50.00		46.58
		<b>Total Revenue</b>	<b>4,143.00</b>	<b>2913.22</b>	<b>3,855.00</b>	<b>3332.91</b>	<b>3,515.68</b>
		Capital					
		MH 5054 & 4552	2,885.00	2321	2,521.00	2356.00	2,343.44
		<b>Total Capital</b>	<b>2,885.00</b>	<b>2321</b>	<b>2,521.00</b>	<b>2356.00</b>	<b>2,343.44</b>
		<b>G/Total</b>	<b>7,028.00</b>	<b>5234.22</b>	<b>6,376.00</b>	<b>5688.91</b>	<b>5,859.12</b>
2	FY 2020-21	Revenue					
		MH 2052	2,948.00	2536.23	2,965.00	2685.25	2,773.19
		MH 3054	1,365.00	700	1,095.00	1070.00	947.37
		MH 3601 & MH 2552	100.00	50	55.00	80.00	54.89
		<b>Total Revenue</b>	<b>4,413.00</b>	<b>3286.23</b>	<b>4,115.00</b>	<b>3835.25</b>	<b>3,775.45</b>
		Capital					
		MH 5054 & 4552	3,582.00	2300.00	3,400.00	3100.00	3,104.19
		<b>Total Capital</b>	<b>3,582.00</b>	<b>2300.00</b>	<b>3,400.00</b>	<b>3100.00</b>	<b>3,104.19</b>
		<b>G/Total</b>	<b>7,995.00</b>	<b>5586.23</b>	<b>7,515.00</b>	<b>6935.25</b>	<b>6,879.64</b>
3	FY 2021-22	Revenue					
		MH 2052	3,195.00	2654.08	3,509.50	3037.42	3,143.93
		MH 3054	1,150.00	800	950.00	845.00	828.05
		MH 3601 & MH 2552	100.00	50	50.00	50.00	49.41
		<b>Total Revenue</b>	<b>4,445.00</b>	<b>3504.08</b>	<b>4,509.50</b>	<b>3932.42</b>	<b>4,021.39</b>
		Capital					
		MH 5054 & 4552	4,575.00	2500.00	3,500.00	3500.00	3,481.51
		<b>Total Capital</b>	<b>4,575.00</b>	<b>2500.00</b>	<b>3,500.00</b>	<b>3500.00</b>	<b>3,481.51</b>
		<b>G/Total</b>	<b>9,020.00</b>	<b>6004.08</b>	<b>8,009.50</b>	<b>7432.42</b>	<b>7,502.90</b>
4	FY 2022-23	Revenue					
		MH 2052	3,828.40	3327.36	3,922.00	3919.50	3,952.39
		MH 3054	1,100.00	1000.00	1,130.00	900.00	991.47

		MH 3601 & MH 2552	55.00	55.00	50.00	50.00	48.50
		<b>Total Revenue</b>	4,983.40	<b>4382.36</b>	<b>5,102.00</b>	<b>4869.50</b>	<b>4,992.36</b>
		Capital					
		MH 5054 & 4552	4,960.00	3500.00	4,500.00	4500.00	4,509.99
		<b>Total Capital</b>	<b>4,960.00</b>	<b>3500.00</b>	<b>4,500.00</b>	<b>4500.00</b>	<b>4,509.99</b>
		<b>G/Total</b>	<b>9,943.40</b>	<b>7882.36</b>	<b>9,602.00</b>	<b>9369.50</b>	<b>9,502.35</b>
5	FY 2023-24	Revenue					
		MH 2052	4,265.00	4162.75	4,282.00	4282.00	3,973.83
		MH 3054	1,230.00	950.00	1,200.00	1200.00	1,173.35
		MH 3601 & MH 2552	55.00	55.00	50.00	50.00	20.76
		<b>Total Revenue</b>	<b>5,550.00</b>	<b>5167.75</b>	<b>5,532.00</b>	<b>5532.00</b>	<b>5,167.94</b>
		Capital					
		MH 5054 & 4552	5,500.00	5000.00	7,000.00	6500.00	5,984.95
		MH 4070	-	12.00	12.00	10.00	8.56
		<b>Total Capital</b>	<b>5,500.00</b>	<b>5012.00</b>	<b>7,012.00</b>	<b>6510.00</b>	<b>5,993.51</b>
		<b>G/Total</b>	<b>11,050.00</b>	<b>10179.75</b>	<b>12,544.00</b>	<b>12042.00</b>	<b>11,161.45</b>

S/N	FY	Particulars	BE Projection	Allotment	RE Projection
6	FY 2024-25	Revenue			
		MH 2052	4,707.00	4,290.41	4290.41
		MH 3054	1,300.00	1,250.00	1300.00
		MH 3601 & MH 2552	55.00	55.00	55.00
		<b>Total Revenue</b>	<b>6,062.00</b>	<b>5,595.41</b>	<b>5645.41</b>
		Capital			
		MH 5054 & 4552	8,000.00	6,500.00	6500.00
		MH 4070	12.00	12.00	12.00
		<b>Total Capital</b>	<b>8,012.00</b>	<b>6,512.00</b>	<b>6512.00</b>
		<b>G/Total</b>	<b>14,074.00</b>	<b>12,107.41</b>	<b>12157.41</b>

2.6 The Committee infer from the above data that for 2023-24, the BE allocation to BRO under MoD (Civil) was ₹ 10,179.5 crore. For 2024-25 BE, under MoD (Civil),

the allocation under Revenue Budget is ₹ 5,595.41 crore and under Capital Budget is ₹ 6512 crore.

2.7 The Committee have been apprised that as on 31.10.2024, BRO has spent ₹ 3,121 crore under Capital head and ₹ 4,147 crore under Revenue Head.

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

2.8 During their PowerPoint Presentation before the Committee, the DGBR highlighted the challenges faced by BRO as under:-

“हमारे जो प्रोजेक्ट्स उत्तर क्षेत्र में हैं, उनका वर्किंग सीजन अक्टूबर और मई तक सीमित होती है। इस दौरान हम काम नहीं कर सकते हैं। हमारे ईस्टर्न प्रोजेक्ट्स में ज्यादा बारिश के कारण मई से अक्टूबर तक काम नहीं कर पाते हैं। इसका मतलब यह है कि हम जो काम करते हैं वह साल में करीब छह से सात महीने का है। हमें जो भी काम करने हैं, यह इसी वर्किंग विंडो में हमें करना होता है।.....। जब बार्डर से ऊंचाई बढ़ती जाती है तो उसके साथ-साथ काम करने का चैलेंज भी बढ़ता जाता है।“

2.9 During the course of the Sitting held in connection with examination of DFG 2024-25, the Committee made an observation that in the past, certain projects of BRO were delayed due to delay in granting Forest and Wildlife and land acquisition clearance and this challenge now has lessened significantly.

### **Use of Technology**

2.10 During oral evidence of the Ministry in connection with examination of DFG 2024-25, the DG BR elaborated on technology employed by BRO in its endeavours:-

“... we have very clearly wanted to leverage technology. As an engineering agency, we need to carry out improvement of technology, both in terms of equipment and the type of methods that we use, and the scientific application of those methods. Our methods aim at being able to construct the border areas. So, our focus lies on slope stabilisation, modular construction, precast technologies, using of admixtures which enable us to use bitumen and cement at sub-zero temperatures. These are the important facets of technology that we are leveraging. We have a modular bridge which is constructed by the Garden Reach Shipbuilders. It is a modular bridge which is 45 metres long. It takes a class 70-ton load. It gets constructed in six months’ time as against a normal bridge which takes between two and a half to three years.

..... Both (steel slag and REJUPAVE Technology) of these technologies have been done by an interaction of the Border Roads Organisation with the Central Road Research Institute (CRRI). ... the steel slag is a waste product of the steel industry. This is now being used as aggregate, which combined with bitumen is used as the top surface. It is extremely interesting that this is better than the stone aggregate that we use. It has better anti-corrosive properties. It does not absorb moisture, and as you can see, it is being successfully used in a road being constructed in Arunachal Pradesh. Secondly, our handshake with CRRI has been in rejupave. The rejupave is a technology where a mixture is added to the hot mix, that is what we call bitumen. The major challenge for us is that from the hot mix plant, by the time the hot mix reaches the road, the temperature is so low that hot mix cannot be laid, and it cracks. So, this allows us to construct in very cold temperatures. We are able to use this in very cold temperatures. This is being used in Union Territory of Ladakh.”

2.11 The DG BR also elaborated on modern equipment being used by BRO as under:-

“Sir, the most modern equipment which is available in the country is used on the borders. One focus, if you can see all of them, is safety. We have to work in geologically fragile Himalayan terrain where loose rocks, shooting stones, avalanches, etc. come on top of the workmen who are working. So, we have to see that they are safe, and we are able to move away from the actual point of attack in a blast. So, all these are the equipment which we have been able to procure. We have got tremendous support from the Ministry for making this kind of procurement.”

2.12 In line with the discussion, the Committee desired to know whether BRO shares its expertise and knowledge with the Public Works Department of the various State Governments. In this regard, DG BR submitted as under:-

“Sir, this is with regard to the question whether we share the way we make roads with other agencies. I would like to submit that we are quite open to doing so. We ensure that whatever work we do, it should be as per the technical specifications and meeting the timeline.”

### **Operational equipment in BRO**

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

Type of eqpt	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Reqt	Held	Reqt	Held	Reqt	Held	Reqt	Held	Reqt	Held
Hyd Exc 20 Ton	745	505	503	545	625	616	677	514	633	578
Tipper/ Dumper	5385	4728	4428	4120	5014	4256	5218	3179	4423	2847
Excavator cum loader	572	474	575	423	555	420	428	406	440	396
Wheel Loader	421	181	321	170	478	182	397	282	367	355

Hot Mix Plant all type	40	82	105	79	108	79	106	83	106	81
Stone Crusher all type	283	181	225	180	183	185	192	181	151	174
Load Carrier	1198	1226	1054	1162	1148	1113	1146	943	871	725
Concrete Mixer	299	331	328	285	251	217	317	226	308	196

2.14 When further queried regarding the steps being taken to fill the gaps, if any, in the required operational equipment, the Ministry submitted that deficiency of equipment, if any, is filled up by hiring to achieve the laid down physical targets.

**Labour force deployed by BRO**

2.15 During the course of examination of DFG 2024-25 by the Committee, the DG BR apprised them of the welfare measures being taken by BRO for employed casual paid labour:

“..we employ approximately 70,000 casual paid labour (CPL) every year. We look upon them as our team. We are very certain about one aspect that they are a part of the Border Roads Organisation. In these inhospitable locations, we take care of their accommodation and their medical facilities. At places, we have opened ad-hoc schools where we employ teachers and are able to teach the children who come in the labour camps. All facilities that we can provide to them as welfare measures are provided to them. Recently, the Ministry, through a very important initiative has ensured that the life insurance coverage through the LIC is given to the CPL who unfortunately loses his life in the call of duty. This is working well. This is in addition to the other welfare measures which are flashed on the slide. The premium for this entire insurance is paid by the Ministry itself.”

## CHAPTER III

### INDIAN COAST GUARD

The Committee are given to understand that Indian Coast Guard (ICG) was constituted under CG Act, 1978, as an Armed Force of the Union for ensuring the security of the maritime zones of India with a view to protect the maritime and other national interests in such zones and for matters connected therewith. The mandate given to ICG under the CG Act 1978 and other national legislations can broadly be classified under four pillars, namely Maritime Search & Rescue (SAR), Maritime Law Enforcement (MLE), Marine Environment Protection (MEP) and Maritime & Coastal Security. The coastal security scenario of the country has been subjected to multi-level, inter-ministerial review by the GoI consequent to the Mumbai incident of 26/11. A new Coastal Security set up was established as per the recommendations of Cabinet Committee on Security (CCS) in 2009. The responsibility as per CCS directives of 2009 includes following:

- (a) Indian Coast Guard has been additionally designated as the authority responsible for coastal Security in Territorial Waters including areas to be patrolled by the Coastal Police. The Indian Navy has been designated as authority responsible for overall maritime security which includes coastal security and offshore security.
- (b) The Director General Coast Guard has been designated as Commander Coastal Command and will be responsible for overall coordination between Central and State agencies in all matters relating to Coastal Security.
- (c) Responsibility for overall coordination between Central and State agencies in all matters relating to Coastal Security.

3.2 The Committee have also learnt that the mission of ICG is to protect the Maritime and other national interest of India which includes fulfillment of a wide array of charter of duties as follows: -

- (a) Ensuring the safety and protection of artificial islands, offshore terminals, installations and other structures and devices in any maritime zone.
- (b) Providing protection to fishermen including assistance to them at sea while in distress.



- (c) Taking such measures as are necessary to preserve and protect the maritime environment and to prevent and control marine pollution.
- (d) Assisting the Customs and other authorities in anti-smuggling operations.
- (e) Enforcing the provisions of such enactments as are for time being in force in the maritime zones.
- (f) Such other matters, including measures for the Safety of life and property at sea and collection of scientific data, as may be prescribed.

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

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

- i. Indian Navy
- ii. Indian Air Force
- iii. Port Authorities
- iv. Shipping Corporation of India
- v. Director General Civil Aviation (DGCA)
- vi. Merchant Ships operating close to the position of distress
- vii. Indian Meteorological Department (IMD)
- viii. Indian Mission Control Centre (INMCC), Bangalore
- ix. Department of Telecommunications
- x. DG(Shipping)
- xi. National Institute of Ocean Technology (NIOT)
- xii. National Disaster Response Force (NDRF)

- xiii. Border Security Force
- xiv. National Security Council Secretariat
- xv. ISRO, Department of Space
- xvi. National Technical Research Organization (NTRO)
- xvii. Customs Department
- xviii. Intelligence Bureau / R&AW
- xix. Narcotics Control Bureau
- xx. Directorate of Revenue Intelligence
- xxi. Fisheries Department
- xxii. Central Water Commission
- xxiii. Coastal States/UTs

### **Budget 2024-25**

3.5 The Ministry submitted the following information through a written submission regarding the projections made by the Coast Guard, allocations made at BE, RE and actual expenditure during the last five years, both combined and separately for Capital and Revenue heads along with BE projection and allocation for 2024-25:

(₹ in crore)

Year	Head	BE Projection	BE Allocation	RE Projection	RE Allocation	MA Allocation	Actual Expd.
2019-20	Capital	5830.00	2500.00	3630.00	2600.00	2600	2587.50
	Revenue	2758.90	2385.27	2955.94	2476.07	2520	2539.30
	<b>Total</b>	<b>8588.90</b>	<b>4885.27</b>	<b>6585.94</b>	<b>5076.07</b>	<b>5120.00</b>	<b>5126.80</b>
2020-21	Capital	5350.00	2500.00	3100	2500	2500	2503.21
	Revenue	3246.03	2532.76	2432.76	2522.92	2522.92	2547.38
	<b>Total</b>	<b>8596.03</b>	<b>5032.76</b>	<b>5532.76</b>	<b>5022.92</b>	<b>5022.92</b>	<b>5050.59</b>
2021-22	Capital	3200.00	2650.00	3600.00	3236.46	3275.41	3189.19
	Revenue	3200.00	2594.72	3884.60	2797.26	2919.14	2921.86
	<b>Total</b>	<b>6400.00</b>	<b>5244.72</b>	<b>7484.60</b>	<b>6033.72</b>	<b>6194.55</b>	<b>6111.05</b>
2022-23	Capital	6600.00	4246.37	3409.00	3300.00	3300.00	2351.32
	Revenue	4208.85	3063.92	4328.18	3998.33	3998.33	2865.26
	<b>Total</b>	<b>10808.85</b>	<b>7310.29</b>	<b>7737.18</b>	<b>7298.33</b>	<b>7298.33</b>	<b>5216.58</b>
2023-24	Capital	4358.00	3536.00	3840.33	3800.00	4151.35	4125.24
	Revenue	4406.17	3661.47	4351.08	4340.00	4109.23	4062.65

	<b>Total</b>	<b>8764.17</b>	<b>7197.47</b>	<b>8191.41</b>	<b>8140.00</b>	<b>8260.58</b>	<b>8187.89</b>
2024-25	Capital	4509.23	3500.00	4250.00			
	Revenue	4378.45	4151.80	4714.27			
	<b>Total</b>	<b>8887.68</b>	<b>7651.80</b>	<b>8964.27</b>	<b>0.00</b>		<b>0.00</b>

3.6 During discussion on DFG 2024-25, the Committee learnt that the expenditure by Coast Guard upto 20.11.2024 is ₹ 4,338 crore.

**Operational activities undertaken by Coast Guard**

3.7 During their Power Point Presentation on the subject before the Committee, a representative of the Indian Coast Guard apprised the Committee of various Maritime Operations being undertaken by Coast Guard:

“विगत वर्षों में निरंतर की गई गश्त एवं निगरानी के दौरान किए गए बोर्डिंग ऑपरेशन में लगातार वृद्धि हुई है। जिसके परिणाम स्वरूप **1628** विदेशी नौकाएं, **13,647** विदेश मछुआरे गिरफ्तार किए गए हैं। विभिन्न एजेंसियों के समन्वय के साथ हमने **16,546** करोड़ से ज्यादा मादक पदार्थ को जब्त किया है। इसके अतिरिक्त हम खोज एवं बचाव के दौरान **4000** मिशनों में लगभग **11000** से अधिक लोगों की जान बचाने में सफल हुए हैं। ”

**Force Level and Manpower**

3.8 The Committee, during oral evidence in connection with examination of DFG 2024-25, have been apprised that fleet of Coast Guard consists of 71 ships and 78 aircraft. In addition, for coastal security, 81 small craft and boats and 10 drones are also available.

