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STANDING COMMITTEE ON DEFENCE

(2025-26)

(EIGHTEENTH LOK SABHA)

MINISTRY OF DEFENCE

DEMANDS FOR GRANTS (2026-27)

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

(DEMAND NOS. 19, 20 AND 21)

NINETEENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

March, 2026 / Phalguna 1947 (Saka)

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Presented to Lok Sabha on 18.03.2026.

Laid in Rajya Sabha on 18.03.2026.



LOK SABHA SECRETARIAT

NEW DELHI

March, 2026 / Phalguna 1947 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON DEFENCE (2025-26)

SHRI RADHA MOHAN SINGH

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CHAIRPERSON

Lok Sabha

2	Dr. Rajeev Bharadwaj
3	Shri Karti P Chidambaram
4	Shri Lumbaram Choudhary
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	Smt. Mahua Moitra
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 Damodar Rao Divakonda
24	Shri Shaktisinh Gohil
25	Shri Prem Chand Gupta
26	Shri Kamal Haasan
27	Shri Muzibulla Khan
28	Dr. Ashok Kumar Mittal
29	Shri Ujjwal Deorao Nikam
30	Shri Dhairyashil Mohan Patil
31	Dr. Sudhanshu Trivedi

SECRETARIAT

1. Smt. Jyochnamayi Sinha - Joint Secretary
2. Shri Amrish Kumar - Director
3. Smt. Neelam Bhawe - Under Secretary

INTRODUCTION

I, the Chairperson of the Standing Committee on Defence (2025-26), having been authorised by the Committee, present this Nineteenth Report (18th Lok Sabha) on Demands for Grants of the Ministry of Defence for the year 2026-27 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Welfare of Ex-Servicemen and Defence Research and Development Organisation' (Demand Nos. 19, 20 and 21)'.

2. The Demands for Grants of the Ministry of Defence were laid on 6th February, 2026 in Lok Sabha. The Committee took evidence of the representatives of the Ministry of Defence on 19th and 20th February, 2026. The draft Report was considered and adopted by the Committee at their Sitting held on 16th March, 2026.

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;
16 March, 2026
25 Phalguna, 1947 (Saka)

RADHA MOHAN SINGH
Chairperson
Standing Committee on Defence

REPORT

CHAPTER – I

GENERAL DEFENCE BUDGET

Introductory

After independence Ministry of Defence was created under the charge of a Cabinet Minister, and, each Service was placed under its own Commander-in-Chief. In 1955, the Commanders-in-Chief were renamed as the Chief of the Army Staff, the Chief of the Naval Staff and the Chief of the Air Staff. In November 1962, a Department of Defence Production was set up to deal with research, development and production of defence equipment. In November 1965, the Department of Defence Supplies was created for planning and execution of schemes for import substitution of defence requirements. These two Departments were later merged to form the Department of Defence Production and Supplies. In 2004, the name of Department of Defence Production and Supplies was changed to Department of Defence Production. In the year 1980, the Department of Defence Research and Development was created. While In 2004, the Department of Ex-Servicemen Welfare was created. Another Department i.e. Department of Military Affairs was created in December 2019. The Defence Secretary functions as head of the Department of Defence and is additionally responsible for co-ordinating the activities of the five Departments in the Ministry.

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

1.2 The Committee have been given to understand that the Ministry of Defence is organised into five Departments as listed below:

(i). The Department of Defence (DoD):

The Department of Defence is headed by Defence Secretary and is responsible for the Defence Budget, establishment matters, defence policy, matters relating to Parliament, defence co-operation with foreign countries and co-ordination of all defence related activities.

(ii). The Department of Military Affairs (DMA):

The Department of Military Affairs (DMA) is headed by Chief of Defence Staff (CDS) as Secretary and was created to facilitate optimal utilization of resources and promote jointness among the three Services.

(iii). The Department of Defence Production (DDP) :

The Department of Defence Production is headed by a Secretary and deals with matters pertaining to defence production, indigenisation of imported stores, equipment and spares, planning and control of departmental production units of the Defence Public Sector Undertakings (DPSUs).

(iv). The Department of Defence Research and Development (DDR&D):

The Department of Defence Research and Development is headed by a Secretary DDR&D and Chairman, DRDO and deals with research and development of defence technologies, systems and equipments as required by the three services of the Armed Forces. DRDO consists of 36 laboratories /Units.