3.9 The representative of the Coast Guard also informed the Committee of the manpower in the Coast Guard:

“महोदय, बढ़ती हुई क्षमता विस्तार और अत्याधुनिक पोतों एवं वायुयानों के अधिग्रहण के साथ वर्क फोर्स में भी बढ़ोतरी हो रही है। इन अत्याधुनिक जहाजों और वायुयानों को कुशलतापूर्वक चलाने हेतु ट्रेन्ड वर्कफोर्स एक महत्वपूर्ण भूमिका निभाती है। साल **2024** में, **18578** वर्क फोर्स .....है। भारत की समुद्री सुरक्षा बनाए रखने के लिए समुद्र में प्रतिदिन **18** से **20** बड़े पोत, तटीय सुरक्षा के लिए **30-35** छोटे जहाज और **10-12** वायुयानों की तैनाती से अधिकतम समुद्री क्षेत्र की निगरानी की जा रही है। किसी विशेष सूचना या इंटेलिजेंस इनपुट के दौरान यह संख्या और भी बढ़ जाती है।”

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

Officers	2550
Enrolled Personnel	14002
Civilians	2026
<b>Total</b>	<b>18578</b>

### **Seizure of drugs and narcotics**

3.11 During oral evidence in connection with examination of DFG 2023-24, the Committee desired to know about further procedure adopted by Coast Guard after seizure of drugs and narcotics. In this regard, the DG Coast Guard submitted as under:

“हम समुद्र में जो भी कॉन्ट्राबैंड पकड़ते हैं, ड्रग्स या जो भी कॉन्ट्राबैंड है, हम उसे एनसीबी को हैंड ओवर कर देते हैं। नारकोटिक्स कंट्रोल ब्यूरो (एनसीबी) ही केस फाइल करता है और उसको कनक्लूजन स्टेज पर लेकर जाता है।”

### **Incident of spying**

3.12 During oral evidence, in connection with examination of DFG 2023-24, the Committee desired to know factual details about a recent reported event of arrest of a Porbandar resident for allegedly sharing sensitive information about Indian Coast Guard vessels. In response, the DG Coast Guard submitted as under:

“पोरबंदर में एसपियोनेज़ एक्टिविटी के बारे में पूछा था। यह वन ऑफ इवेंट था, जिसमें कॉन्ट्रैक्टर का एक एम्प्लॉई था, वह जैती में बैठ कर जैती यानी जहां पर जहाज बर्थ होते हैं, अपने मोबाइल फोन से जहाजों की तस्वीर ले रहा था। यह एक वन ऑफ इंसिडेंट्स था। वैसे कॉन्ट्रैक्टर, कॉन्टेक्चुअल स्टाफ हमारे जहाजों पर जो काम करने के लिए आते हैं, उनका पूरा बैकग्राउंड वेरिफिकेशन करते हैं और एंटिसिडेंट चेक के बाद ही उनको अंदर प्रवेश दिया जाता है। लेकिन इस बंदे ने अपने मोबाइल से बैठे-बैठे जैती से फोटोग्राफ लिया था।”

## CHAPTER IV

### DEFENCE ESTATES ORGANISATION

The Committee have been informed that Defence Estates Organization, under the Ministry of Defence, is responsible for municipal administration of notified Cantonments and management of about 18 lakh acres of Defence land in the country. The Directorate General, Defence Estates (DGDE) is at the apex of the organization. There are 6 Directorates under it, co-located with each army command, and the National Institute for Defence Estates Management (NIDEM) which is a training institute. Under the Directorates, there are 39 Defence Estates Circles and 4 Independent Assistant Defence Estates Offices for management of defence land and 61 Cantonment Boards for municipal administration of cantonments.

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

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

- (e) To act as a buffer amongst land needs of various services in the MoD and give necessary recommendations to the Government.

### **Administration of Cantonments**

4.3 Section 3 (1) of Cantonments Act, 2006 describes Cantonment as a place or places, declared by the Central Government by notification in an official Gazette, in which any part of the Forces is quartered or which, being in the vicinity of such place or places, is or are required for service of such Forces. Presently there are 61 Cantonments in the country located in 19 States/UT. Population in the Cantonment areas as per 2011 Census was 20,91,734.

4.4 The salient features of a Cantonment are as under:

- Land ownership of the Govt.

Most of the land in the Cantonments is owned by the Government of India, Ministry of Defence. A part of this land has been given on grants and leases. In certain Cantonments, there is private land also, besides land owned by State Governments and other Central Government departments. Some of the grants and leases have been converted into freehold lands in some Cantonments.

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

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

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

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

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

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

4.7 **Elections:** Elections to Cantonment Boards are held on expiry of the term of elected members. The term of elected members is five years. In exercise of the powers conferred by Section 31 of the Cantonments Act, 2006, the Central Government has framed rules called the Cantonment Electoral Rules, 2007 for conduct of elections. The Committee have been informed that as on date, 60 Cantonment Boards are varied under Section 13 of the Cantonments Act, 2006 due

to administrative reasons. The term of Pachmarhi Cantonment Board is going to expire on 29.11.2024.

### **Financial base of Cantonment Boards**

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

4.9 **Service Charges**: Since properties of the Union are exempt from property tax, the Government of India decided to pay “service charges” to local bodies in respect of Central Government properties falling within municipal limits, at rates ranging from 33-1/3% to 75% of the property tax payable to compensate the loss of normal income of local bodies. In 1982, the Ministry of Defence agreed to pay service charges to Cantonment Boards. The rate of payment, however, was kept at the lowest slab of 33-1/3% of the property tax leviable. Section 109 of the Cantonments Act, 2006 also provides for payment of service charges to Cantonment Boards. The amount of Service charges is released based on budget allotment against the projected demand. Service Charges are also being received by Cantonment Boards from Railways, Postal Department, Ordnance Factories and Other Central/State Government Departments.

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



4.11 **Grants for Creation of Capital Assets**: Apart from ordinary grant-in-aid, grants for creation of capital assets like, under-ground sewerage system, water supply schemes, construction of hospitals and schools etc are also being provided from 2012-13 onwards.

4.12 **Central Finance Commission**: The 15th Central Finance Commission, in its report submitted in Nov 2019, for the year 2020-21, for the first time recommended that the States should make allotment of grants on population basis to the Cantonment Boards within their territories. Accordingly, the Cantonment Boards have started receiving the share of Finance Commission grant from the State Governments. During the years 2022-23, 58 Cantonment Boards (**125.4408 Cr**) and during 2023-24, 48 Cantonment Boards (**105.4676 Cr**) have received share of Finance Commission grant from the State Governments.

4.13 **Financial issues**: The resources of Cantonment Boards are limited as the bulk of the property in Cantonments is government-owned which is exempt from property tax. Moreover the nature of the Cantonments is such that there is only limited trade and business activity and practically no industry. In the Financial Year 2023-24, 51 Cantonment Boards were deficit and required financial assistance to balance their budgets.

#### **Allocation of funds for 2024-25**

4.14 During Power Point Presentation before the Committee, a representative of DEO furnished following information regarding Demands for Grants of Defence Estates Organisation for FY 2024-25:

(₹ in crore)

<b>Head</b>	<b>BE 2023-24</b>	<b>BE 2024-25</b>
Revenue	620.05	621.61
Capital	42.65	42.60

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

(₹ in crore)

Particular	Year	BE
Grant-in-Aid (General)	2023-24	400.00
	2024-25	404.69
Grant for Creation of Capital Assets	2023-24	44.60
	2024-25	32.00
Grant-in-Aid (Swachhta Action Plan)	2023-24	3.00
	2024-25	3.00

### **Defence Lands under DEO**

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

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

- iv) **Class B-4 land:** Land which is not included in any other class. Total areas of such land is 27,504 acres.
  - v) **Class-C land:** Land which is vested in the Board under Section 122 of the Cantonments Act, 2006. Total area of such land is 6,439 acres.
  - vi) In addition, **A-1 land** (Land which is actually used or occupied by the Military Authorities) used by DE Organisation for office complexes, residential quarters etc. is also under the management of Defence Estates Organisation. Total area of such land is 509 acres.
- (3) Certain, Defence land outside Cantonments, such as abandoned airfields, camping grounds, military farms, etc. are also placed under the management of DE Organisation. Total area of such land is 22,731 acres.

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

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

4.19 During the Sitting convened for examination of DFG 2024-25, the Committee raised a specific issue regarding handing of a part of land of Defence Airport in Goa for certain civilian purpose. Presently, Navy is awaiting availability of land in this part.

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

4.20 During evidence, the Committee sought explanation regarding the decision of excision of civil areas of select Cantonments and merging them with adjoining municipalities. In response, the Defence Secretary submitted as under:

“सर, कुछ प्राइवेट डेवलपमेंट है, जो कैंटोनमेंट बोर्ड्स के अधीन आता है और जिसके एग्जिशन की एक पॉलिसी डिजीजन का जिक्र माननीय सदस्य ने किया है, उस पर हम काम कर रहे हैं। स्टेट गवर्नमेंट्स से बात चल रही है। स्टेट गवर्नमेंट्स को अक्सर यह लगता है कि जो वेकेंट लैंड है, वह मिल जाए, लेकिन जो ऑक्युपाइड लैंड है, जो लाइबिलेटी है, वे उसे नहीं लेना चाहती हैं। अभी तक हमने एक जगह यह एग्जिशन का प्रोसेस कंप्लीट किया है.....। बाकी जगहों पर हम स्टेट गवर्नमेंट्स से बात करके इसको आगे बढ़ाने की कोशिश कर रहे हैं, लेकिन उसमें थोड़ा टसल रहता, क्योंकि उनका इंटेस्ट केवल इसमें रहता है कि जो वेकेंट लैंड है, वह मिल जाए। हमारा इंटेस्ट है कि हमारे जो बिल्टअप एरियाज़ हैं, जिनका शायद हम कुछ नहीं कर पाएंगे, उनकी सर्विसेज़ को हम उनको ट्रांसफर कर दें, जिसमें स्टेट गवर्नमेंट्स को अक्सर ज्यादा इंटेस्ट नहीं रहता है।“

4.21 On being enquired about current status of the new draft Cantonment Bill, the Ministry in a written reply submitted as under:

“In order to move away from the Cantonment concept, and in order to bring uniformity in municipal laws governing civil areas of Cantonments and adjoining State Municipal areas, it has been decided to consider excision of civil areas of select Cantonments and merge them with adjoining municipalities. Keeping in view that the outcome of this exercise may have a bearing on the relevance of Cantonments Boards as prescribed under Cantonments Act, 2006, the draft Cabinet Note on Cantonments Bill, 2022 has been withdrawn.”

## **Resolution of grievances of civilians/locals residing in Cantonment areas**

4.22 The Committee, during deliberations on DFG 2024-25, raised the issue of various challenges being faced by the civilians residing in the Cantonment areas. One such issue pointed out was thoroughfare through some roads and cleaning of drainage in the Cantonment areas. In this context, the Defence Secretary apprised the Committee as under:

“हमारी म्युनिसिपल सर्विसेज़ जनरली लोकल बॉडीज़ से बेहतर हैं। लेकिन हमारे डेवलपमेंट कंट्रोल्स, इनफोर्समेंट ज्यादा हैं, हम बिल्डिंग लॉज़ ज्यादा स्ट्रिक्टली इनफोर्स करते हैं, इसलिए भी एक टसल होता है। अतः यह एक ट्रेडऑफ है। मेरे खयाल से कैंटोनमेंट बोर्ड में जनरली **cleanliness** और ऑथोराइज़्ड बिल्डिंग्स ज्यादा होती हैं, अनऑथोराइज़्ड इनक्रोचमेंट्स कम होते हैं। इस ट्रेडऑफ के मद्देनजर हम स्टेट गवर्नमेंट्स से बातचीत करके एग्जिशन के प्रोसेस को आगे बढ़ाने की सोच रहे हैं और उस पर काम हो रहा है। आर्मी के पास बहुत ज्यादा लैंड है, इसका इश्यू रेज़ किया गया। यह जो लैंड है, यह ज्यादातर बहुत पहले आर्मी के पास आया बाद में सिटीज़ डिफेन्स लैंड के चारों तरफ बिल्टअप हो गया। इसलिए, उसमें खासकर पब्लिक सेफ्टी के हेतु रिस्ट्रिक्शंस तो रहेंगी। **Some of these areas will have ammunition and arms. They will have even testing facilities.** पब्लिक सेफ्टी के व्यू से हमें रिस्ट्रिक्शंस तो लगानी पड़ेंगी, लेकिन उस ट्रेडऑफ को किस तरह से हम एक विन-विन तरीके से देखें और जहां हो सके, हम स्टेट गवर्नमेंट्स की जो डेवलपमेंट नीड्स हैं, उनको अकोमोडेट कर सकें। हम पब्लिक इनफ्रास्ट्रक्चर की नीड्स को अकोमोडेट करने की कोशिश करते हैं।”

## **Facilities in Cantonment areas**

4.23 The Committee, during oral evidence on the subject, were apprised of the various civic and welfare amenities being provided by the Cantonment Boards in their areas as under:

“कंटोनमेंट बोर्ड्स के मुख्य कार्यों में स्वच्छता, वाटर सप्लाई, शिक्षा, स्वास्थ्य, बर्थ एंड डेथ रजिस्ट्रेशन, रोड्स, स्ट्रीट लाइट्स आदि प्रमुख हैं।

सर, कंटोनमेंट बोर्ड्स 183 स्कूल्स द्वारा करीब 60 हजार बच्चों को शिक्षा की सुविधा प्रदान करते हैं। बोर्ड्स द्वारा स्थापित 28 सेंटर्स में करीब 1300 दिव्यांग बच्चों को सक्षम बनाने हेतु बेसिक स्किल की शिक्षा दी जाती है। छावनी के रेजिडेंट्स को चिकित्सा सुविधा 39 हॉस्पिटल्स, 36 डिस्पेंसरीज के माध्यम से बोर्ड प्रदान करता है। इसके साथ ही 46 आयुष सेंटर्स भी फंक्शनल हैं, जहां ट्रेडिशनल, नॉन कंवेन्शनल सिस्टम से हेल्थ केयर एवं हिलिंग की सुविधा है।

सर, इस स्लाइड में कंटोनमेंट बोर्ड्स हॉस्पिटल में उपलब्ध इन्फ्रास्ट्रक्चर और फैसिलिटीज की कुछ तस्वीरें हैं। कंटोनमेंट बोर्ड्स के स्कूल्स में शिक्षा के साथ-साथ स्किल डेवलपमेंट पर भी विशेष जोर दिया जाता है। लखनऊ कैंट बोर्ड द्वारा जल्दी ही चार सीवरेज ट्रीटमेंट प्लांट्स को फंक्शनल किया गया है। ओल्ड डम्ड वेस्ट की समस्या के समाधान हेतु बैरकपुर कैंट द्वारा एक इनोवेटिव एफर्ट किया गया, बायोरेमेडिएशन एंड बायो माइनिंग प्रोजेक्ट के तहत करीब 7 एकड़ भूमि को रिक्लेम किया गया। बोर्ड द्वारा एक कम्पलीट सॉलिड वेस्ट मैनेजमेंट प्लांट भी स्थापित किया गया है।

सर, दिल्ली एवं पूना कंटोनमेंट बोर्ड्स द्वारा आईटीआई सेंटर्स स्थापित किए गए हैं, जिनमें करीब 350 विद्यार्थी इस समय शिक्षा ग्रहण कर रहे हैं। ई-छावनी पोर्टल एवं मोबाइल लैब फरवरी, 2021 में शुरू किए गए थे। इसके द्वारा 24x7 61 कंटोनमेंट्स के 20 लाख से भी ज्यादा रेजिडेंट्स को 14 ऑनलाइन म्यूनिसिपल सर्विसेज़ जैसे कि ट्रेड लाइसेंस, वाटर एंड सीवरेज कनेक्शन, बिल्डिंग प्लान अप्रूवल, पेमेंट ऑफ टैक्सेज, रजिस्ट्रेशन ऑफ बर्थ एंड डेथ

जैसी सुविधा उपलब्ध हैं। इनमें से चार मॉड्यूल्स कम्पलीटली ऑटोमेटेड हैं, जिसमें कोई मेनुअल इंटरवेंशन नहीं है। यह पोर्टल आठ भाषाओं में सुविधा प्रदान करता है।

सर, कुछ न्यू इनिशियटिव्स भी लिए गए हैं, जिनमें पॉलीथिन वेस्ट की समस्या के समाधान हेतु पॉलीथिन कचरा बैंक स्थापित किए गए हैं। पॉलीथिन वेस्ट रेजिडेंट्स से इन बोर्ड्स द्वारा खरीदा जाता है और फिर उस वेस्ट को यूजफुल प्रोडक्ट जैसे बेंचेज, ट्री गार्ड्स, टाइल्स, डस्टबीन आदि में रीसाइकिल किया जाता है। इसी तरह से ई-वेस्ट बैंक भी स्थापित किए गए हैं, जहां ई-वेस्ट को साइंटिफिक तरीके से डिस्पोजल एवं रीसाइकिल हेतु संग्रहित किया जाता है।

सर, कंटोनमेंट बोर्ड्स लोकल बॉडीज हैं, उनका कार्य न केवल एफिशिएंट म्यूनिसिपल सर्विसेज़ देना है, अपितु हॉस्पिटल्स, स्कूल्स, कम्युनिटी सेंटर्स एवं पब्लिक इंफ्रास्ट्रक्चर की सुविधा देना भी है।”

4.24 To a specific query regarding extending facilities in Cantonment Boards in Kangra district in Himachal Pradesh as done in other important major Cantonment Boards in the country, the Director General of Defence Estates informed the Committee as under:

“योल कैंट अप्रैल, 2023 में डीनोटिफाई हो चुका है। उसका एरिया एडजॉइनिंग म्यूनिसिपल बॉडी के साथ मर्ज हो चुका है। बकलोह और डलहौजी के बारे में आपने जो सजेसंस दिए हैं, उनके हिसाब से हम नेसिसरी एक्शन लेंगे।”

## CHAPTER V

### DEFENCE PUBLIC SECTOR UNDERTAKINGS (DPSUs)

#### Introduction

The Committee have learnt that the Department of Defence Production (DDP) was set up in November 1962 with the objective of developing a comprehensive production infrastructure to produce the weapons, systems, platforms, equipment required for defence. Over the years, the Department has established wide ranging production facilities for various defence equipment through Defence Public Sector Undertakings (DPSUs). The products manufactured include arms and ammunition, tanks, armoured vehicles, heavy vehicles, fighter aircrafts and helicopters, warships, submarines, missiles, ammunition, electronic equipment, earth moving equipment, special alloys and special purpose steels. The mandate of this Department include achievement of self-reliance in design, development and production of defence equipment, promotion of Indigenisation, promotion of exports, improvement in R&D, promotion of innovations, increasing public & private sector participation including MSMEs & Startups, improving investments including Foreign Direct Investment (FDI) and ensuring quality and timely delivery to Indian Armed Forces.

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

- (i) Hindustan Aeronautics Limited (HAL)
- (ii) Bharat Electronics Limited (BEL)
- (iii) Bharat Dynamics Limited (BDL)
- (iv) BEML Limited



- (v) Mishra Dhatu Nigam Limited (MIDHANI)
- (vi) Mazagon Dock Shipbuilders Limited (MDL)
- (vii) Garden Reach Shipbuilders and Engineers Limited (GRSE)
- (viii) Goa Shipyard Limited (GSL)
- (ix) Hindustan Shipyard Limited (HSL)

The new 7 DPSUs (erstwhile Ordnance Factories) are examined separately in detail in the 4<sup>th</sup> Report (18<sup>th</sup> Lok Sabha) of the Committee.

### **Defence Industry in the country: Major Achievements**

5.3 The Committee, during deliberations on the Demands for Grants for the year 2024-25, were apprised of the major achievements of Defence Industry as under:

	2022-23	2023-24
Defence Production	₹ 1,08,684 Cr	₹ 1,27,265 Cr
Defence Export	₹ 15,918.16 Cr	₹ 21,083.38 Cr
Items Indigenized	3,414 items	4,555 items
Startups engaged	329*	503*
Military Problems opened to Startups	256*	465*

\*Cumulative

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

#### **Indigenisation of Defence Equipment**

- i. The Ministry of Defence has promulgated 5 positive indigenisation lists comprising of 5012 items. Out of these 5012 items, 3002 items worth ₹ 3,400 crore have already been indigenized.

- ii. Indigenisation portal SRIJAN has been launched in August 2020, to facilitate Private Industry to become part of the indigenisation drive of DPSUs & Service Headquarters. Out of 37000+ items displayed on SRIJAN by DPSUs, approximately 13,000 items have been already indigenized.
- iii. To support indigenisation, Make Procedures have been introduced. Make-I category is a Government funded category in which 70 per cent or maximum ₹ 250 crore funding for the prototype development can be given by the Government. In Make II category, which is funded by the Industry with assurance of orders on successful prototype development, reservation for Micro, Small & Medium Enterprises (MSMEs) is there for orders less than ₹ 100 crore. Under this category, all Department for Promotion of Industry and Internal Trade (DPIIT) registered Startups are eligible to participate.

#### Promotion of Startups through iDEX

- iv. Innovation for Defence Excellence (iDEX) has been launched to foster innovation and technology development by engaging industries, Start-ups, individual innovators, R&D institutes and academia. This platform provides them grant or funding to carry out innovations and R&D. This scheme was launched with an outlay of ₹ 498.78 crore to support 300 Start-ups and 20 partner incubators in five years (2021-22 to 2025-26).
- v. 534 Start ups and MSMEs have been engaged so far and contracts have been signed with 378 Startups and MSMEs.
- vi. Acing Development of Innovative Technologies (ADITI) scheme with iDEX has been launched on 4<sup>th</sup> March, 2024 with budgetary support of ₹ 750 crore for 2023-24 to 2025-26 to support development of futuristic and critical technologies for the Armed Forces.
- vii. 97 Defence specific AI products are being planned.

### Foreign Direct Investment (FDI)

- viii. FDI policy was liberalized in September 2022 wherein FDI limit was enhanced from 49% to 74% under Automatic route and 100% under Government route.
- ix. FDI has been increased from ₹1,388.21 crore in 2014 to ₹ 5,516.16 crore in 2024, i.e. an increase of nearly 3 times in the last 10 years.

### Defence Export

- x. SoPs for export have been streamlined, Export Promotion Cell (EPC) have been set up, DPSUs have been assigned geographical areas for marketing.
- xi. Defence Export Promotion Scheme (DEPS) has been launched in 2018 to promote Make in India
- xii. Currently, our country is exporting to about 100 countries. The value of Defence export in 2023-24 is ₹ 21,083 crore.

### Ease of doing business

- xiii. In the area of ease-of-doing business, export procedures have been made industry friendly with simplification of export authorisation by DDP. Online portals for pen General Export Licence (OGEL) and for issuing authorization have also been launched. Defence Products list requiring Industrial Licenses has been rationalized and trimmed down in 2019 to minimize items requiring License for manufacturing. Initial validity of the Industrial License has been increased from 3 years to 15 years, which is further extendable to 18 years under the Industries (Development And Regulation) Act, 1951.

5.5 To a pointed query of the Committee regarding breakup of volume of exports from DPSUs and private Defence sector, it was submitted during oral evidence that out of the Defence export value of ₹ 21,000 crore achieved in 2023-24, the value of

exports by private sector was around ₹ 15,000 crore and that from the DPSUs was ₹ 6,000 crore.

5.6 The Committee, during examination of DFG 2024-25, desired to be apprised of the efforts being taken by the Department of Defence Production to develop, devise and manufacture technology/equipment/platforms/products for non-kinetic warfare. In response, a representative of the Ministry submitted as under:

“नॉन काइनेटिक वारफेयर के पूछा है, तो नॉन काइनेटिक वारफेयर का जो मोटा-मोटा अर्थ निकलता है कि आप एक जगह से बिना मूव किए प्रहार कर सकें। इसमें हाई इंटेन्सिटी एनर्जी का उपयोग किया जाता है। यह हाइली डेवलप्ड टेक्नोलॉजीज़ हैं, जिसको कुछ ही देश कर रहे हैं। इण्डिया में भी डीआरडीओ कुछ काम कर रहा है। भारत इलेक्ट्रोनिक्स लिमिटेड एक लेजर के ऊपर काम कर रहा है, लेकिन यह बहुत एमर्जिंग फील्ड है और अभी शुरुआत ही है।”

### **Old DPSUs**

5.7 During the Sitting held for examination of DFG 2024-25, information related to the old DPSUs highlighting their roles, product profile, financial position etc. was submitted to the Committee. The gist of these aspects pertaining to each old DPSU is tabulated as under:

Old DPSU	Product profile	Financial profile
HAL	Design, Development, Manufacture, Maintenance and Upgrade of Fighters, Trainers, Helicopters, Transport Aircraft, Engines, Avionic Systems and its accessories.	<ul style="list-style-type: none"> <li>• Turnover of ₹ 28162 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 7595 crore.</li> <li>• Projected export target in 2024-25 is ₹ 590 crore.</li> </ul>

	Manufacture of Aerospace Structures and Weapon integration on Platforms	
BEL	<ul style="list-style-type: none"> <li>• Missile Systems (Land &amp; Naval)</li> <li>• Land-based Radar systems</li> <li>• Naval Systems (Sonars, Comm. Systems, Radar &amp; Fire Control Systems)</li> <li>• Military Communication</li> <li>• Electronic Warfare &amp; Avionics</li> <li>• Home Land Security &amp; Smart Cities</li> <li>• EVM/VVPAT</li> <li>• Unmanned Systems</li> <li>• Solar Systems and Solutions</li> <li>• Space Electronics &amp; Systems</li> <li>• Strategic</li> </ul>	<ul style="list-style-type: none"> <li>• Turnover of ₹ 25378 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 4020 crore.</li> <li>• Projected export target in 2024-25 is 120 Million US Dollars.</li> </ul>

	<p>Components/Devices</p> <ul style="list-style-type: none"> <li>• Medical Electronics</li> <li>• Cyber &amp; Network Security</li> <li>• Software Solutions &amp; AI</li> <li>• Arms &amp; Ammunition etc.</li> </ul>	
BDL	<p>Manufacture of Missiles, Under Water Weapons, Launchers, Strategic Weapon Systems, Lead Integrator of Weapons Systems, Refurbishment &amp; Life Extension of Missiles, Product Life Cycle Support</p>	<ul style="list-style-type: none"> <li>• Turnover of ₹ 2369 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 613 crore.</li> <li>• Projected export turnover in 2024-25 is ₹ 500 crore.</li> </ul>
BEML Ltd	<p>Multi product, progressive company operating in strategic sectors like Defence Land systems,</p>	<ul style="list-style-type: none"> <li>• Turnover of ₹ 4054 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 283 crore.</li> <li>• Projected export turnover in 2024-25 is ₹ 440 crore.</li> </ul>

	Maritime, Aerospace, Urban transportation, Commuter Rail, Mining, Construction, etc.	
MIDH ANI	Fe, Ni and Cobalt based Superalloys, Titanium Alloys, Special Steels, Weld Consumables	<ul style="list-style-type: none"> <li>• Turnover of ₹ 1073 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 91crore.</li> <li>• Projected export turnover in 2024-25 is ₹ 150 crore</li> </ul>
MDL	<ul style="list-style-type: none"> <li>• Warship, Submarines, Commercial Vessels, Offshore Platforms, etc. including Repair of Commercial Vessels and Refit of Warships &amp; Submarines.</li> </ul> <p>Only Indian Shipyard with proven track-record of building Destroyers, Frigates and Submarines</p>	<ul style="list-style-type: none"> <li>• Turnover of ₹ 9467 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 1845 crore.</li> <li>• Projected export turnover in 2024-25 is ₹ 135crore</li> </ul>
GRSE	• Warships & Commercial Shipbuilding	• Value of Production of ₹ 3588 Cr in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 357crore.

	<ul style="list-style-type: none"> <li>• Ship Repairs</li> <li>• Marine Diesel Engines &amp; Diesel Alternators</li> <li>• Various Types of Deck Machinery</li> <li>• Portable Steel Bridges</li> <li>• Naval Surface Guns</li> <li>• Autonomous platforms</li> <li>• Green Energy Vessels</li> </ul>	<ul style="list-style-type: none"> <li>•Export planned in 2024-25 is ₹ 80 crore</li> </ul>
GSL	Ship design, construction, ship repairs & general engineering solutions	<ul style="list-style-type: none"> <li>•Turnover of ₹ 1635.71crore in 2023-24. Profit after Tax (PAT) in 2023-24 is ₹ 271.32 crore.</li> <li>•Projected export turnover in 2024-25 is ₹ 85crore</li> </ul>
HSL	Ocean Surveillance Ship, Offshore Patrol vessels, Inshore Patrol vessels, Diving support vessels, Floating dock, fleet Support Ships	<p><b>Exports Efforts – Shipbuilding:</b></p> <ul style="list-style-type: none"> <li>▪ HSL is not eligible for bidding view negative network</li> </ul> <p><b>Exports Efforts - Ship/ Submarine Repairs:</b></p> <ul style="list-style-type: none"> <li>▪ Undertaken repairs of Belgium Dredger “TSHD Bonny River” in Mar 2024</li> <li>▪ Exploring foreign Ship Repair</li> <li>Exploring Vietnam People’s Navy Submarine refit</li> </ul>



5.8 The Committee have been apprised that Hindustan Aeronautics Limited (HAL) is the only DPSU which has been conferred the status of Maharatna Central Public Sector Enterprise (CPSE) on October 12, 2024. The Committee, during discussion on DFG 2024-25, desired to know whether HAL can invest in foreign companies/enterprises without Gol approval. In this regard, a representative of the Ministry deposed as under:

“सर, यह पूछा गया है कि क्या एचएएल विदाउट गवर्नमेंट अप्रूवल फॉरेन कंपनी में इन्वेस्ट कर सकती है और अगर कर सकती है तो कितना कर सकती है। इसकी एग्जेक्ट जानकारी नहीं है, लेकिन महारात्र हो जाने के बाद उनको इस क्षेत्र में कुछ स्वतंत्रता मिल जाती है।”

5.9 In line with the discussion, the Committee desired to know of the percentage of foreign investment in our DPSUs. In this regard, a representative of the Ministry deposed as under:

“सर, एक प्रश्न पूछा गया कि हमारी पीएसयूज में कितना फॉरेन इन्वेस्टमेंट है। जो हमारी पीएसयूज लिस्टेड है, जैसे भारत इलेक्ट्रॉनिक्स लिमिटेड है, एचएएल लिस्टेड है, मजगांव डॉकयार्ड लिस्टेड है, ऐसी तीन-चार पीएसयूज अन्य लिस्टेड हैं, उनमें एफआईआई की इक्विटी है, इसके अलावा कोई एफडीआई नहीं है। जो इक्विटी है, वह चेंज होता रहता है। उसकी जानकारी भी सबको मिलती है।”

5.10 The Committee, during deliberations on the subject, desired details about Joint venture between BEL and Israel Aerospace Industries (IAI). In response, they were apprised as under:

“सर, आईएआई के साथ जो हमने जॉइंट वेंचर बनाया है, वह अभी अक्टूबर में ही रजिस्टर हुआ है। वह मेनली मेन्टेनेंस के लिए है, क्योंकि जो आइटम आईएआई ने पहले सप्लाइ कर दिए थे और बाद में कुछ टीओटी लेकर हमने सप्लाइ किए हैं, तो मेन्टेनेंस टीओटी कैसे किया जाए, यह उसके लिए बनाया गया है। इसमें 40 परसेंट हमारा स्टेक है और 60 परसेंट आईएआई का शेयर है। अभी उस पर काम करना चालू करना है। सारे मेन्टेनेंस एक्टिविटी जो एग्जिस्टिंग शिप

आर्मी, नेवी, एयरफोर्स को हमने जो LR-SAM और MR-SAM प्रोजेक्ट्स दिए हैं, उनका मेन्टेनेंस करेंगे, लेकिन धीरे-धीरे इसका स्कोप बढ़ाकर इस के द्वारा एक्स्ट्रा इंडिनाइजेशन कैसे करना है, उसके बारे में आईएआई से बात कर रहे हैं।”

### **Profitability of the DPSUs**

5.11 The details in regard to Profit and Loss figures of each of the DPSUs (DPSU wise), as furnished by the Ministry of Defence, during each of the last 5 years:

PAT (₹ in crore)

S. No	Old DPSUs	2019-20	2020-21	2021-22	2022-23	2023-24
1	HAL	2,842	3,239	5,087	5,811	7,595
2	BEL	1,794	2,065	2,349	3,007	4,020
3	BEML	24.06	92.81	205.74	278.60	382.87
4	BDL	535	258	500	352	613
5	MIDHANI	159.73	166.29	176.31	155.88	91.26
6	MDL	408.48	479.57	586.47	1072.72	1845.43
7	GRSE	163.48	153.47	189.53	228.12	357.27
8	GSL	197.77	127.91	101.09	154.54	271.32
9	HSL	13 Cr	-14 Cr *	51 Cr	65 Cr	119 Cr
	*Reason for loss: During 2020-21 the company posted a loss of ₹14 Cr after tax due to COVID-19 pandemic and nationwide lockdown imposed by Central and State Government.					

5.12 The Committee, observed that profitability of MIDHANI in 2023-24, was the lowest amongst the 9 DPSUs, sought reasons in this regard. The CMD, MIDHANI explained the reason for the low profitability as under:

“हम लोग मिश्र धातु निगम लिमिटेड में मिश्र धातु का निर्माण करते हैं, जिसमें बहुत सारे रॉ मैटेरियल हैं।उसके लिए हमें बाहर से इम्पोर्ट पर निर्भर रहना पड़ता है।जिस साल में जो कमी आई है, उसका मुख्य कारण यह रहा है कि रॉ मैटेरियल के प्राइस नेशनल मार्केट में काफी फ्लक्चुएट रहे हैं।उसके कारण ही इसमें गिरावट आई है।उसको हम रिकवर करने की कोशिश कर रहे हैं, जिससे हम इस साल उस को रिकवर कर लेंगे।”

### **Defence Exports and import by DPSUs**

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

(₹ in crore)

DPSUs		2019-20	2020-21	2021-22	2022-23	2023-24
HAL	Export	212	240	168	294	311
	Import	7,135	7,176	6,533	6,179	10,087
BEL	Export (MUSD)	48.59	51.93	33.30	48.33	92.98
	Import	3355	3307	3133	3865	5080
BEML	Export	62	463	565	830	1066
	Import #	674	600	624	649	612
# the import content varies depending on the Product-Mix. The Company is also working towards 'Atmanirbhar Bharat' policy of Gol and has planned for indigenization of 1993 items, starting from FY 2020-21 to FY 2025-26. As on date, 581 items have been indigenized. Further, efforts are on for indigenous						

		development of balance items				
BDL	Export	171	146	3	97	161
	Import	257	277	271	345	148
MIDHANI	Export	10.42	19.42	87.02	37.45	66.24
	Import	403.67	231.59	308.33	331.00	401.75
MDL	Export	0.11	0	3.26	5.73	15.43
	Import	Nil				
GRSE	Export	1.01	87.49	60.94	59.78	46.90
	Import	80.04	78.89	194.88	461.24	332.88
GSL	Export	0.87	0.33	1.10	37.85	37.49
	Import	182.49	82.06	42.04	95.30	663.17
HSL	Export	Nil				
	Imports	50.95	2222.82	22.43	343.13	75.30

### **Indigenization efforts**

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

“**HAL:** HAL has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development, and manufacture of defence platforms, thereby promoting self-reliance in defence manufacturing & technology. HAL is closely working with its ecosystem partners, especially MSMEs, to help them become reliable and strong supply chain partners, thus expanding the aerospace ecosystem in the country. Some specific initiatives taken by HAL in this regard include:

### Provisioning of Funds for Indigenization:

(a) Creation of a dedicated Indigenization fund: HAL has established a dedicated indigenization fund by transfer of 3% operating profit after tax every year, from the FY 2022-23 onwards. This fund will be used for indigenization activities.

(b) Additional Provision: HAL Board has also approved a one-time sanction of ₹ 916 Cr during the fiscal year 2023-24 for development activities aimed at import substitution over the next 4 to 5 years. This will further boost indigenization efforts.

Identification of critical items for indigenization and inclusion in the Positive Indigenization Lists issued by DDP-MoD: In a major initiative, HAL identified and prepared a comprehensive roadmap for indigenization of complex aircraft Systems, LRUs & other critical Items across its major platforms. These items are planned to be indigenized over the next 4-5 years in a phased manner through the participation of Indian private industries and government agencies, involving academia. 2,362 items currently imported by HAL, are included in the Five PILs issued by DDP, MoD, out of which 1,922 items have been indigenized so far.