(v). The Department of Ex-Servicemen Welfare (DESW):

The Department of Ex-Servicemen Welfare is headed by a secretary and 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, JAKLI, 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. These are not included in the Defence Services allocation of ₹ 5,84,785.45 crore in Budget Estimates 2026-27.

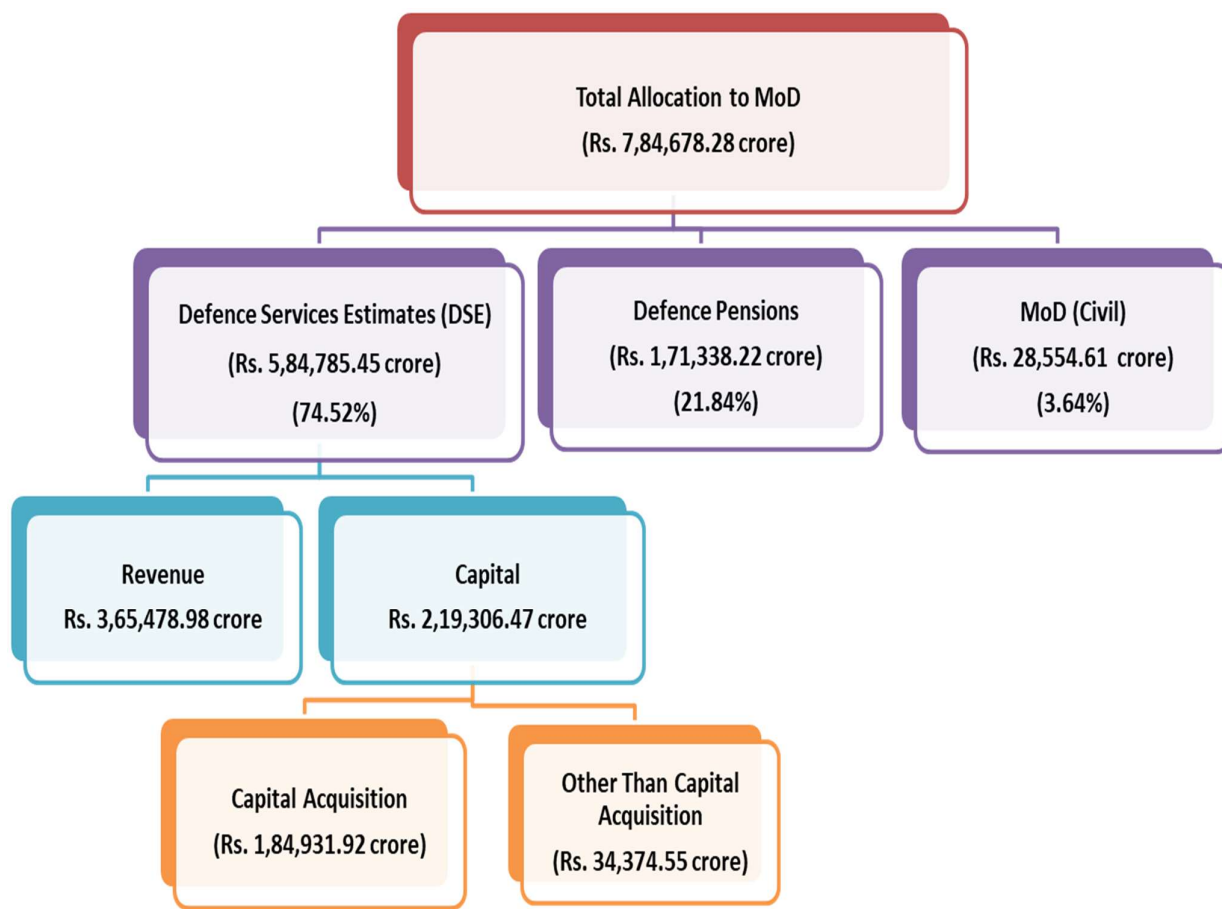
1.5 The 'running' or 'operating' expenditure of the three Services and other Departments viz., DRDO and DoO(C&S) are provided under the Demand No. 20 - Defence Services (Revenue), which caters for the Revenue expenditure, while the Demand No. 21- Capital Outlay on Defence Services, caters for the Acquisition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

1.6 The Committee have learnt that Revenue expenditure includes expenditure on pay & allowances, transportation, revenue stores (like ordnance stores, rations, petrol, oil & lubricants, spares, maintenance of various platforms/equipments etc.), revenue works (which includes 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. The Defence Budget generally refers to the net expenditure thus arrived at.