Indigenization through Make-II Procedure: HAL's Make-II program is a step towards supporting the 'Aatmanirbhar Bharat' & 'Make in India' mission and in compliance of the Make-II framework promulgated by MoD. It envisages the assured order quantity after successful development of items through private partners. HAL has identified items to be indigenized through Make-II procedure and uploaded in the Srijan portal. EOIs of these items are being issued in phased manner to take up indigenization under Make-II.

Uploading of imported items in Srijan Defence Portal: MoD has developed and launched the Srijan Defence Portal (an indigenization portal) to support Indian Industries with opportunities for Make in India in Defence. HAL has uploaded so far more than 26,800 imported items in the portal for information to private suppliers and their likely participation in the indigenization programs of HAL. Private suppliers are showing interest in indigenization of the items uploaded in the portal. HAL is continuously interacting with and facilitating them for successful design, develop the item, and becoming a supply chain partner, following commercial procedures.

Sharing of Testing Facilities available at HAL: HAL has hosted in its website, more than 85 types of test facilities available at HAL for utilization by industries on payment basis. Both Government organizations and Indian private companies are extensively utilizing these facilities.

Support to Vendors: HAL also provides requisite technical support to private vendors during Indigenous development, prototype development, Manufacturing, and testing. Through such hand holding efforts Private vendors have developed capability not only to manufacture critical machined components but also deliver LRUs and major structural assemblies like fuselages, wings, empennages, control surfaces etc. of LCA, Su-30MKI etc.

**BEML:** BEML is continuously making efforts to reduce the import content through localization. In this direction, BEML has initiated Product indigenization through License Agreements, Joint Ventures & Transfer of Technology (ToT) with foreign OEMs, Continuous indigenization of products through re-engineering and extensive R&D efforts, indigenously conceptualizing, designing, developing, manufacturing, and supplying Defence equipment based on customer requirements and uploading of items in Srijan Portal, to reduce the import dependency.

**BDL:** (a) In SRIJAN Portal which is a 'one stop shop online portal that provides access to the vendors to take up items for indigenization, as on date, BDL has uploaded 1197 items which mainly include semiconductors & other electronic items, critical items etc. imported by BDL;

(b ) BDL is designing and developing indigenous 2.5 and 3rd generation ATGMs which are equivalent to foreign missiles and presently not being manufactured in India. These products are being developed under Indian Indigenously Designed Developed and Manufactured (India IDDM) category of Defence Procurement Procedure. The successful completion of these products will make India, Atma Nirbhar in the manufacturing of 2.5 and 3rd generation ATGMs;

(c) BDL is actively participating in iDEX initiatives & collaborating with Startups for ground breaking innovations and contributing significantly to the Atma Nirbhar Bharat Mission.

**MDL:** MDL has set up dedicated Indigenisation department from 2015 for giving impetus to Indian Naval Indigenisation plan. MDL has successfully indigenised major items/equipment through the Indian Industries in last five years.

Indigenisation of these items has not only resulted in considerable cost savings to the exchequer but also helped India in becoming self-reliant as far as these items/equipment are concerned. MDL has launched a separate “Atmanirbhar Bharat” Webpage in MDL website as a part of Atmanirbhar Bharat Abhiyan. The process of indigenisation, various items/equipment indigenised, items required to be indigenized (Eols) are displayed under the webpage.

A compendium of items indigenised was inaugurated and published on the MDL website to demonstrate success stories.

MDL has uploaded all imported items on SRIJAN portal to provide opportunity for Indian vendors to indigenised these items.

MDL contributed to Positive Indigenisation List (PIL) i.e. PIL-1, PIL-2, PIL-3, PIL-4 and PIL-5 initiatives of MoD/DDP. The PIL-1 contains 05 items, PIL-2 contains 06 items PIL-3 contains 134 items, PIL- 4 contains 872 and PIL-5 contains 07 items of MDL. Twenty-two major items have been so far indigenised successfully. Balance items are at various stages of indigenisation and will be indigenised progressively in next five years.

**GSL:** GSL has been putting consistent efforts in indigenisation of components which are not available in India such that the dependence on overseas vendors could be reduced. Brief on the items indigenised and identified for indigenisation are enumerated below:

Coast Guard Offshore Patrol Vessel (CGOPV) Project: For the CGOPV Project, GSL has successfully indigenized the major equipment which were previously imported and has achieved the indigenous content of 72%, which have saved considerable amount of foreign exchange.

P1135.6 Project: GSL is currently undertaking construction of Follow-on Advanced Stealth Frigates 1135.6 for Indian Navy. Ships of similar class are being constructed at Russia. Frigates at GSL are being executed with Russian assistance and major equipment/system fit of Russian origin is being replaced with indigenous products/systems. Compared to the ships of Frigate class being constructed at Russia, equipment fit for the ongoing 1135.6 Frigates Project at GSL are scheduled to have fairly large indigenous components of approx. 55% which includes the major technology oriented equipment, weapons and sensors etc.

Pollution Control Vessels (PCV) & Fast Patrol Vessels (FPV) Projects: GSL is also constructing PCVs with approx 75% indigenization & FPVs for

Indian Coast Guard with around 60% indigenization. The design of PCV is developed entirely in-house, being first time by any Indian shipyard. Additionally, the design of FPV is also being developed in-house.

Fast Interceptor Boat: GSL has constructed a Fast Interceptor Boat and has developed autonomous systems for the Boat jointly with Bharat Electronics Limited. The Boat fitted with AI system was delivered to Indian Navy.

Floating Dry Dock (FDD): FDD is being built for export by GSL. Major equipment such as Ballast Control System and Hauling system are being indigenously developed contributing to achieve 100 % indigenization for the project.

Next Generation Offshore Patrol Vessels (NGOPV): GSL is also constructing NGOPVs for Indian Navy, in-house designed with around 76% indigenization.

**HSL:** HSL has been consistently making efforts to boost indigenization in its ship construction projects under 'Make in India policy'. Some of the initiatives taken by HSL towards indigenization are (a) HSL is procuring equipment / components / subsystems through GeM (Government e-Marketplace) which are available on GeM portal. During the FY 2023-24, HSL has procured Goods & Services worth ₹ 530 Cr through GeM portal; (b) HSL has uploaded 92 items worth ₹ 900 Cr on Srijan Portal and so far has indigenized 39 items worth ₹ 202 Cr.

HSL has developed expertise in design and manufacture of specialised vessels like OPVs (Off shore patrol vessels), Harbour Ocean going Tugs, IPVs (In shore patrol vessels), DSVs (Diving support vessels) and various types of commercial vessels. The Indigenous content of these vessels have been achieved near to 80% with participation of Indian equipment manufacturers. Yard is exploring the possibility to export these vessels and participating at various Global summits to promote our products. “

### **Research & Development (R&D) setup in DPSUs**

5.15 During the evidence, on being queried about investment in R&D by the DPSUs, the representative of the Ministry of Defence submitted as under:



“..Right now, we are spending around 3-4 per cent of turnover of PSU. HAL is spending much more than any other company. But overall, we aim to reach to 7-8 per cent of turnover in the next five years. It will depend on company to company. जैसे, बीईएल और एचएएल जैसी कंपनी में बिना आरएण्डडी में इन्वेस्ट किए आगे नहीं बढ़ पाएंगे। कुछ कंपनियां हैं, जिनमें आरएण्डडी इन्वेस्टमेंट की रिकायरमेंट कम होगी, लेकिन अब इन कंपनियों का आरएण्डडी पर काफी फोकस है।”

5.15 When further queried about licensing out the R&D projects/findings to private sector, the representative of the Ministry of Defence submitted as under:

“..A question was asked whether we license out our R&D project or our R&D findings to private company. As of now, as far as my information goes, PSUs are not licensing out their R&D IPR to others. DRDO do it. It is their mandate. In future, maybe some of our PSUs might develop certain R&D IPR which might find dual use or they might find someone else to manufacture product on that. That is nothing which can be discounted for today. Certainly, it may come up in future.”

### **Delivery of products/equipment/platforms by DPSUs**

5.16 When asked whether there are any cost and time overruns by DPSUs during the last five years while supplying equipment/platforms to the Forces, the Ministry in a written submission informed the Committee as under:

“**HAL:** Currently, HAL is supplying Light Combat Aircraft (LCA-Tejas), Dornier Do-228, Advanced Light Helicopter (ALH), Light Combat Helicopter (LCH), RD-33 engine for MiG-29, and AL31FP engine for Su30 Mkl to the Defence Forces. HAL products are highly technology intensive, with dependence on multiple stakeholders, including foreign OEMs.

Due to reasons which were beyond control of HAL such as Covid and other Geo-Political issues certain delays were experienced in supply.

LCA MK1A: Delay in delivery due to imported items.

To mitigate these challenges, measures such as concurrent manufacturing, capacity augmentation, and increased outsourcing have been implemented.

Notably, there have been no delays in the delivery of the Dornier Do-228 aircraft, ALH, RD-31 engines and AL31FP engines. In fact, HAL delivered AL31FP engine and ALH have been produced ahead of schedule. Since HAL contracts are governed by firm and fixed pricing, there have been no financial implications to the customers.

**BEML:** All contracts that the Company is executing are generally with firm prices. The deliveries of High Mobility Vehicles have been delayed due to late receipt of imported aggregates and indigenisation of components like, cabin, torsion bar etc., In case of ARV, delay in supply of aggregates by Foreign OEM contributed to the delay in project.

**BDL:** Orders on BDL are based on fixed price contract basis, hence there is no impact of cost overrun. Konkurs-M and Akash orders were delivered in time. However, due to reasons which were beyond control, products like Invar ATGM, Varunastra and MRSAM were delivered beyond scheduled time due to delay in receipt of items from various suppliers including foreign suppliers and OEMs. Since the contract costs are fixed, there has been no escalation or no cost incurred to the customers i.e Services.

#### **Defence Shipyards - GRSE, GSL, HSL:**

**GRSE:** All contracts signed between GRSE & MoD are fixed price contracts and are based on negotiated prices firmed up prior to signing of contract. Any delay in completion of projects does not lead to cost escalation unlike Cost Plus contracts.

The delays in warship construction are primarily on account of the Force majeure on account of Covid 19 Global Pandemic, late design finalization & Imported Buyer Nominated Equipment (BNE).

**GSL:** The delays in warship construction are primarily on account of the Force majeure on account of Covid 19 Global Pandemic.

**HSL:** All the existing contracts are Fixed price contract and there is no contractual provision for payment of additional contract consideration on account of extension of time. Delay in contract delivery does not lead to cost

escalation of contract price. The delays in warship construction are primarily on account of the Force majeure on account of Covid 19 Global Pandemic.”

5.17 During course of the examination of DFG 2024-25, the Committee raised the issue of time and cost overruns in execution and delivery of Defence platforms/equipment/products by the DPSUs. In response, the Defence Secretary submitted as under:

“Sir, as far as contract fulfilment by the PSU is concerned, yes there are challenges and you have mentioned one or two specific issues. We review them on a continuous basis because that is part of the way we utilize our capital budget. As I said, a lot of our money is going to be spent within the country and through the PSU's.

The challenges sometimes are due to technology gaps. For example, we still do not have jet engine technology in particular where there are supply chain issues, which are broader. It is that particular company in-turn cites its supply chain bottlenecks in some other part of the world for the delays that we are experiencing. These kind of gaps or supply chain bottlenecks or delays reiterate our determination or confirm to us that our determination to increasingly go for the indigenization road, even though it is a much harder road, it will be much tougher. Sometimes, we may not be able to achieve the best-in-class equipment for every category, but that is the only way to preserve strategic autonomy and we intend to double down on our indigenization efforts irrespective of the fact that it will cause delays in certain cases. From time to time, for critical technologies, we may still have to go for some level of global ties, but for the most part, the intention is to use indigenous resources.

Let me also say that DRDO has developed certain types of technologies where they have partnered with private sector companies as development partners. It is particularly in areas like artillery where we have become increasingly self-

sufficient. And if you see the Ukraine war, for the most part it was an artillery-based warfare combined with drones. And in that area, we are probably doing quite well. We are matching global standards and perhaps to some extent also in missiles.

So yes, there are gaps and there are delays at times, but the intention to stick to indigenization is actually borne out by some of those delays because those delays are caused by our dependence on foreign suppliers.”

5.18 When enquired about delivery schedule of Light Combat Aircraft(LCA) Mk1 during Sitting held in connection with examination of DFG 2024-25, the representative of the Ministry submitted as under:

“..आपने एलसीए के डिले के बारे में कहा है।यह बात हम सबको चिंतित करती है।एलसीए मार्क 1 जीई - 404 इंजन पर डिपेंडेंट है।जीई-404 इंजन की सप्लाई पिछले दो सालों से एजस्टेटेड बाई जीई कोविड के कारण उनकी सप्लाई चेन ब्रेकअप हो गई है।वह अभी रिज्यूम नहीं कर पाए हैं।उन्होंने प्रॉमिस किया है कि इस साल मार्च से जीई के इंजन देना शुरू करेंगे, next year onwards, the supply would get stabilised.

As far as HAL is concerned, their capacity is they can produce 16 Mk1 aircraft right now, plus eight are coming in Nashik, which is almost done.”

5.19 In line with the discussion, the representative of the Ministry supplemented as under:

“..Sir, GE-404 is not licensed. It is getting supplied from them. GE-4144 and LCA Mk2 co-manufacturing is being planned. The agreement is going on between HAL and GE, which we believe should get signed between both of them in the next three to four months.

....The financial agreement is being worked out. यह एलसीए की बात है।जैसे ही इंजन की प्रॉब्लम शॉर्टआउट हो जाएगी तो 24 एलसीए हर साल और उसके 30 हर साल करने का प्लान किया है।”

### **Order Book position of the DPSUs**

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

#### **HAL:**

FY	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Order Book (₹ Crs)	1,25,388	2,55,226	2,79,308	2,76,046	2,45,437	2,48,958

#### **BEL:**

FY	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Order Book (₹ Crs)	74500	39000	45000	55000	70000	80000

**BEML:** Presently, BEML Limited has an order book position of over ₹ 11400 crore (as on 30.09.2024) comprising all the three business verticals. The anticipated order is planned to book during the next 5 years is:

Year	2024-25 (for next 6 Months)	2025-26	2026-27	2027-28	2028-29
Value in ₹ Cr.	10384	15165	59453	14959	16535

**BDL:** Current Order book position is ₹ 18870 Cr as on Sep 24 with execution timelines up to 2029-30. Anticipated order book for the next five years is approx. ₹28000 Cr which will be spread over a period of time for execution.

**MIDHANI:** Order book position for the current and next five years – 2,000 Cr.

**MDL:**The Order book position is as below:

FY	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Order Book (₹ Crs)	69960	156905	181208	167298	152637	136702

**GRSE:** Balance order Book position as on 30.06.2024: ₹ 25,231.29 Cr. The company expects to maintain an orderbook of plus ₹ 25000 Cr at the end of each financial year, for the next five years.

**GSL:** The order book position of GSL anticipated for the next five years based on ongoing projects and expected orders (both domestic and export) is as follows:

(₹ in Cr)

	01-Apr-24	01-Apr-25	01-Apr-26	01-Apr-27	01-Apr-28
Ongoing Projects	18562	16030	26270	23470	18970
Expected Orders	-	13740	1200	-	16000
Total	18562	29770	27470	23470	34970

**HSL:** The order book position for next five years is tabulated below:

FY	2024-25	2025-26	2026-27	2027-28	2028-29
Order Value (₹ in Crs)	19197	19417	19041	16190	12769

### **Defence Start-ups**

5.21 During the evidence, the Committee raised a specific query regarding security clearance to Defence Startups engaged by the Ministry of Defence. A representative of the Ministry submitted as under:

“सिक््योरिटी क्लीयरेंस के बारे में मेरे पास एग्जेक्ट इन्फॉर्मेशन नहीं है, लेकिन मैं आपको जरूर दूंगा।जब ये स्टार्ट अप फर्स्ट फेस में आईडेक्स स्कीम में लगाए गए, वहां हमारी तरफ से उनको 1.5

करोड़ रुपये पैसा दिया जा रहा था, लेकिन अभी वह अदिति में 25 करोड़ रुपये तक जा रहा है।ये बहुत बड़ी कंपनियां नहीं है, छोटी-छोटी कंपनियां हैं।ये मोस्टली इण्डियन स्टार्टअप्स ही हैं, फॉरेन स्टार्टअप्स नहीं हैं।”

### **Corporate Social Responsibility**

5.22 During oral evidence on the subject, the Committee raised a specific query regarding expenditure of CSR funds of DPSUs for the welfare of Ex-Servicemen. In response, the representative of the Ministry submitted as under:

“सर, मैं यह सबमिट करना चाहता हूं कि जो सीएसआर एक्टिविटीज़ होती हैं, जनरली पूअर एंड मार्जिनल सेक्शन ऑफ सोसाइटी के लिए होती है।अगर कोई डिस्ट्रैस्ड एक्स सर्विसमैन है, कहीं पर उनके जीविका की प्रॉब्लम है या कुछ अन्य प्रॉब्लम है तो उसमें इंटरवीन करते हैं। It is not as a rule, but as an exception.”

## CHAPTER – VI

### WELFARE OF EX-SERVICEMEN

The Committee have learnt that a new Department of Ex-Servicemen Welfare (DESW) was created in the Ministry of Defence on 22<sup>nd</sup> September, 2004 in order to pay focused attention to the welfare and resettlement of Ex-Servicemen (ESM). DESW is mandated to formulate and implement various policies and programmes for the welfare and resettlement of Ex-Servicemen in the country. The Department consists of two Divisions i.e. (i) Pension Division; and (ii) Resettlement Division. The Pension Division of the Department of Ex-Servicemen Welfare deals with pension policies for the Armed Forces personnel and redressal of grievances of Ex-servicemen whereas the Resettlement Division looks after the remaining matters. Further, DESW has 3 Attached offices namely, Kendriya Sainik Board Secretariat (KSB Sectt.), Directorate General of Resettlement, (DGR) and Central Organisation, Ex-servicemen Contributory Health Scheme (CO, ECHS).

The office of Directorate General of Resettlement implements various Policies / Schemes / Programmes for pre and post retirement training, re-employment and self-employment of ex-servicemen. The DGR is assisted in its task by 5 Directorate Resettlement Zones (DRZs) co-located with the Army Command Headquarters at Udhampur, Chandimandir, Lucknow, Kolkata and Pune. Central Organisation, Ex-Servicemen Contributory Health Scheme takes care of the healthcare and medical needs of Ex-servicemen and their dependents through a network of 427 polyclinics across the country.

6.2 The Committee have been informed that at present, there are approximately more than 27 lakh Ex-Servicemen in the country.

#### **Role of Directorate General of Resettlement (DGR)**

6.3 The Committee, in a written reply, were apprised about the role of DGR as under:

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

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



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

### **Budget utilisation**

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

<i>(in ₹ crore)</i>					
	2023-24			2024-25	
Deptt/Office	BE	RE/MA	Actual Exp	BE	Actual Exp (till 31.10.2024)
<b>DESW</b>	11	11	10.90	11	6.40
<b>Pension</b>	1,34,000	1,42,095	1,42,095	1,49,205	1,01,282.72
<b>DGR</b>	33.80	27.19	27.02	33.80	15.94
<b>ECHS</b>	5,431.56	9,880.99	9,831.86	6,968*	5,556.52
<b>KSB</b>	304.30	673	652	304.30	301.43

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

6.5 During oral evidence of the representatives of the Ministry of Defence in connection with examination of DFG 2024-25, a representative of the Ministry elaborated on the budgetary allocation to DESW as under:

“बजट अभी ट्रेंड में है। इसमें कोई बाधा नहीं है। कमेटी जो रिकमेंड कर रही है, वह एलॉटमेंट में मिल रहा है। अभी तक यह ठीक ठाक चल रहा है। विभाग का भी-11 करोड़ रुपये का खर्च है। पिछली बार उतना ही खर्च किया। पेंशन में भी, चूंकि वन-

पेंशन की थर्ड रिवीजन सरकार ने अभी घोषित की है और चूंकि इस बार यह -वन-रैंक समय से घोषित किया गया है तो इसमें बहुत ज्यादा एरियर्स नहीं हैं, इसलिए थोड़ा ज्यादा मांगा गया है, वह मिल जाएगा।

सर, डी करीब-में भी करीब .आर.ए.जी.34 करोड़ रुपये हैं। ईसीएचएस में अभी हाल ही में कंटीन्जेंसी फंड से भी करीब 1,000 करोड़ रुपये मिले हैं। केन्द्रीय सैनिक बोर्ड राज्य सरकार को भी सेन्ट्रल शेयर देते हैं और स्कीम्स चलाते हैं, उसके लिए भी करीब 3,400 करोड़ रुपये के प्रोजेक्शंस दिए गए हैं।“

### **Avenues for resettlement of Ex-Servicemen**

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

#### **“Placement Assistance through DGR**

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

#### **DGR Sponsored Schemes Govt Schemes & Self Employment**

2. **Govt Security.** The DGR empanels / sponsors ESM run Private Security Agencies, and State ESM Corporations for providing security guards to various CPSEs, Corporate Houses, Private sector Undertakings etc. The scheme offers self-employment opportunities to retired officers and adequate employment opportunity to retired JCO/Ors and equivalent in a field, where they have sufficient expertise. Presently there are approximately 1800 operational Security Agencies running 60000 guards Pan India.

3. **ESM Coal Loading and Transportation Companies.** This scheme is linked with the ESM Coal loading and transportation scheme. Desirous ESM who enrol for this scheme are allotted to Coal transportation companies to own and attach a tipper truck. They are required to deposit seed money for buying the tipper truck. The scheme is offered for a max

period of five years. No fresh registrations are being carried out since the unilateral withdrawal of Coal India Ltd. The matter for revival is sub-judice.

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

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

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

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

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

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

10. **Provision of "Technical Service" by ESM Manpower/ Agencies Sponsored By DGR.** DGR provide Ex-servicemen manpower as 'Maintenance & Support Staff' on contractual basis for Operations and Maintenance of technical equipment (Heavy duty Plant, Mechanical Equipments, Vehicles & Electrical machinery) to the Government Est/ Complexes through empaneled State ESM Corporations."

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

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

(b) **Expansion of Vacancies for Greater Inclusion**. Recognizing the increasing demand for resettlement training, the Directorate has expanded the number of available training vacancies. This initiative aims to accommodate a larger number of retiring personnel and ex-servicemen, providing more opportunities for skill enhancement and career development.

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

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

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

SI	Scheme	2019	2020	2021	2022	2023	Remarks										
1	Security Agency Empannelled. *  Number of ESM Sponsored#	1289  42289	625  32469	932  34338	732  32,240	750  48525	<p align="center"><b>Number of ESM Officers Registered with DGR (for all Schemes*)</b></p> <table border="1"> <thead> <tr> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>1007</td> <td>1087</td> <td>856</td> <td>910</td> <td>1005</td> </tr> </tbody> </table> <p>* These figure are representing number of ESM registered with DGR for various schemes i.e. DGR Security Agency, ESM Coal Company, Management of CNG and COCO Schemes. # ESM Guards are directly picked up by the Security Agency from the environment (ZSB/ Placement Cells). DGR only allocates the <b>number of Guards to be employed based on the requisitions.</b></p>	2019	2020	2021	2022	2023	1007	1087	856	910	1005
2019	2020	2021	2022	2023													
1007	1087	856	910	1005													
2	Coal Companies Sponsored/ ESM Sponsored	05/ 28	Nil	Nil	Nil	Nil	CIL has withdrawn from the scheme and no new ESM (O) sponsorships have been done since Jul 2020.										
3	ESM & Widows/ Disabled ESM attached in ESM Coal Companies. 3. Booking/ reservati	250 (JCOs / OR) 20 (Wido ws /Disab led)	51 (JCO s/ OR) 121 (Wid ows /Disa bled)	00 (JC Os/ OR) 20 (Wi dow s /Disa ble d)	Nil	12 (JC Os/ OR) 16 (Wi do ws /Di sa ble	<b>The sponsorship is based solely on the requisitions from CIL and resulting in formation of ESM Coal Company.</b>										

	on of Venue of Function.					d)	
4	Management of CNG	57	45	39	47	66	This is an ESM (Officer Brigadier & below) based scheme and all those selected through an interview by IGL/ MNGL get the benefit of the scheme. <b>DGR only sponsors names of registered officers as per the requisitions. Those not selected have the option to switch-over to other re-settlement scheme.</b>
5	COCO Scheme (For BPCL/ IOCL/ HPCL)	14	139	20	47	138	This is an Officer/ JCOs (ESM) based scheme and all those selected through an interview by Oil Companies get the benefit of the scheme. While officers (ESM) register with DGR but JCOs (ESM) register their name for this OPA scheme through their parent Rajya Sainik Board / Zila Sainik Board. <b>The sponsorship is based solely on the requisitions from the Oil Companies.</b>
6	Issue of Eligibility Certificates for allotment Oil Product Agencies	146	07	07	01	44	Eligibility Certificates are issued to applicants who fulfil the QR. Thus, <b>the numbers of ESM issued with Eligibility Certificates are the actual number of ESM registered for OPA Scheme</b> under 8% reserved quota for allotment of Regular/Rural Retail Outlet Dealership under, 'CC1' category. The final allotment is done through a 'draw of lots' by Oil Companies .
7	Mother Dairy Milk Booths/Safal Booth	354*	340*	536*	835*	553*	This is an ESM (JCOs/ OR) and their equivalent centric scheme and all those selected through an interview get benefit of the re-settlement scheme. * Number of ESM Selected for Mother Dairy Milk Booth and Safal Fruit & Vegetable Shops. # Number of ESM registered for Mother Dairy Milk Booth and Safal Booth. <b>All are sponsored by DGR for a/m two schemes.</b>
8	Army Surplus Class-V 'B' Vehicles	-	-	-	-	-	This scheme is based on requisitions / state of availability of Class-V 'B' vehicles with the MGO Branch (Army). DGR only forward the applications of eligible ESM to MGO Branch for preparation of a seniority list for allotment of Vehicles. <b>** Scheme is being fore-closed due to security &amp; environmental concerns.</b>
9	ESM	9706	4157	255	897	33	This re-employment scheme is based on

	Placeme nt by DGR (Emp Dte)			28	4	88	requirements placed by PSU/Govt offices for both officers and JCOs/ OR and their equivalent in Air Force and Navy. DGR sponsors the names of all those who fulfil the QR to the Requisitioning Agency/ Deptt. Thereafter, ESM are selected through an interview. <b>DGR directly receives names of applicant (officers), while JCOs/ OR (and their equivalents) names are selected/ routed through KSB/ RSB/ ZSB to DGR.</b>
10	Provision of "Technical Service" by ESM Manpower / Agencies Sponsored By DGR	-	-	211	56	313	DGR only sponsors Tech Manpower/Guards to be employed based on the requisitions from Government Est/ Complexes through State ESM Corporations. ESM Corporations undertake contractual hiring of manpower for provisioning of technical requirement as requisitioned and sponsored by DGR. DGR does not undertaken direct registration. However, ESM desirous of employment under technical services register with state ESM corporations, ZSB & RSB.
11	Issue of 'Eligibility Certificates- for PMBJP	-	-	-	-	02	Eligibility Certificates are issued to applicants who fulfil the QR. Thus, the numbers of ESM issued with Eligibility Certificates are the actual number of ESM registered for PMBJP Scheme

6.9 The Committee, through a Power Point Presentation made by the representative of the Ministry of Defence, have learnt that 61,810 and 43,734 ESM were given employment through DGR in 2023 and 2022, respectively. The following data regarding employment generated by DGR in 2022 and 2023 was also furnished by the Ministry during deliberation on DFG 2024-25:

S.No.	Scheme/ Year	2022	2023
(a)	Security Agencies & State ESM Corporations Empanelled	732	750
(b)	ESM sponsored in security agency	32440	48525
(c)	ESM sponsored in Coal Companies	-	12
(d)	Widows/ disabled ESM attached in Coal Cos	-	16
(e)	Management of CNG Station in NCR/Pune	47	66

(f)	Sponsored for COCO Scheme (Petrol Pumps)	47	138
(g)	Issue of Eligibility Certificates for allotment of Oil Product Agencies	1	44
(h)	Mother Dairy Milk Booths/Safal Booth	835	553
(j)	ESM Sponsored/ Placement by DGR (Emp Dte)	8974	3388
(k)	DGR Technical Service Scheme	56	313
(l)	Post completion of PRC through Trg Institutes	33	83
(m)	Job fairs/Seminars/PMBJP	769	7922
	<b>Total</b>	<b>43734</b>	<b>61810</b>

6.10 The Committee, during deliberations on the subject, raised concerns regarding adequacy and profile of jobs being offered to ESM by the Ministry of Defence. In response, the representative of the Ministry submitted as under:

“सबसे पहले शार्ट फॉल इन जॉब्स की बात कही जा रही है। लगभग हर साल 60 हजार से ज्यादा एक्स-सर्विस मैन पुल में ज्वाइन कर रहे हैं। हमारी कोशिश रहती है कि कम से कम 60 हजार लोग जो सर्विस से निकल रहे हैं, इस संख्या से कम हमारा नया प्लेसमेंट नौकरी देते हैं, उससे कम न हो।

इनका प्रेफरेंस अफसर रैंक के लोग एग्जीक्यूटिव जॉब होती है, हमारी कोशिश यह देखने की होती है कि कॉर्पोरेट सेक्टर के साथ लाइजनिंग करके वहां जो एग्जीक्यूटिव वैकेंसियां हैं, उनके साथ टाईअप कर सकते हैं या नहीं? हमारी व्यवस्था है कि सीआईए के हैड्स के साथ बातचीत करते हैं और लगभग स्टेट में एक जॉब फेयर ऑर्गेनाइज करते हैं। कुछ दिनों पहले बेंगलुरु में किया था, इससे पहले लखनऊ और रांची में किया था और 29 तारीख को कोलकाता में करने वाले हैं। हम प्रत्येक राज्य में जॉब फेयर ऑर्गेनाइज करते हैं, इसमें 50-60 अच्छी कंपनियां आती हैं और एग्जीक्यूटिव जॉब्स, बैंक, इंश्योरेंस, कम्प्यूटर टेक्नोलाजी वाले लोग रहते हैं। हमारी कोशिश रहती है कि उनको जॉब मिल जाए।



आपने टेबल में देखा होगा कि 700 के आसपास लोगों को इस तरह की जॉब्स देने की कोशिश की गई है। हमारा निरंतर प्रयास रहता है कि जितनी भी वैकेंसियां हैं, उनकी एडवर्टाइजमेंट्स की सारी सूचना अपने पोर्टल में डालें ताकि कोई एक्स-सर्विसमैन देखना चाहेगा तो देख सके।“

6.11 Further responding to the query regarding any employment exchange where ESM can register them, the representative added as under:

“एक माननीय सदस्य ने पूछा था कि हमारे पास कोई मैकेनिज्म है, जैसे एम्प्लायमेंट एक्सचेंज, जहां पर जाकर एम्प्लायमेंट के लिए दरखास्त कर सके। इसके लिए डायरेक्टोरेट जनरल ऑफ रिसेटलमेंट है, बहुत काफी पुरानी संस्था है, यह विभिन्न प्रकार के ईएसएम के साथ कैसे कनेक्ट करेंगे, स्पेशलाइज करती है और वेब पोर्टल के माध्यम से कनेक्शन किया जाता है। आपने देखा होगा 12-14 स्कीम्स चल रही हैं, इसमें एप्लीकेशन्स इन्वाइट की जाती हैं और जितने भी एक्ससर्विसमैन हैं-, ऑनलाइन पोर्टल में एप्लीकेशन देते हैं। जब एप्लीकेशन रिसेव होती हैं, उसी के हिसाब से उनको या तो ट्रेनिंग प्रोग्राम के लिए स्पांसर करते हैं, अगर वे एम्प्लायमेंट सीकर हैं, अगर हमारे पास किसी पार्टिकुलर पोस्ट की वैकेंसी आ गई है और लोगों ने एप्लाई किया है, तो हम उनकी एप्लीकेशन को फारवर्ड भी करते हैं। ऑलरेडी जो व्यवस्था है, इसे डीजीआर कहा जाता है।“

### **Reservation benefits for ESM**

6.12 The Committee, through a written reply of the Ministry of Defence, were informed about following reservation benefits for ESM in various establishments:

“The following reservation for ESM in Central Government jobs are available to ESMs:

(i) 10% of vacancies in the posts up the level of the Assistant Commandant in all Para-Military Forces, 10% of the vacancies in Group ‘C’ posts, and 20%

of the vacancies in Group 'D' posts, to be filled by Direct recruitment in any year shall be reserved for being filled by ESM.

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

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

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

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

6.13 The Committee have learnt that KSB Secretariat. is responsible for the welfare of Ex-Servicemen and their dependents and for the administration of welfare funds. It is assisted in its task by 34 Rajya Sainik Boards (RSBs) and 414 Zila Sainik Boards (ZSBs), which are under the administrative control of respective State Governments/Union Territory Administrations. The Government of India shares 75% of the expenditure incurred on the maintenance of RSBs/ZSBs in respect of the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Uttarakhand, Jammu & Kashmir, and Himachal Pradesh and 60% for other States/UTs while the remaining expenditure is borne by respective State Governments.

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

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

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

6.15 The Committee have also learnt that at the State level, the resettlement and welfare of Ex-Servicemen is handled by one of the Ministries in the State Government and the Secretary of the Department concerned oversees the functioning of Department of Sainik Welfare. The Departments of Sainik Welfare exercise general control and supervision over the Zila Sainik Welfare Offices some of which cover more than one revenue District. Like KSB at the Centre, there are 34 Rajya Sainik Boards (RSBs) functioning at the State/UT level and 414 Zila Sainik Boards (ZSBs) at district level. As Hon'ble Raksha Mantri is president of KSB, the Chief Minister of the State is the President of the Rajya Sainik Board in the State and District Collector is the Chairman of the Zila Sainik Board. The Secretaries to the Rajya Sainik Board are invariably the Directors of the Department of Sainik Welfare and the Secretaries to the Zila Sainik Boards are the Zila Sainik Welfare Officers. The Zila Sainik Welfare Offices are established in the Zila which have population of 7,500 and above of ESM, their widows, dependents and families of serving defence personnel residing therein. However, in certain districts in remote / hilly areas, the population limitation of minimum of 7,500 may be waived off as stipulated in the rules.

6.16 While briefing the Committee about details of financial assistance under various schemes from AFFDF, the representative of the Ministry submitted as under:

“इसमें बेनिफिशियरीज की संख्या बढ़ रही है और राशि भी बढ़ती जा रही है। यह एक वाटरशेड वर्ष है। इसी कमेटी ने वर्ष 2020-21 में रिकमेंड किया है कि डिफेंस सर्विसेज एस्टीमेट से भी इसमें फंड दिए जाएं, ताकि वह बैकलॉग क्लियर हो जाएगा। उस समय

मैरिज ग्रांट और चिल्ड्रेन एजुकेशन ग्रांट में काफी पेन्डिंग थे, पर अभी कुछ भी पेन्डिंग नहीं है, क्योंकि डिफेंस सर्विसेज एस्टीमेट से जो कंट्रीब्यूशंस हैं और इसके अलावा जो पब्लिक फंडिंग है, वे दोनों मिलकर कोई बैकलॉग नहीं है। अभी बेनिफिशियरीज की संख्या भी बढ़ कर 1,72,133 हो गयी है और पिछले वर्ष 366.54 का खर्च भी हुआ है।”

### **Prime Minister's Scholarship Scheme (PMSS)**

6.17 The Committee have learnt that the Prime Minister's Scholarship Scheme (PMSS) was launched in 2006 to benefit wards/widows of ESM undertaking professional graduation courses. The scheme is funded out of the National Defence Fund, which is administered by the Prime Minister's Office. The scheme awards scholarships to 5500 students every year, with the amount of the scholarship for boys and girls being ₹ 30,000 and ₹ 36,000 per year, respectively. Under PMSS, an amount of ₹ 55 crore was disbursed in 2023-24 to 15,115 beneficiaries.