Defence Budget 2026-27: Summary

1.8 During the examination of Demand for Grants 2026-27, the Ministry of Defence through a Power Point Presentation before the Committee submitted the following information:



Highlights of Defence Budget 2026-27

1.9 During examination of Demands for Grants of the Ministry of Defence for the year 2026-27, the Committee have learnt that highlights of the Defence Budget 2026-27 are as under:

- i. The total outlay for the Ministry of Defence for Budget Estimates (BE) 2026-27 is ₹ 7,84,678.28 crore and amounts to approx. 2% of GDP of FY 2026-27 & 14.67% of total expenditure of Government of India (₹ 53.47 lakh crore), which is highest among the Ministries. The allocation to MoD for FY 2026-27 is 15.19% more than BE allocation of FY 2025-26 and 7.12 % more than RE allocation for FY 2025-26.
- ii. Out of the total outlay for the Ministry of Defence for BE 2026-27, a share of 29.44% goes to capital outlay; 17.24% for Revenue expenditure; 6.56% for Defence Pensions and 3.64% for civil organizations under MoD.
- iii. The total Capital allocation to the Ministry of Defence for BE 2026-27 is ₹ 2,19,306.47 crore, which is 27.95 % of Central Government Capital expenditure. This allocation is 21.84% higher than the Budgetary Estimate (BE) of FY 2025-26. Out of this, ₹ 1,84,931.92 crore is planned to be spent on Capital Acquisition, termed as modernisation budget of the Armed

Forces and remaining ₹ 34,374.55 crore is for capital expenditure on Research & Development and creation of infrastructural assets across the country.

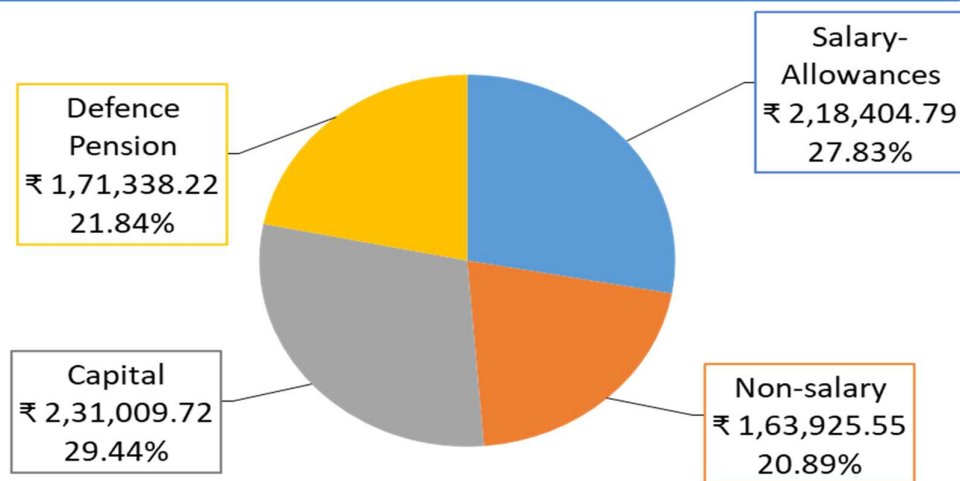
- iv. For FY 2026-27, ₹ 2.19 lakh Crore, which is 21.84% more than Budget Estimates of FY 2025-26. Out of ₹ 2.19 lakh crore, ₹1.85 lakh crore has been earmarked for capital acquisition, representing an increase of (approx.) 24% over FY 2025-26. The enhanced allocation to the Border Roads Organisation (BRO) has been increased to ₹ 7,394 crore for FY 2026-27. Allocation of ₹ 975 crore for Optical Fibre Cable based network for Defence Services.
- v. An amount of ₹ 3,65,478.98 crore has been allocated for Defence Services Revenue which is 17.24% higher than budgetary allocation of FY 2025-26. Out of this, ₹ 1,57,742.33 crore is for non-salary expenditure primarily on sustenance and operations of Armed Forces.
- vi. The budgetary allocation to Defence Research and Development Organisation (DRDO) has been increased to ₹ 29,100.25 crore in FY 2026-27 from ₹ 26,816.82 crore in FY 2025-26. Out of this allocation a major share of Rs. 17,250.25 crore is allocated for capital expenditure and to fund the R&D projects.
- vii. In BE 2026-27, an amount of ₹ 12,100 crore has been allocated towards ECHS which is 45.49% higher than BE of FY 2025-26.
- viii. The historic success of **Operation Sindoor**, reflects the Government's sustained focus on strengthening national security through modernisation, self-reliance and innovation. With a strong push for indigenous defence manufacturing, focused investments in research and infrastructure, and continued priority for the welfare of veterans, the Budget for Defence Sector promises more secure and resilient India, aligned with the long-term vision of Viksit Bharat@2047.