## CHAPTER VII

### **DEFENCE PENSION**

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

#### **Defence Pension Budget**

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

(₹ in crore)			
<b>BE 2023-24</b>	<b>RE 2023-24</b>	<b>BE 2024-25</b>	<b>Actual exp (till 31.10.24)</b>
1,38,205	1,42,095	1,49,205	1,01,282.72

7.3 The Committee have been apprised that the additional requirement of ₹ 11,000 crore for BE 2024-25 over BE 2023-24 is mainly due to normal growth in pensions and impact of dearness relief.

## **SPARSH-SYSTEM FOR PENSION ADMINISTRATION (RAKSHA)**

7.4 The Committee have learnt that the System for Pension Administration (Raksha) (SPARSH) is being implemented for meeting the pension sanction and disbursement requirements for Armed Forces viz. Army, Navy, Air Force and Defence Civilians. This Pensioner Portal provides a single window for the pensioners to avail the pension related services such as facility to view the pension details, pension entitlements, pensioner profile details, Income Tax forms etc.

7.5 The Committee, through a written submission of the Ministry, have further learnt that total 28.24 lakh Defence Pensioners have been migrated to SPARSH and 1.35 lakh pensioners remain for this task, as on 26.09.2024. A total of ₹ 67,388.45 crore has been disbursed through SPARSH during FY 2024-25 till 31.08.2024.

## **One Rank One Pension (OROP)**

7.6 The Committee have been given to understand that OROP implies that uniform pension be paid to the Armed Forces Personnel retiring in the same rank with the same length of service regardless of their date of retirement. Thus, OROP implies bridging the gap between the rate of pension of the current pensioners and the past pensioners at periodic intervals. OROP was implemented in November 2015 w.e.f. 01.07.2014 with revisions every 5 years in 2019 and 2024. 25.13 lakh Armed Forces Pensioners and family pensioners have benefited from OROP.

## PART – II

### OBSERVATIONS/RECOMMENDATIONS

#### GENERAL DEFENCE BUDGET

##### Demands for Grants of the Ministry of Defence for 2024-25: A bird's eye view

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

which includes expenditure on land, construction works, plant and machinery, equipment, heavy and medium vehicles, Naval Vessels, Aircraft and Aero engines, Dockyards, etc.

The Committee also note that re-structuring of Capital budget has been done with effect from Financial Year 2024-25 wherein budgetary allocation of the three Services under common minor heads has been clubbed under the newly introduced Sub Major Head 09 i.e Defence Services. Allocation under other minor heads which are not common to the Services has been kept as it is. Demand No. 22 provides for Pensionary charges (Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment etc.) in respect of the retired Defence personnel (including Defence civilian employees) of the three Services viz. Army, Navy and Air Force and employees of erstwhile Ordnance Factories.

### **Defence Budget 2024-25**

2. During examination of Demands for Grants of the Ministry of Defence for 2024-25, the Committee find that out of the total allocated budget for the Ministry of Defence for Financial Year 2024-25 i.e. ₹ 6,21,940.85 crore, largest share of 73.12 percent, i.e. ₹ 4,54,772.67 crore has been allocated for Defence Services Estimates (Grant Number 20 and 21). An amount of ₹ 2,82,772.67 crore has been allocated to Defence Services Revenue (Grant Number 20). The Capital Outlay on Defence Services (Grant number 21) has been allocated an amount of ₹ 1,72,000 crore. Defence Pension (Grant Number 22) has secured 22.70 percent of the total Defence budget i.e. ₹ 1,41,205 crore. The 4.17 percent of the total Defence budget i.e. ₹ 25,963.18 crore has been allocated to Ministry of Defence (Civil) (Grant Number 19).

The Committee observe that the total Defence Budget is 12.90% of total Central Government Expenditure and 1.91% of GDP for the year 2024-25.



Further, total outlay for the Defence budget in Budget Estimates (BE) 2024-25 has shown an increase of ₹ 28,403.21 crore i.e. 4.79 percent in comparison to Budget Estimates in 2023-24. The Committee also note the Ministry's submission that Defence Budget has increased at a Compound Annual Growth Rate (CAGR) of 7.6% from FY 2019-20 to FY 2024-25 which is greater than the inflation rate in each year. However, when compared to the Revised Estimates allocation of ₹ 6,23,888.94 crore for 2023-24, the BE allocation for 2024-25 shows a decrease of ₹ 1,948.09 crore. The Committee are aware that the Revised Estimates exercise of the budgetary process which takes into account variety of factors such as inflation, trend of expenditure so far, emergency procurement etc. has already been commenced in various Ministries. The Committee, therefore, hope that if needed be the Ministry of Defence will allocate additional funds at Revised Estimates stage to ensure optimum operational preparedness of our Armed Forces at all times.

#### **Utilization of Defence Budget 2023-24**

3. The Committee, on scrutiny of the budgetary documents furnished by the Ministry of Defence, note that out of the amount of ₹ 6,23,888.94 crore allocated for total Defence Budget at Revised Estimates 2023-24 stage, the actual expenditure incurred for Financial Year 2023-24 is ₹ 6,09,853.98 crore. During deliberations, the Committee were apprised that global geo-political situation causing supply chain disruptions and efforts made by the Indian Defence Industry in achieving greater self-reliance in Defence manufacturing led to some delays in projects fructification and incomplete utilization of funds. The Committee hope that measures would be put in place to ensure full utilization of funds in the coming years.

#### **Budget allocation to the Services**

4. On scrutiny of the documents provided by the Ministry of Defence in connection with examination of Demands for Grants for the year 2024-25, the Committee find that in comparison to the Budget Estimates 2023-24, while capital allocation to Navy and Air Force has been increased to 20.07 percent and 1.36 percent, respectively, the allocation to Army under this head has registered a decline of 4.49 percent in Budget Estimates 2024-25. During oral evidence in connection with examination of DFG 2024-25, the Defence Secretary has attributed the reason for this uneven increase in Capital allocation to the three Services to the higher cost of the equipment and platforms required by Navy and Air Force than that of Army. Further, admittedly, the increase in Capital allocation to Navy in BE 2024-25 is highest among the three Services due to order of Predator Drones for Navy. The Committee also note the deposition of the representative of the Ministry that Capital allocation to the Army for BE 2024-25 is adequate. While keeping in mind the assurance of the Ministry regarding adequacy of the Capital Allocation for the Forces, the Committee hope that requirements for additional funds, if any, by the Forces will be taken care of by them at the Revised Estimates stage to upkeep and maintain the existing robust Armed Forces.

#### **Modern warfare**

5. The Committee are cognizant that a paradigm shift in the strategy of warfare is taking place in contemporary theatre of war where non-conventional means such as non-kinetic warfare, cyber warfare, cognitive warfare etc. are being increasingly employed. The Committee learn that efforts are ongoing to increase our capabilities in this modern warfare and have every reason to believe that with right combination of strategy, morale and infrastructure, our country will be at par with other advanced countries. In this regard, the Committee recommend that urgent and coordinated efforts by all the stakeholders i.e. the Ministry of Defence, Services, Defence Research &

Development Organisation, Defence Public Sector Undertakings etc. may be made to achieve excellence in hybrid and modern war tactics.

#### Emergency procurement

6. The Committee's oral evidence of the representatives of MoD has revealed that the Emergency Procurements for the Forces were sanctioned four times in 2020. They also learn that a mechanism is being worked out in the Ministry of Defence for fast-track procurement for the Services. In this regard, the Committee desire that modalities being worked out for fast track procurement for the Services be finalized at the earliest and the Committee be apprised accordingly.

### BORDER ROADS ORGANIZATION (BRO)

#### Budgetary Allocation to BRO

7. The Committee note that for BE 2024-25, under MoD (Civil), the total allocation to BRO is ₹ 12,107.41 crore; allocation under Revenue head is ₹ 5,595.41 crore and Capital head is ₹ 6,512 crore. In FY 2023-24, the BE allocation to BRO under MoD (Civil) was ₹ 10,179.5 crore. Further, as on 31.10.2024, BRO has spent ₹ 3,121 crore under Capital head and ₹ 4,147 crore under Revenue Head. In the past 60 years, BRO has constructed more than 61000 km of roads, 915 permanent bridges, 04 tunnels and 19 airfields under adverse climatic and geographical conditions. The Committee would like to place on record their appreciation for the BRO in carrying out mammoth and arduous tasks of creating strong and viable infrastructure in the inhospitable and far-flung areas of the country. In this context, the Committee recommend that additional funds at Revised Estimates stage, as sought by BRO may be favourably considered by the Ministry so that construction and maintenance of operational infrastructure for the Forces in Border Areas of the country remains unabated.

### **Challenges faced in execution of projects**

8. The Committee are aware that in the past, certain projects of BRO were delayed due to delay in granting Forest and Wildlife and land acquisition clearance. The Committee understand that challenges faced by BRO in this regard have reduced to a great extent. Nevertheless, the Committee urge that in order to save precious time and energy of BRO in getting the requisite approvals, remaining pending cases of Forest and Wildlife and land acquisition clearance may be resolved at the earliest.

### **Sharing of technology by BRO with other agencies**

9. The Committee note the submission of the Director General, Border Roads that BRO is open to sharing its expertise and knowledge of construction and maintenance of infrastructure with other concerned agencies in various State Governments. In this context, the Committee recommend that feasibility of creation of an online portal by BRO for facilitation of guidance and co-ordination with other Government construction agencies for this purpose may be explored and the Committee be apprised accordingly.

## **INDIAN COAST GUARD**

### **Budget 2024-25**

10. The Committee learn that the amount allocated under Capital and Revenue heads to Indian Coast Guard Organisation (ICG) in Budget Estimates (BE) 2024-25 is ₹ 3,500 crore and ₹ 4151.80 crore, respectively. Out of this allocation for FY 2024-25, the total expenditure by Coast Guard upto 20.11.2024 is ₹ 4,338 crore. The Committee note that for Revised Estimates 2024-25, the projection in respect of Coast Guard is ₹ 8,964.27 crore, seeking an increase of ₹ 1,312.47 crore over BE 2024-25. Keeping in view the past trend of full utilization of funds by ICG, the Committee desire that reasons for increase in

RE projection for 2024-25 may be furnished to the Committee at the earliest. Nevertheless, the Committee also recommend that justified demands for funds for Indian Coast Guard may be suitably met at RE stage to aid this organization in carrying out its multifarious roles efficiently.

#### **Stray Incident of leaking of sensitive information**

11. The Committee take cognizance of a recent reported event of arrest of a Porbandar resident for allegedly sharing sensitive information about Indian Coast Guard vessels. In this regard, the Committee note the submission of the Director General, Coast Guard that this was a one-off incident. It was also submitted that a thorough background and antecedent verification of the contractual staff is undertaken by the Coast Guard. In this regard, the Committee recommend that the extant system of detecting and monitoring channels of leakage of sensitive information may be further strengthened to avoid recurrence of such cases in future. The contractual staff in the Coast Guard may also be suitably sensitized in this regard.

### **DEFENCE ESTATES ORGANIZATION**

#### **Budgetary provision**

12. The Committee learn that for Directorate General Defence Estates (DGDE), under Budget Estimates 2024-25, ₹ 621.61 crore and ₹ 42.60 crore have been allocated under Revenue and Capital Head, respectively. They also learn that the Ministry of Defence (MoD) provides financial assistance to Cantonment Boards in the form of ordinary Grant-in-Aid to balance their budget and during 2023-24, 50 Cantonment Boards out of 61 received Grant-in-Aid from the MoD. The Committee find that for BE 2024-25, the total Grant-in-Aid to the Cantonments amounts to ₹ 439.69 crore. In this regard, the Committee recommend that if required, Grant-in-Aid to the Cantonments be appropriately

examined by the Ministry at Revised Estimates stage so that various civic and welfare schemes/initiatives being undertaken in the Cantonment areas continue unhampered.

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

13. The Committee learn that in order to move away from the Cantonment concept and bring uniformity in municipal laws governing civil areas of Cantonments and adjoining State Municipal areas, it has been decided to consider excision of civil areas of select Cantonments and merge them with adjoining municipalities. Further, keeping in view that the outcome of this exercise may have a bearing on the relevance of Cantonments Boards as prescribed under Cantonments Act 2006, the draft Cabinet Note on Cantonments Bill 2022 has been withdrawn. The Committee also note the Defence Secretary's submission in this regard that the matter is being discussed with various State Governments. Since this process of excision of civil areas of select Cantonments and their merger with adjoining municipalities is a comparatively new development, the Committee, at this stage, desire that details regarding this process may be furnished to this Committee at the time of submitting Action Taken Replies on this Report.

### **Interests of the Civil Population in Cantonment Areas**

14. During deliberations on Demands for Grants 2024-25, the Committee raised the issue of grievances of the civil population in the Cantonment areas such as thoroughfare through some roads in the Cantonment areas, cleaning of drainage etc. In this regard, the Defence Secretary apprised the Committee that the services and facilities provided by the Cantonment Boards in their areas are generally better than that in general local bodies and that requires strict enforcement of development controls. The Committee understand that with the

passage of time and the growing urbanization around Cantonment areas, efforts to maintain the pristine status of the Cantonment areas cause certain restrictions for the civilian population in the Cantonment areas. The Committee are aware that in view of the interest of the residents in the Cantonment areas and need for greater democratization in the functioning of the Cantonment Boards in the country, a new draft Cantonment Bill was conceptualized and was also introduced in the public domain. However, now, consequent to the decision of consideration of excision of civil areas of select Cantonments and their merger with adjoining municipalities, the draft Cabinet Note on Cantonments Bill 2022 has been withdrawn. At this stage, the Committee recommend that the process of excision of civil areas of select Cantonments and their merger with adjoining municipalities be expedited to address the grievances of the civil population in the Cantonment areas. The Committee in this regard also desire that balanced decisions regarding restriction and controls in the Cantonment areas be taken so as to maintain mutual faith and camaraderie between civil society and defence dispensation.

#### **Civic and welfare facilities in the Cantonment Areas**

15. The Committee learn that main duties and discretionary functions of the Cantonment Boards include Sanitation, Water supply, Education, Health facilities, Birth and Death registration, regulation of building construction etc. The Cantonment Boards in the major cities in the country also have facilities such as Biowaste management plants, ITI centres, e-waste banks etc. The Committee recommend that meaningful and concerted efforts be made by the Ministry so that the new welfare and civic amenities available in the Cantonment areas in the major cities of the country be uniformly extended to all the Cantonment areas in the country.

#### **DEFENCE PUBLIC SECTOR UNDERTAKINGS (DPSUS)**

### Profitability of the DPSUs

16. On scrutiny of the data regarding profitability of the old 9 Defence Public Sector Undertakings (DPSUs), the Committee find that Hindustan Aeronautics Limited (HAL) has registered the highest profitability (Profit after Tax) in 2023-24. The Committee appreciate that Hindustan Aeronautics Limited (HAL) is the only DPSU which has been conferred the status of Maharatna Central Public Sector Enterprise (CPSE) on October 12, 2024. On further examination of the data regarding profitability of 9 DPSUs for the period 2019-20 to 2023-24, the Committee find that profitability of Mishra Dhatu Nigam Limited (MIDHANI) for Financial Year 2023-24 is the lowest among the old DPSUs. The Committee note the Chairman & Managing Director (CMD), MIDHANI's submission in this regard that MIDHANI deals with manufacturing of super alloys for which they are dependent on imported raw materials. Admittedly, the profitability of MIDHANI for the said Financial Year has suffered because of the fluctuations in price of these raw materials. However, they have assured that the loss in profitability will be recovered during the current year by MIDHANI. In this regard, the Committee hope that urgent and concerted efforts will be made by the Department of Defence Production (DDP) and MIDHANI to ensure that profitability of MIDHANI does not trail in comparison with their counterpart PSUs. The Committee wish that the MoD may inform the profitability of MIDHANI in 2024-25 at the stage of furnishing Action Taken Replies on this Report.

### Indigenization efforts and self reliance in Defence sector

17. The Committee learn that various steps are being taken for indigenization of Defence production by the DPSUs. These *inter alia* include promulgation of 5 positive indigenisation lists comprising of 5012 items, launching of SRIJAN portal in August 2020 to facilitate Private Industry to become part of the indigenisation drive of DPSUs & Service Headquarters, introduction of Make I



and II Procedures, promotion of Startups through iDEX and ADITI scheme. The Committee note that the country's journey on the path of self-reliance sector in Defence Sector is showing considerable progress. This is substantiated from the fact that the Defence production in the country increased from ₹ 1,08,684 crore in 2022-23 to ₹ 1,27,265 crore in 2023-24 and 4555 items were indigenized in 2023-24 versus 3414 items in 2022-23. Also, out of 37000+ items displayed on SRIJAN portal by DPSUs, approximately 13,000 items have already been indigenized. In the considered opinion of the Committee, the DPSUs are the pillars of our defence production and therefore, the Committee desire that concerted and timely measures be taken by the Ministry and the DPSUs to further develop their core competencies to ensure that our country achieves complete self-reliance in defence production at the earliest. It goes without saying that this gargantuan task requires adequate support to both DPSUs and Defence Private Sector in terms of budgetary support, investment in Research & Development, transfer of technology etc. and the Committee hope that the Government will take appropriate steps to cater to the needs of the time.

#### **Delivery of products/equipment/platforms by DPSUs**

18. The Committee note that there have been time overruns on the part of DPSUs in conforming to the delivery schedule of certain products for the Forces. The Committee, taking into account the written submission of the Ministry and oral deposition of the Defence Secretary in this regard, note that the primary reason for the delay in most cases is dependence on imported items. One such instance of delay in delivery of Light Combat Aircraft (LCA) M1A was also highlighted by the Committee during deliberations on DFG 2024-25. In this context, the Committee are of the view that the DPSUs should intensify their efforts to ensure timely supply of various equipment /platforms/weapon systems/ accessories so that our Armed Forces are

equipped with state-of-the-art equipment and platforms to encounter any unforeseen situation at any point of time.

The Committee are also given to understand that the delays are sometimes caused due to focus on indigenization and preserving strategic autonomy. The Committee are of the considered view that for achieving self reliance for inventing, developing and producing cutting edge Defence technology, R&D activities in Defence Public Sector Undertakings (DPSUs) should be further strengthened in terms of adequate budgetary, infrastructural and human resource support.

### **Defence Start ups**

19. The Committee learn that 534 Start ups and Micro, Small and Medium Enterprises (MSMEs) have been engaged by the Ministry of Defence so far and contracts have been signed with 378 Startups and MSMEs. The Committee, keeping in view the sensitive nature of work of Defence sector, desire that the details of the extant mechanism in the Ministry of Defence for grant of security clearance to the Defence startups engaged by the Ministry be furnished to the Committee at the earliest.

### **Corporate Social Responsibility (CSR)**

20. The Committee note that the CSR activities of the Defence Public Sector Undertakings (DPSUs) chiefly cater to the needs of the poor and marginalized sections of the society. In some cases, the CSR funds are used to address grievances of a distressed Ex-Serviceman. In this context, the Committee recommend that feasibility of fixing a percentage of the CSR funds of the DPSUs to be spent on the welfare of the Ex-Servicemen be explored by the Ministry of Defence and the Committee be apprised accordingly.

## WELFARE OF EX-SERVICEMEN

### Budget

21. The Committee learn that an amount of ₹ 33.80 crore and ₹ 6,968 crore has been allocated to Directorate General of Resettlement (DGR) and Ex-Servicemen Contributory Health Scheme (ECHS) respectively for Budget Estimates 2024-25. Kendriya Sainik Board (KSB) Secretariat and Department of Ex-Servicemen Welfare (DESW) have been allocated sum of ₹ 304.30 crore and ₹ 11 crore, respectively. The Committee, on examining the data for budgetary allocation for Organisations/Divisions looking after welfare of Ex-Servicemen, find that the funds provided to DGR, DESW and KSB, except Defence Pension and ECHS, have remained equal to that of 2023-24. Although the Committee have been assured that no challenges are being encountered by the Department of Ex-Servicemen Welfare regarding budgetary allocation, the Committee would still hope that in case of any need in future, the requisite fund would be provided by the Ministry at Supplementary Stage Grant.

### Re-settlement of ESM

22. The Committee have been given to understand that Directorate General Resettlement (DGR) sponsors Ex-Servicemen (Officers/ JCOs/OR) to various Government organizations, Public Sector Undertakings, Corporate Houses, Private Sector, Central Para Military Forces etc. based on their requisition for re-employment of ESM. The Committee, in this regard, recommend that the process for providing re-employment to ESM by DGR, especially the allotment of petrol pumps, CNG Retail outlets, may be expedited and a strict timeframe may be devised by the Ministry in this regard.

The Committee appreciate that 61,810 and 43,734 ESM were given employment through DGR in 2023 and 2022, respectively. The Committee

desire that data for the last 3 years regarding the number of ESM, who have applied for but are still awaiting suitable re-employment opportunities, may be furnished at the time of furnishing the Action Taken Report.

### **Re-settlement avenues for ESM**

23. The Committee learn that the present re-employment avenues for ESM offered by DGR *inter alia* include security guards in various CPSEs, Corporate Houses, PSUs, Tipper attachment, Oil Retail Outlet dealership, CNG Retail outlets, Mother Dairy/Safal outlets. The Committee, during deliberations on the subject, raised concerns regarding work profile of certain re-employment avenues being offered to ESM, which could affect their morale and mental health. Therefore, the Committee recommend that concrete efforts may now be made to increase the self-employment and entrepreneurial opportunities, especially in their local/native places for ESM by the Ministry of Defence. Further, viability of reservation of jobs for ESM in Sainik Schools and Cantonment Boards may be explored by the Ministry of Defence and the Committee be apprised accordingly.

### **Facilities for ESM**

24. The Committee desire that details regarding the extant facilities for ESM namely Canteen Stores Department, ECHS polyclinics and Sainik Rest Houses, State-wise and district-wise alongwith the population of ESM in respective areas, in the country may be furnished to them at the time of submitting Action Taken Replies. The Committee recommend that adequate number of CSD and ECHS Polyclinics may be opened uniformly in the country on the basis of the ESM population being catered to in the respective areas. They also desire that proper maintenance of Sainik Rest Houses be taken care of by the Ministry to ensure decent temporary accommodation for the Ex-Servicemen.

## Prime Minister's Scholarship Scheme (PMSS)

25. The Committee learn that the Prime Minister's Scholarship Scheme (PMSS), funded out of the National Defence Fund and administered by the Prime Minister's Office, was launched in 2006 to benefit wards/widows of ESM undertaking professional graduation courses. The scheme awards scholarships to 5500 students every year, with the amount of the scholarship for boys and girls being ₹ 30,000 and ₹ 36,000 per year, respectively. Under PMSS, an amount of ₹ 55 crore was disbursed in 2023-24 to 15,115 beneficiaries. The Committee, in this regard, desire that feasibility of increasing the amount being disbursed under PMSS, in pursuance with the competent authority, may be explored and the Committee be apprised accordingly.

## DEFENCE PENSION

### Budgetary Provisions

26. The Committee observe that Defence Pensions, under the Ministry of Defence provides for Pensionary charges in respect of retired Defence personnel (including Defence civilian employees) of the three services viz. Army, Navy and Air Force and employees of erstwhile Indian Ordnance Factories etc. It covers payment of Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment amongst others. The Committee are informed that the total number of Defence pensioners in the country is 32,94,181 including 6,14,536 Defence Civilian Pensioners and 26,79,645 Armed Forces Pensioners. The Committee find that out of the total budget of ₹ 6,21,940.85 crore allocated to the Ministry of Defence in Budget Estimates (BE) 2024-25, an amount of ₹ 1,41,205 crore i.e. 22.70 percent of the entire Defence Budget has been earmarked for Defence Pensions. The Committee have been given to understand that the additional requirement of ₹ 11,000 crore for BE 2024-25 over BE 2023-24 is mainly due to

normal growth in pensions and impact of dearness relief. The Committee understand that Defence Pension provides much needed financial security to those who serve our country and therefore, recommend that, after taking into account factors such as increase in pension amount, enhanced Dearness Relief, additional funds, if sought at the Revised Estimates stage, may be favourably considered.

### **SPARSH-SYSTEM FOR PENSION ADMINISTRATION (RAKSHA)**

27. The Committee learn that System for Pension Administration (Raksha) (SPARSH) is being implemented for meeting the pension sanction and disbursement requirements for Armed Forces viz. Army, Navy, Air Force and Defence Civilians. This Pensioner Portal provides a single window for the pensioners to avail the pension related services such as facility to view the pension details, pension entitlements, pensioner profile details, Income Tax forms etc. The Committee appreciate that a total of 28.24 lakh Defence Pensioners have been migrated to SPARSH. The Committee, in this regard, recommend that migration process of the remaining Defence pensioners be expedited and the Committee be apprised accordingly.

NEW DELHI;

17 December, 2024  
26 Agrahayana, 1946 (Saka)

RADHA MOHAN SINGH,

*Chairperson,*  
*Standing Committee on Defence.*

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

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

The Committee sat on Thursday, the 21 November, 2024 from 1100 hrs. to 1700 hrs. in Committee Room `D`, Parliament House Annexe, New Delhi.

PRESENT

Shri Radha Mohan Singh — *Chairperson*

MEMBERS

***Lok Sabha***

2. Dr. Rajeev Bharadwaj
3. Shri Karti P Chidambaram
4. Captain Viriato Fernandes
5. Shri Shashank Mani
6. Shri Lumba Ram
7. Shri Bishnu Pada Ray
8. Shri Jagannath Sarkar
9. Shri Jagadish Shettar
10. Shri Virendra Singh
11. Shri Kesineni Sivanath
12. Shri Richard Vanlalhmangaiha

***Rajya Sabha***

13. Shri Naresh Bansal
14. Shri Shaktisinh Gohil
15. Shri Prem Chand Gupta
16. Shri Naveen Jain
17. Shri Praful Patel
18. Shri Dhairyashil Mohan Patil
19. Shri Sanjay Singh

**SECRETARIAT**

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

## LIST OF WITNESSES

### Ministry of Defence

#### Capital Outlay on Defence Services

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Rajesh Kumar Singh	Defence Secretary
3.	Sanjeev Kumar	Secretary (DP)
4.	Dr. S. V. Kamat	Secretary (DDR & D)
5.	Dr. Niten Chandra	Secretary (ESW)
6.	Sugata Ghosh Dastidar	FA(DS)
7.	Air Mshl SP Dharkar	VCAS
8.	Lt Gen NS Raja Subramani	VCOAS
9.	Lt Gen Rajiv Ghai	DGMO
10.	Lt Gen JP Mathew	CISC
11.	Lt Gen Pratik Sharma	DCOAS(Strat)
12.	Lt Gen Rahul R Singh	DCOAS(CD&S)
13.	Vice Admiral Tarun Sobti	DCNS
14.	Samir Kumar Sinha	AS&DG(Acq)
15.	Lt Gen Ulhas Kirpekar	DG FP
16.	Lt Gen Manish Mohan Erry	DG SP
17.	Lt Gen Vineet Gaur	DG CD
18.	Ms. Dipti Mohil Chawla	AS,DoD
19.	Lt. Gen. Atul Anand	AS,DMA
20.	Sanjay Kumar	Addl. FA (SK) & JS
21.	Maj Gen G S Choudhry	JS (Army & TA)/DMA
22.	Manish Tripathi	JS (Parliament)
23.	Subhash Kumar	DS(Budget)

#### Procurement Policy & Defence Planning

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Rajesh Kumar Singh	Defence Secretary
3.	Sanjeev Kumar	Secretary (DP)
4.	Dr. S V. Kamat	Secretary (DDR & D)
5.	Dr. Niten Chandra	Secretary (ESW)
6.	Sugata Ghosh Dastidar	FA(DS)
7.	V Adm Sanjay Vatsayan	DCIDS (PP&FD)
8.	Samir Kumar Sinha	AS & DG(Acq)
9.	Siddhartha Singh Longjam	AS & FA (Acq)
10.	Dr. Ajay Kumar	JS & AM (LS)
11.	Dharmendra Kumar Singh	JS & AM (Air)
12.	Dinesh Kumar	JS & AM (MS)
13.	AVM GK Mohan	ADG Acq Tech (Air)
14.	Maj Gen Abhay Dhayal	ADG Acq Tech (Army)



15.	IG AP Badola PTM TM	DDG (P&P)
16.	Sanjay Kumar	Addl. FA (SK) & JS
17.	Manish Tripathi	JS (Parliament )
18.	Subhash Kumar	DS (Budget)

### **Indian Army**

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Atul Anand	Addl. Secy., DMA
3.	Sugata Ghosh Dastidar	FA(DS)
4.	Lt Gen NS Raja Subramani	VCOAS
5.	Lt Gen Rajiv Ghai	DG MO
6.	Lt Gen Pratik Sharma,	DCOAS (Strat)
7.	Lt Gen Rahul R Singh	DCOAS (CD&S)
8.	Lt Gen Ulhas Kirpekar	DGFP
9.	Lt Gen Manish Mohan Erry	DG SP
10.	Lt Gen Vineet Gaur	DGCD
11.	Lt Gen VPS Kaushik	AG
12.	Lt Gen VMB Krishnan	QMG
13.	Lt Gen Amardeep Singh Aujla	MGS
14.	Ms. Dipti Mohil Chawla	AS, DoD
15.	Sanjay Kumar	Addl. FA(SK) & JS
16.	Maj Gen G S Choudhry,	JS(Army&TA)/ DMA
17.	Subhash Kumar	DS(Budget)

### **Indian Air Force**

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Atul Anand	Addl. Secy., DMA
3.	Sugata Ghosh Dastidar	FA(DS)
4.	Air Mshl SP Dharkar	VCAS
5.	Air Mshl Tejinder Singh	DCAS
6.	Ms. Dipti Mohil Chawla	Addl. Secy., DoD
7.	AVM Vikram Gaur	JS(Air), DMA
8.	Eddie L. Khawlhing	Addl. FA& JS
9.	Subhash Kumar	DS(Budget)

### **Indian Navy**

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Atul Anand	Addl. Secy., DMA

3.	Sugata Ghosh Dastidar	FA(DS)
4.	Ms. Dipti Mohil Chawla	Addl. Secy., DoD
5.	Vice Adm. Tarun Sobti	DCNS
6.	Rear Admiral Alok Ananda, YSM	ACNS (P&P)
7.	R. Adm. Vikram Menon	JS (Navy)
8.	Sanjay Kumar	Addl. FA(SK) & JS
9.	Subhash Kumar	DS(Budget)

### **Indian Coast Guard**

1.	Rajesh Kumar Singh	Defence Secretary
2.	Ms. Dipti Mohil Chawla	Addl. Secy., DoD
3.	Sugata Ghosh Dastidar	FA(DS)
4.	DG S Paramesh PTM, TM	DGICG
5.	Shri Pawan Kuamr Sharma	JS (Training/CG/SSC)
6.	Sanjay Kumar	Addl. FA(SK) & JS
7.	Subhash Kumar	DS(Budget)

### **Joint Staff**

1.	Gen. Anil Chauhan	CDS & Secretary (DMA)
2.	Atul Anand	Addl. Secy., DMA
3.	Sugata Ghosh Dastidar	FA(DS)
4.	Ms. Dipti Mohil Chawla	Addl. Secy., DoD
5.	Lt Gen JP Mathew	CISC
6.	V Adm Sanjay Vatsayan	DCIDS(PP&FD)
7.	R. Adm. Vikram Menon	JS (Navy)
8.	Sanjay Kumar	Addl. FA(SK) & JS
9.	Subhash Kumar	DS(Budget)

### **Directorate General of Defence Estate**

1.	Rajesh Kumar Singh	Defence Secretary
2.	Ms. Dipti Mohil Chawla	Addl. Secy., DoD
3.	Sugata Ghosh Dastidar	FA(DS)
4.	G S Rajeswaran	DGDE
5.	Valeti Premchand	Addl. DG, DGDE
6.	Ms. Nigar Fatima	Addl DG

7.	Ms. Vibha Sharma	Addl. DG
8.	Ms. Sonam Yangdol	Addl. DG
9.	Rakesh Mittal	Joint Secy (L&W)
10.	Sanjay Kumar	Addl. FA(SK) & JS
11.	Eddie Lalrinliana Khawlhring	Addl. FA(EL)& JS
12.	Subhash Kumar	DS(Budget)

### **Border Roads Organization**

1.	Rajesh Kumar Singh	Defence Secretary
2.	Samir Kumar Sinha	AS & DG(Acq)
3.	Ms. Dipti Mohil Chawla	AS, DoD
4.	Sugata Ghosh Dastidar	FA(DS)
5.	Lt Gen Raghu Srinivasan	DGBR
6.	Mayank Tewari	JS(BR)
7.	Sanjay Kumar	Addl. FA(SK) & JS
8.	Eddie Lalrinliana Khawlhring	Addl. FA concerned
9.	Subhash Kumar	DS(Budget)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2024-25.

3. Thereafter, the Chairperson welcomed the Defence Secretary, representatives of the Armed Forces and the Ministry of Defence to the Sitting of the Committee convened to deliberate on the subjects 'General Defence Budget, Department of Military Affairs (DMA), Ministry of Defence (Civil), Capital Outlay on Defence Services, Procurement Policy and Defence Planning, Army, Air Force, Navy, Joint Staff, Coast Guard Organisation (CGO), Directorate General Defence Estate (DGDE) and Border Roads Organization (BRO)' in connection with examination of Demands for Grants of the Ministry of Defence for the year 2024-25.

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

5. Thereafter, the Defence Secretary initiated the discussion by giving an overview of Defence Services Estimates and other Demands for Grants of the Ministry of Defence for 2024-25. The highlights of the brief given by the Defence Secretary are as under:

- (i) The total outlay for Ministry of Defence is Rs. 6,21,940.85 crore which is approx 12.90 percent of Budgetary Estimates of the country and 1.9 percent of Gross Domestic Product (GDP);

- (ii) Out of total allocation, Rs. 4,54,772.67 crore has been allotted for Defence Services Estimates, Rs. 25,963.18 crore for MoD (Civil) and Rs. 1,41,205 crore for Defence pensions;
- (iii) Seventy-five percent of Defence Modernization budget has been earmarked for domestic industry in FY 2024-25; and
- (iv) The export percentage has been increased to thirty-one percent during the last ten years.

6. Then, a Power Point Presentation on **General Defence Budget** was made before the Committee. This was followed by detailed deliberations on the following issues:

- (i) The total Defence Budget for 2024-25 i.e. BE Rs. 6,21,940.85 crore is an increase of 4.79 percent in Defence Budget in comparison to BE 2023-24;
- (ii) Defence Service Estimates which is almost seventy-three percent of the total Defence Budget;
- (iii) Enhancement in Non-salary revenue outlays allocation for the Defence Services in BE 2024-25 in comparison to BE 2023-24;
- (iv) Increase in revenue and capital budget as compared to previous year allocation;
- (v) Initiatives for creating an enabling environment and encouraging indigenous design, development and manufacture of defence equipment;
- (vi) Reasons for less expenditure in capital head by Army;
- (vii) Critical aspects of indigenous defence acquisition;
- (viii) Types of defence equipments exported by defence sector;
- (ix) Innovative solutions for productivity of ex-servicemen and reduction in pension bill;
- (x) Budget involved in non-kinetic warfare;
- (xi) Reasons for increase in the Budget for Navy;
- (xii) Budget allocation for modern warfare to equip Armed Forces;
- (xiii) Use of advance equipments for surveillance of border areas and the budget allocation;
- (xiv) Quantity of defence equipments exported by DPSUs and Private Sector;
- (xv) Implementation of 'Operation Sadbhavana' scheme in Jammu and Kashmir and north eastern areas;
- (xvi) Reasons for emergency procurement of defence equipments;
- (xvii) Inclusion of all indigenous products in Srijan portal
- (xviii) Increase in Defence allocation to meet actual requirement keeping in view current security scenario;
- (xix) Planning for upgradation and modernisation of conventional arms;

- (xx) Strategy for achieving complete indigenization and self-reliance in Defence sector;
- (xxi) Association with private players in Defence sector;
- (xxii) Comparison with neighboring countries regarding expenditure on equipments and development of infrastructure.