Distribution of Ministry of Defence Budget 2026-27

1.10 The Committee, through a PowerPoint Presentation of the Ministry, have also learnt that distribution of Defence Budget for BE 2026-27 is as under:

BE 2026-27 (Rs. 7,84,678.28 crore)

■ Salary-Allowances ■ Non-salary ■ Capital ■ Defence Pension



1.11 During oral evidence of the representatives of the Ministry of Defence in connection with examination of Demands for Grants 2026-27, the Committee made an observation regarding distribution of Defence budget on expenditure on pensions, salaries and allowances and modernisation of our Forces. The Defence Secretary, in this context, deposed as under:

“सर, वित्तीय वर्ष 2026-27 के लिए मिनिस्ट्री ऑफ डिफेंस का कुल आउटले 7.85 लाख करोड़ रुपये है, जो वर्तमान वित्तीय वर्ष बीई की तुलना में, जैसा आपने बताया, 15.19 परसेंट अधिक है तथा वित्तीय वर्ष 2026-27 के अनुमानित जीडीपी का लगभग 2 प्रतिशत है। वित्तीय वर्ष 2026-27 के लिए डिफेंस सर्विसेज़ का जो बजट ऐस्टिमेट है, वह 5.85 लाख करोड़ रुपये है, जिसमें 3.65 लाख करोड़ रुपये रेवेन्यू हैड के अंतर्गत है तथा 2.19 लाख करोड़ रुपये कैपिटल हैड के अंतर्गत शामिल है। रेवेन्यू हैड के अंतर्गत कुल आवंटन में से एक बड़ा हिस्सा नॉनसैलरी सैगमेंट को जाता है, जो सर्विसेज़ के सस्टेनेंस तथा ऑपरेशनल रिलेटेड एक्सपेंडिचर को कवर करता है। इसमें ऑर्डिनेंस स्टोर्स, मेडिकल, फ्यूल, राशन आदि पर होने वाला एक्सपेंसेज़ तथा इक्वीपमेंट्स की मेंटेनेंस वगैरह भी शामिल है। एमओडी, सिविल के लिए बीई का एलोकेशन लगभग 28 हजार 500 करोड़ रुपये है तथा डिफेंस पेंशन के लिए 1.71 लाख करोड़ रुपये निर्धारित किया गया है। ओवरऑल कैपिटल हैड के अंतर्गत कैपिटल इक्वीजिशन के लिए इयर मार्क एलोकेशन 1.85 लाख करोड़ रुपये है, जिसे हम मॉडर्नाइजेशन बजट भी कहते हैं। शेष एलोकेशन 34 हजार 374 करोड़ रुपये है, जो सर्विसेज़ के कैपिटल नेचर के लैंड, कंस्ट्रक्शन वर्क्स, डीआरडीओ के कैपिटल आउटले, इंस्पेक्शन ऑर्गेनाइजेशन तथा डायरेक्टोरेट ऑफ ऑर्डिनेंस के लिए है।

यहां मैं समिति को यह भी अवगत कराना चाहता हूं कि वर्तमान वित्तीय वर्ष के दौरान रक्षा मंत्रालय ने डिफेंस सर्विसेज़ को आबंटित कैपिटल एलोकेशन का 50 प्रतिशत द्वितीय तिमाही के अंदर उपयोग कर लिया था तथा वर्तमान तिथि तक एमओडी ने इस साल की 80 प्रतिशत से ज्यादा राशि