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

- (i) Defence Planning to cater current and further modernisation needs of the Armed Forces in terms of platforms, equipment, ammunitions, infrastructure and manpower;
- (ii) Complex and technology- intensive of Modern platforms;
- (iii) External and internal factors accounting for Defence Planning;
- (iv) Invention of methodology known as Integrated Capability Development System (ICATS);
- (v) Capability planning process which includes RMOD directive, net assessment, environment scan, SWOT analysis, etc.
- (vi) Reviewing of Integrated Capability Development Plan (ICDP) by headquarters IDS;
- (vii) Annual acquisition plan for all the acquisitions;
- (viii) Defence Acquisition Procedure (DAP)-2020 for Defence Procurement Policy;
- (ix) Fundamental Philosophy for acquisition process;
- (x) Defence Acquisition Policy which aims to ensure timely procurement of defence equipment to meet the operational requirements;
- (xi) Priority of procurement of defence equipments;
- (xii) Basic categories for classification of acquisition process i.e. pre-AoN and Post-AoN;
- (xiii) Three pillars of Atmanirbharta i.e. Atmanirbhar Bharat, Make in India and ease of doing business;
- (xiv) Push for domestic defence ecosystem in FY 2024-25;
- (xv) Indigenization of various weapons and platforms including missiles, submarines, LCA, etc.;
- (xvi) Promotion of 'Make in India' aspects in domestic production ;
- (xvii) Transparency in the defence acquisition process;
- (xviii) Ensuring level playing field between the DPSUs and the Private Players;
- (xix) Recent initiative in DAP;

- (xx) Development of domestic defence ecosystem through enhanced avenues and increase vendor base.

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

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

- (i) Territorial Integrity maintaining by Army;
- (ii) Counter-terrorism and counter-insurgency operations in the country;
- (iii) Equipment and infrastructure deployment in border areas;
- (iv) Combating proxy war by Army;
- (v) Logistic operations in High Altitude Areas;
- (vi) Infrastructure development in northern and western borders;
- (vii) Induction of state-of-the art weapon system and platforms;
- (viii) Realistic training in all terrains by Army;
- (ix) Training of Army with friendly foreign countries;
- (x) Contribution of Army in Military Diplomacy;
- (xi) Role of women officers in Army;
- (xii) Contribution of Army in natural disaster and calamities;
- (xiii) Features of Vibrant Village Programme;
- (xiv) Budgetary allocation to Army;
- (xv) Contribution in sports by Army;
- (xvi) Role of Army towards humanitarian assistance and speedy relief during calamities
- (xvii) Medical assistance and care of veterans;
- (xviii) Modernization through induction of indigenous weapons and platforms;
- (xix) Schemes to enhance security infrastructure, surveillance, research and development and fighting abilities of Army.

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

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

- (i) Integrated Air Command and Control System;

- (ii) Upgradation of Fighter Aircrafts upto 4<sup>th</sup> Generation capability;
- (iii) Indigenous upgradation of Su-30MKI;
- (iv) Shortage of authorized squadrons strength;
- (v) Study to analyze the major reasons for the delay of LCA;
- (vi) Joint air-ground-sea exercises;
- (viii) Role of women officers in combat units;
- (ix) Promoting and commitment for Atmanirbharta in Air Force;
- (x) Role of Air Force towards human assistance and disaster relief operations;
- (xi) Decline in accident rates in Air Force;
- (xi) Increase in Budget Estimate (BE) for the year 2024-25 as compared to the previous year 2023-24.

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

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

- (i) More allocation in Budget Estimates, Capital Budget and Revenue Budget of 2024-25 in comparison to Budget Estimates, Capital Budget and Revenue Budget of 2023-24;
- (ii) Maritime threats and challenges from traditional and non traditional sources;
- (iii) Area of operations of Navy to Africa and Australia continents;
- (iv) Bilateral and Multilateral exercises with friend foreign countries;
- (v) IOR maritime information hub linkages with 25 national and 50 multinational centres;
- (vi) Role of Navy in Multi-National contracts;
- (vii) 'Milan 24' Biennial exercise conducted at Visakhapatnam;
- (viii) Anti-piracy operations by Navy;
- (ix) Anti-Narcotics Operations by Navy;
- (x) Role of women officers in Navy;
- (xi) Promotion of Atmanirbharta through various projects like TEDBF and DBMRH;

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

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

- (i) Promoting jointness and integration of Armed Forces;
- (ii) Formulation of policy on Joint Op Capabilities, Training and Functional aspects;

- (iii) Financial planning and oversight of joint staff organizations;
- (iv) Defence Crisis Management Group for coordination of Armed Forces during humanitarian assistance and disaster relief operations;
- (v) Coordination of strategic defence intelligence
- (vi) Integrated Capability Development Plan for promoting jointness in procurement, implementing capital acquisitions plans of the services with a focus on achieving Atmanirbharta.

***(The witnesses then withdrew and representatives of the Ministry of Defence and Indian Coast Guard came in)***

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

- (i) Less allocation in BE 2024-25 as compared to BE 2023-24;
- (ii) Safety and protection of artificial islands and offshore oil terminals;
- (iii) Protection of fishermen including assistance at sea;
- (iv) Preservation and protection of marine environment;
- (v) Prevention and control of marine pollution;
- (vi) Assist customs and other authorities in anti-smuggling operations;
- (vii) Safety of life and property at sea;
- (viii) Assist in collection of scientific data;
- (ix) Enforcement of maritime enactments.

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

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

- (i) Increase in Revised Estimates allocation to DEO for 2022-23;
- (ii) Provisions relating to Municipal Administration of notified cantonments, land acquisition, post acquisition, land survey, etc.;
- (iii) Duties of cantonment Board i.e. sanitation, drains and sewerage, water supply, primary education health, roads and street lights, etc.;
- (iv) Status of cantonment board schools;
- (v) Infrastructure and facilities in cantonment board hospitals;
- (vi) Environment and waste management works;



- (vii) Industrial training institutes in cantonment Board;
- (viii) Features of eChhawani portal;
- (ix) New initiatives i.e. polythene Kachra Bank and E-Waste Drives/Bank
- (x) Proposal from the State Government for provision of Defence Land;
- (xi) Issues such as access to roads etc. faced by general public in Cantonment areas and efforts for resolution of these issues;
- (xii) Enforcement of building laws in cantonment area;
- (xiii) Policy regarding handing over of Defence institutions to civil municipal bodies adjoining the cantonment areas.

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

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

- (i) Budgetary figures for BRO for 2024-25;
- (ii) Role of BRO during the peace and in war periods;
- (iii) Involvement of Government Agencies like NHAI, CPWD, NHIDCL, State PWD by BRO;
- (iv) Challenging terrain, unfavourable climate and difficult security situation faced by BRO;
- (v) Initiation of Engineering Procurement and Construction to boost efficiency;
- (vi) Strategic projects being executed in J&K, Himachal Pradesh, Uttarakhand, Rajasthan, Ladakh, Nagaland, Manipur, Mizoram, Arunachal Pradesh, Sikkim and Andaman and Nicobar Islands;
- (vii) Leverage in technology like use of steel slag and rejuvave technology for road construction; and
- (viii) Sharing of expertise and knowledge with Public Works Department of various State Governments.

15. The Chairperson thanked the representatives of the Ministry of Defence for extensive discussion on the Demands for Grants and for responding to the queries of the Members. The Chairperson also requested the representatives to furnish information (which was not readily available) to the Secretariat expeditiously.

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

*The Committee then adjourned.*

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

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

**The Committee sat on Thursday, the 26 November, 2024 from 1500 hrs. to 1730 hrs. in  
Committee Room `D', Parliament House Annexe, New Delhi.**

PRESENT

Shri Radha Mohan Singh — *Chairperson*

MEMBERS

***Lok Sabha***

2. Dr. Rajeev Bharadwaj
3. Shri Karti P Chidambaram
4. Shri Ranjit Dutta
5. Shri Mohamad Haneefa
6. Ms Jothimani
7. Shri Ravindra Shukla alias Ravi Kishan
8. Shri Shashank Mani
9. Shri Lumba Ram
10. Shri Jagannath Sarkar
11. Shri Jagadish Shettar
12. Shri Virendra Singh
13. Shri Kesineni Sivanath
14. Com. Selvaraj V.
15. Shri Richard Vanlalhmangaiha

***Rajya Sabha***

16. Shri Naresh Bansal
17. Shri N. Chandrasegharan
18. Shri Naveen Jain
19. Shri Muzibulla Khan
20. Shri Praful Patel
21. Shri Dhairyashil Mohan Patil
22. Shri Sanjay Singh
23. Shri Sudhanshu Trivedi

## SECRETARIAT

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

## LIST OF WITNESSES

### Ministry of Defence

#### Defence Public Sector Undertakings (DPSUs)

	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Sanjeev Kumar	Secretary (DP)
2.	Sugata Ghosh Dastidar,	FA(DS)
3.	Ms. Dipti Mohil Chawla,	AS, DoD
4.	Shri Shalabh Tyagi,	JS(P&C)
5.	Shri Rajeev Prakash,	JS(NS)
6.	Shri Amit Satija,	JS(DIP)
7.	Shri A. B. Pradhan, Dir (HR)	Director (HAL)
8.	Shri B Senapati, Dir (Fin)	Director (Finance)
9.	Shri Manoj Jain,	CMD (BEL)
10.	Cmde A Madhavarao,	CMD (BDL)
11.	Shri Shantanu Roy,	CMD (BEML)
12.	Dr. Sanjay Kumar Jha,	CMD (MIDHANI)
13.	Cmde P R Hari,	CMD (GRSE)
14.	Mr. Biju George,	Director (MDL)
15.	Shri Brajesh Kumar Upadhyay,	CMD (GSL)
16.	Cmde Hemant Khatri,	CMD (HSL)
17.	Sanjay Kumar,	Addl. FA(SK) & JS
18.	Shri Amitabh Ranjan Sinha,	Addl. FA & JS
19.	Subhash Kumar	DS(Budget)

### Directorate of Ordnance (Coordination and Services)

	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Sanjeev Kumar	Secretary (DP)
2.	Sugata Ghosh Dastidar,	FA(DS)
3.	Ms. Dipti Mohil Chawla,	AS, DoD
4.	Dr. Garima Bhagat,	JS (LS)
5.	Shri Sanjeev Gupta,	DGO(C&S)
6.	Shri Prakash Agarwala,	Dir. (Finance) MIL
7.	Shri Sanjay Dwivedi,	CMD AVANI
8.	Shri Rajesh Choudhary,	CMD AWEIL, TCL
9.	Shri Gurudutta Ray,	CMD YIL
10.	Shri G C. Agnihotri	CMD IOL
11.	Shri Sunil Date,	CMD GIL
12.	Ms. Sunita Mansukhani,	DDG (Budget)
13.	Shri Sanjay Mehrishi,	DDG (NDCD)
14.	Sanjay Kumar,	Addl. FA(SK) & JS
15.	Shri Amitabh Ranjan Sinha,	Addl. FA & JS
16.	Shri Eddie Lalrinliana Khawlhing	Addl. FA & JS
17.	Subhash Kumar	DS(Budget)

### Defence Research and Development Organisation (DRDO)

	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Dr. Samir Venkatpati Kamat,	Secretary, DDR&D
2.	Ms. Dipti Mohil Chawla,	AS, DoD
3.	Dr. Subrata Rakshit,	DS & DG (TM) & DG (SAM)
4.	Dr. Manu Korulla,	OS & DG (R&M)
5.	Dr. (Ms) Chadrika Kaushik,	OS & DG (PC&SI)
6.	Shri Vedveer Arya,	Addl FA & JS
7.	Shri Sunil Sharma,	OS & Director, DPARO&M
8.	Dr. Sumit Goswami,	Sc 'G' & Director, P&C
9.	Shri Sugata Ghosh Dastidar,	FA(DS)

- |     |                      |  |
|-----|----------------------|--|
| 10. | Shri Sanjay Kumar,   | Addl. FA(SK) & JS                            |
| 11. | Shri Saurabh Shukla, | Scientist 'F' & Associate Director<br>DPAO&M |
| 12. | Subhash Kumar        | DS(Budget)                                   |

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

	<b>Name &amp; Designation (Shri/Smt./Mr./Ms.)</b>	<b>Designation</b>
1.	Dr Niten Chandra,	Secretary, ESW
2.	Sugata Ghosh Dastidar,	FA(DS)
3.	Ms. Dipti Mohil Chawla,	AS, DoD
4.	Dr Pudi Hari Prasad,	Jt. Secy (ESW)
5.	Lt Gen VPS Kaushik,	AG
6.	V Adm Sanjay Bhalla,	COP
7.	AVM Updesh Sharma,	VSM ACAS (Accts & AV)
8.	#*Brig DS Basera,	Secretary KSB
9.	Smt. Devika Raghuvanshi,	CGDA
10.	Maj. Gen Manoj Natrajan,	MD ECHS
11.	Maj Gen SBK Singh	DG(R)
12.	Eddie L. Khawlhing	Addl. FA & JS
13.	Shri Subhash Kumar	DS(Budget)

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting i.e. oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2024-25.

3. Thereafter, the Chairperson welcomed the representatives of Ministry of Defence to the Sitting of the Committee convened to deliberate upon Defence Public Sector Undertakings (DPSUs), Directorate of Ordnance(Coordination and Services)-New DPSUs, Defence Research and Development Organisation (DRDO), Defence Pension, Welfare of Ex-Servicemen and Ex-servicemen Contributory Health Scheme (ECHS) in connection with examination of Demands for Grants of the Ministry of Defence for the year 2024-25.

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

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

- (i) Defence manufacturing increase three fold to Rs. 1,27,264 crores in the year 2023-24 from Rs. 43,746 crores in the 2013-14:
- (ii) Export of defence products increased up to Rs 21,000 crores in the year 2023-24 from Rs. 686 crores in the 2013-14 ;
- (iii) Substantial steps taken towards 'Make in India' and achieving 'Atma Nirbhar Bharat'.
- (iv) A new portal ' Srijan' has been launched to promote indigenization by participation of MSMEs and Start ups. On this portal 32,000 defence components were listed for indigenization out of which process of indigenization of 12-13,000 components have been done. It is likely to be increased drastically by 2028-29. Consequently import of such components will be stopped.
- (v) Increase in R&D Budget

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

- (xviii) Financial Data comprising turnover and profit made by said DPSUs;
- (xix) Status of Order Book Positions of DPSUs;
- (xx) Various measures undertaken to increase export and minimize import;
- (xxi) Modernisation activities taken by all DPSUs;
- (xxii) Measures taken towards indigenization and achieving 'Atma Nirbharta';

- (xxiii) Initiative taken for technological advancements in light of latest warfare techniques.
- (xxiv) Optimum focus on investment in research and Development;
- (xxv) Share of FDI and FII in DPSUs along with foreign investment by DPSUs; and
- (xxvi) Utilisation of CSR fund.

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

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

- (xii) Types of products being manufactured by these new DPSUs;
- (xiii) Financial performance comprising turnover and profit made by these new DPSUs;
- (xiv) Status of Order Book Positions;
- (xv) Challenges in transfer and merger of employees;
- (xvi) Financial Assistance being given by Government to these DPSUs;
- (xvii) Diversification in products being manufactured ;
- (xviii) Merger of existing seven DPSUs to synchronize their productions;
- (xix) Various initiatives being taken towards technology upgradation;

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

***(The witnesses then withdrew and representatives of Department of Ex- Servicemen Welfare (DESW) came in)***

8. The representatives of the Department commenced their briefing through a Power Point presentation. This was followed by detailed deliberations on the following issues/topics:

- (i) Armed Forces Veterans (Ex-Servicemen) including pensioners;
- (ii) Armed Forces Veterans (Ex-Servicemen) Contributory Health Scheme (ECHS) along with services provided by the Poly clinics;

- (iii) Initiatives undertaken for the welfare of ESM through Directorate General of Resettlement;
- (iv) Function of Kendriya Sanik Bords;
- (vi) Status and beneficiaries of Marriage Grants and Children Education Grants;
- (vii) Challenges to generate employment for ESM and measures undertaken to resolve them;
- (viii) Measures taken for stress management and mental health of ESM;

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

9. The Secretary, DRDO gave an overview of the the organization with the help of a Power Point Presentation which was followed by deliberations on the following:

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

10. The Chairperson, then, thanked the representatives of the Ministry of Defence and the DRDO for extensive discussion on the Demands for Grants and for responding to the queries of the Members. The Chairperson also requested the representatives to furnish information to the Secretariat expeditiously.

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

*The Committee then adjourned.*



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

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

The Committee sat on Thursday, the 12<sup>th</sup> December, 2024 from 1500 hrs. to 1515 hrs. in Committee Room No. '53', Samvidhan Sadan , 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 | Com. Selvaraj V.                       |
| 16 | Shri Richard Vanlalhmangaiha           |

**Rajya Sabha**

- |    |                              |
|----|------------------------------|
| 17 | Shri Naresh Bansal           |
| 18 | Shri N. Chandrasegharan      |
| 19 | Shri Shaktisinh Gohil        |
| 20 | Shri Dhairyashil Mohan Patil |
| 21 | Dr. Sudhanshu Trivedi        |

**SECRETARIAT**

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

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them about the agenda for the Sitting. The Committee then took up for consideration the following draft Reports:-

- (i) **Demands for Grants of the Ministry of Defence for the year 2024-25 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Directorate General Defence Estates, Defence Public Sector Undertakings, Welfare of Ex-Servicemen and Defence Pension (Demand Nos. 19 and 22)';**
- (ii) **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) **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)';**
- (iv) **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)';**
- (v) **Action Taken by the Government on the Observations/ Recommendations contained in the Forty-Second Report (17<sup>th</sup> Lok Sabha) on the subject 'A Review of the Working of the Defence Research and Development Organisation (DRDO)'; and**
- (vi) **Action Taken by the Government on the Observations/Recommendations contained in the Forty-Seventh Report (17<sup>th</sup> Lok Sabha) on the subject 'A Review of Functioning of Zila Sainik Boards in the Country'.**

3. After some deliberations, the Committee adopted the above reports without any modifications.

4. The Committee, then, authorized the Chairperson to finalise the above draft Reports and present the same to both the Houses of Parliament on a date convenient to him.

5. \*\*\*Does not pertain to the Report\*\*\*

The Committee then adjourned.