उपयोग कर ली। इसी इंप्रूव्ड यूटिलाइजेशन के कारण हमें कैपिटल बजट में इतनी अच्छी बढ़ोतरी मिली है। मॉडर्नाइजेशन बजट का 75 प्रतिशत हमने डोमेस्टिक प्रोयक्चूरमेंट के लिए इयरमार्क किया है, जो इनडिजिनाइजेशन और आत्मनिर्भरता के लिए हमारे प्रयासों का हिस्सा है। वित्त वर्ष 2020-21 से डोमेस्टिक इंडस्ट्रीज के लिए फंड्स इयरमार्क किए जाने से देश में डिफेंस इंडस्ट्री के प्रोडक्शन में तीव्र वृद्धि हुई है। वित्त वर्ष 2024-25 में एनुअल डिफेंस प्रोडक्शन 1.51 लाख करोड़ रुपये रहा, जो पिछले वित्तीय वर्ष, अर्थात् 2023-24 की तुलना में 18 प्रतिशत अधिक है। इसी प्रकार वित्त वर्ष 2024-25 के दौरान डिफेंस एक्सपोर्ट बढ़कर 23 हजार 622 करोड़ रुपये हो गया, जो वित्त वर्ष 2023-24 के डिफेंस एक्सपोर्ट की तुलना में 12 प्रतिशत की वृद्धि दर्शाते हैं वित्त वर्ष 2026-27 में प्रोजेक्टेड बजट रिकायरमेंट्स के लिए उपयुक्त एलोकेशन सुनिश्चित करने हेतु डिफेंस मिनिस्ट्री ने मिनिस्ट्री ऑफ फाइनेंस के साथ विचार-विमर्श किया है और यह प्रक्रिया डिफेंस सर्विसेज तथा MOD के अंतर्गत अन्य संगठनों के साथ क्लोज कोऑर्डिनेशन में संपन्न हुआ है। इन बैठकों के दौरान मंत्रालय की चिंताओं को तथ्यों एवं आंकड़ों के साथ मिनिस्ट्री ऑफ फाइनेंस के समक्ष विस्तार से प्रस्तुत किया गया, ताकि उन्हें उचित विचारार्थ लिया जा सके और इसी कारण हमें इस साल डिफेंस बजट में इतनी बढ़ोतरी मिली है।“

1.12 The Committee also enquired about the efforts made to accelerate the 'Make in India' campaign initiated by the Government and the major achievements of DRDO and indigenous research. In response, the Defence Secretary submitted as under:

“.....लेकिन जहां तक मेरी जानकारी है डीआरडीओ का जो रिसर्च बजट है, उससे प्रतिशत हम प्राइवेट सेक्टर के लिए इयरमार्क करते हैं। इसलिए प्राइवेट सेक्टर में आरएनडी प्रोजेक्ट्स को डीआरडीओ के आरएनडी बजट से प्रतिशत अलोकेशन अभी किया जा रहा है उसमें सेंटर ऑफ एक्सीलेंस और एकेडमिक इंस्टीट्यूशंस भी उस कैटेगरी में शामिल होते हैं।“

Further they have submitted that :

“In general, we try to ensure that to start with, the foreign OEM at least creates an MRO in India and over time scales it up into a production capacity. And you will have seen all these announcements recently, whether it is helicopters, whether it is fighter aircraft or jet engines. In all of these categories, we are trying to ensure, to leverage the buying power of the Government, that the domestic defence industry develops on two pillars, both the public and the private sector, with technology from outside where DRDO technologies are mature, and to give the credit where it is due. DRDO technology has matured in areas like missiles, long-range missiles of different types, in areas like land systems, artillery, Multi-Barreled Rocket Launchers, and some of these maritime reconnaissance aircraft like Dorniers. In all of these areas, we are more or less fully Atmanirbhar now and DRDO technology is being utilised, and even given to the private sector to produce based on those technologies. That is the broad picture. The intent is to build our domestic industry using the buying power of the Government, but through these various mechanisms, keeping the global part of it as an exception rather than as a rule as it used to be earlier.”

Comparison of Defence Budget with BE and RE 2024-25

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

(₹ in crore)

	2025–26 BE	Percentage Share of BE	2026–27 BE	Percentage Share of BE	Change	
					Value	Percentage
MoD (Civil)	28,682.97	4.2	28,554.61	3.6	-128.36	-0.4
Defence Services Revenue	311,732.3	45.8	365,478.98	46.6	53,746.68	17.24
Capital Outlay on Defence Services	180,000	26.4	219,306.47	28	39,306.7	21.8
Defence Pensions	160,795	23.6	171,338.22	21.8	10,543.22	6.6
Total Defence Budget	681,210.27		784,678.3		103,468.03	15.2

Source: [“Union Budget Documents 2026-27”](#), Ministry of Finance, Government of India.

Defence Services Estimates (DSE) 2026-27: Demand Nos. 20 and 21

1.14 The Committee have been apprised that for the Financial Year 2026-27, the total allocation under Defence Services Estimates {DSE} (Net) covering Grant No. 20 and 21 is ₹5,84,785.45 crore, of which the total Outlay for Revenue Expenditure (Grant No.20) stands at ₹ 3,65,478 crore and Capital Outlay (Grant No. 21) stands at ₹2,19,306.47 crore.

	BE 2025-26	RE 2025-26	BE 2026-27
Revenue (Net)	3,11,732.30	3,49,770.26	3,65,478.98
Capital	1,80,000.00	1,86,454.20	2,19,306.47
Total	4,91,732.30	5,36,224.26	5,84,785.45

The Services and Organizations covered under DSE are as follows:

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

Civil and Pension Estimates (2026-27): Demand Nos. 19 and 22

1.15 While examining the subject, the Committee learnt that the requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department, Defence Estates Organisation, Coast Guard Organisation, Jammu & Kashmir Light Infantry (J&K LI), Border Roads Organization, etc., and Defence Pensions, are provided for in two separate Civil Demands for Grants of the Ministry of Defence, viz. Demand No.19- MoD(Civil) and Demand No. 22 - Defence Pensions. The allocation under Demand No. 19 and 22 in Budget Estimates 2026-27 is ₹28554.61 crore and ₹171.338.22 crore, respectively.

Demand No.19-Ministry of Defence (Civil)

1.16 The Committee found that the provision of funds for Ministry of Defence (Civil) under Demand Number 19 in Budget Estimates (BE) 2026-27 is ₹ 28,554.61 crore. Further details of MoD (Civil) Budget and comparison with FY 2025-26 are given below:

(₹ in crore)

	2025-26(BE)	2025-26(RE)	2026-27(BE)	%increase over BE 2025-26	%increase over RBE 2025-26
Salary	10,147.46	10,181.85	10666.23	5.13	4.76

Non-Salary	6,147.89	5956	6185.13	0.57	3.84
Total(Revenue)	16,295.35	16,137.85	16,851.36	3.41	4.42
Capital	12,387.62	10963.15	11703.25	-5.52	6.75

1.17 The Committee have been informed that budgetary allocations to different Organisations/Departments under MoD (Civil) for 2026-27 (BE) and 2025-26 (BE) are as under:

(₹ in crore)

Service	2025-26 (BE)	2026-27 (BE)	% increase	2025-26 (BE)	2026-27 (BE)	% increase	2025-26 (BE)	2026-27 (BE)	% increase
	Revenue	Revenue	Revenue	Capital	Capital	Capital	Total	Total	Total
Armed Forces Tribunal (AFT)	54.11	49.43	-8.65	2.50	2.63	5.20	56.61	52.06	-8.04
Coast Guard Organisation (CGO)	4,676.70	4,392.85	-6.07	5,000.00	4,000.00	-20.00	9,676.70	8,392.85	-13.27
Border Roads Organisation (BRO)	5,346.00	5,994.13	12.12	7,146.50	7,394.00	3.46	12,492.50	13,388.13	7.17
Defence Estates Organisation (DEO)	654.45	896.16	36.93	32.34	35.41	9.49	686.79	931.57	35.64
Defence Accounts Department (DAD)	2,712.78	2,756.85	1.62	166.20	206.42	24.20	2,878.98	2,963.27	2.93
MoD Secretariat (including Institute for Defence Studies and Analysis - IDSA)	977.28	955.24	-2.26	9.79	23.60	141.06	987.07	978.84	-0.83
Jammu and Kashmir Light Infantry	2,074.03	2,106.70	1.58	-	-	-	2,074.03	2,106.70	1.58
Canteen Stores Department (Gross)	30,500.00	34,840.00	14.23	30.29	41.19	35.99	30,530.29	34,881.19	14.25
CSD(Receipts)	30,700.00	35,140.00	14.46	-	-	-	30,700.00	35,140.00	14.46
CSD(NET)	-200.00	-300.00	50.00	30.29	41.19	35.99	169.71	-258.81	52.50
Total	16,295.35	16,851.36	3.41	12,387.62	11,703.25	-5.52	28,682.97	28,554.61	-0.45

MH-2071-02 (Revenue)	BE 2025-26	RE 2025-26	BE 2026-27
Pensions & Other Retirement Benefits & Service Charges to Banks (SPARSH)	168795.00	169186.50	179338.22
Deduct Recovery from Public Account	-8000.00	0.00	-8000.00
Total (Net)	160795.00	169186.50	171338.22**

**** The amount under the head “Deduct Recovery from Public Account” for Rs.8000 crore in BE 2025-26 has been shifted to BE 2026-27 by Ministry of Finance as the same has already been lying unused in Deposit Account of the Public Account as part of Rs. 28,137.49 crore provided for making payment of OROP(One Rank One Pension-II) Arrears in 4 installments in RE 2022-23**

1.19 The Committee have been apprised that the additional requirement of Rs.10543.22 crore for BE 2026-27 (Rs.171338.22 crore over BE 2025-26 (Rs.160795.00 crore) is mainly due to normal growth in pensions, Dearness Relief and impact of OROP-III.

Budget Allocation for 2026-27 under Defence Services Estimates

1.20 The Committee have found that the provision for Defence Services under Demand No. 20 and 21, the Budget Estimates (BE) for the Financial Year 2025-26 are ₹4,98,884.68 crore (Gross) and ₹4,91,732.30 crore (Net). The Revised Estimates (RE) have been provided at ₹5,45,461.84 crore (Gross) and ₹5,36,224.26 crore (Net). On net basis, the R.E. for 2025-26 shows an increase of ₹44,491.96 crore over the B.E. 2025-26. The net Revenue budget for BE 2026-27 at ₹3,65,478.98 crore has been increased by ₹15,708.92 crore in comparison to the RE at ₹3,49,770.06 crore. In the Capital Outlay, the RE 2025-26 is ₹1,86,454.20 crore which is ₹6,454.20 crore more than the BE 2025-26 allocation of ₹1,80,000.00 crore.

1.21 The Major Head wise position, as the Committee have learnt, under the Demand Nos. 20 and 21 for BE and RE 2026-27 is as follows:

(₹ in crore)

S.No.	Demand	Major Head	B.E. 2025-26	R.E. 2025-26
1.	20- Defence Services (Revenue)	2076- Army	2,12,191.88	2,36,338.65
		2077- Navy	39,019.80	45,337.71
		2078-Air Force	55,000.00	65,125.38
		2079-DoO(C&S)	480.00	502.90
		2080- R & D	12,193.00	11,703.00
2.	21- Capital Outlay on Defence Services	4076- Capital Outlay on Defence Services	1,80,000.00	1,86,454.20
Total (Gross)			4,98,484.68	5,45,461.84
Receipts/Recoveries			7,152.38	9,237.58
Total (Net)			4,91,732.30	5,36,224.26

1.22 The Committee have been informed that Out of the Revised Estimates of ₹5,36,224.26 crore for 2025-26, the provision for Revenue expenditure is ₹3,49,770.06 crore, while that for Capital expenditure was ₹1,86,454.20 crore. The major components of the net Capital expenditure of 1,86,454.20 crore are for Land – ₹678.89 crore, Works – ₹10,105.82 crore (incl. MAP), Aircraft – ₹72,780.15 crore, Heavy and Medium Vehicles – ₹3,696.46 crore, Other Equipment – ₹50,760.27 crore, Naval Fleet ₹21,396.81 crore, Naval Dockyard—₹4,500.00 crore and other items ₹22,535.80 crore.

Budget Estimates 2026-27 under Defence Services Estimates

1.23 The Committee have learnt that the Budget Estimates for 2026-27 work out to ₹5,92,561.91 crore (Gross) and ₹5,84,785.45 crore (Net). Details are as under:

S.No.	Demand	Major Head	BE 2025-26	R.E. 2025-26	BE 2026-27
1.	20- Defence Services (Revenue)	2076- Army	2,12,191.88	2,36,338.65	2,48,534.94
		2077- Navy	39,019.80	45,337.71	47,670.00
		2078-Air Force	55,000.00	65,125.38	64,450.00
		2079-OrdFys/DoO(C&S)	480.00	502.90	450.50
		2080- R&D	12,193.00	11,703.00	12,150.00
2.	21- Capital Outlay on Defence Services	4076- Capital Outlay on Defence Services	1,80,000.00	1,86,454.20	2,19,306.47
Total (Gross)			4,98,484.68	5,45,461.84	5,92,561.91
Receipts/Recoveries			7,152.38	9,237.58	7,776.46
Total (Net)			4,91,732.30	5,36,224.26	5,84,785.45

1.24 The net Budget Estimates of Revenue expenditure for the Financial Year 2026-27 ₹3,65,478.98 crore which shows increase of ₹15,708.92 crore when compared with the Revised Estimates for 2025-26. The net Budget Estimates of Capital expenditure for the year 2026-27 is ₹ 2,19,306.47 crore which shows an increase of ₹32,852.27 crore over the Revised Estimates 2025-26.

Projection and allocation under Defence Budget

1.25 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 2026-27 are tabulated as under:

(₹ in crore)

Years	BE Projections	BE Allocations	RE Projections	RE Allocation	Actual Expenditure	Utilization % w.r.t. RE
2020-21	5,74,314.91	4,71,378.00	5,61,004.07	4,84,736.06	4,85,680.5	100.19
2021-22	6,22,800.51	4,78,195.62	5,73,882.54	5,02,883.54	5,00,680.8	99.56
2022-23	6,33,346.02	5,25,166.15	5,92,689.40	5,84,791.10	5,73,098.0	98.00
2023-24	6,37,113.51	5,93,537.64	6,30,899.21	6,23,888.94	6,09,504.2	97.69
2024-25	6,80,310.22	6,21,940.85	6,64,576.26	6,41,060.00	6,36,003.0	99.21
2025-26	7,10,322.27	6,81,210.27	7,52,176.03	7,32,511.96	5,29,933.0	72.34
2026-27	8,27,563.45	7,84,678.28	-	-	-	-

Note: (i) Expenditure figure in respect of FY 2025-26 is upto December, 2025.

(ii) RE 2025-26 and BE 2026-27 are subject to approval of the Parliament.

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

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

1.27 To a further query of the Committee seeking reasons for mismatch, if any, between the projections and allocations in BE 2026-27 in Defence Budget and whether any project/procurement is likely to be affected because of lesser than projected allocations, the Ministry of Defence submitted as under:

“Details of funds projected in BE 2026-27 and ceilings conveyed by Ministry of Finance for Defence Services Estimates are indicated below separately for Revenue and Capital Heads are as under:-

(₹ in crore)

Revenue (Net)		Capital		Total	
Allocation	Projection	Allocation	Allocation	Projection	Allocation
3,97,405.88	3,65,478.98	2,19,306.47	2,19,306.47	6,16,712.25	5,84,785.45

The allocated funds will be optimally utilized towards operational activities. All the projects/procurements are undertaken under Capital Grant and the allocations received under the Capital Grant are as per the projections, so there is no likely-hood of the same getting affected. Under Revenue Grant, there is some deficit of projected versus allocated funds as allocation is made by MoF considering the pace of expenditure, actual expenditure in past, carry over liabilities and overall availability of resources with MoF, taking into account other competing demands from various Ministries. However, if required, additional funds will be projected at Supplementary/ RE stage. Also, if needed, through reprioritization, it will be ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.”

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

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

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

(₹ in crore)

Financial Year	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Defence Budget (all four Grants) (BE)	4,78,195.62	5,25,166.15	5,93,537.64	6,21,940.85	6,81,210.27	7,84,678.28
Growth in Defence Budget over previous year	1.45	9.82	13.02	4.79	9.53	15.19
Inflation Rate (CPI) (%age)	5.2	5.7	5.4	5.4	4.90^a	1.33^c
Growth in Defence Budget adjusting inflation (%age)	-3.75	4.12	7.62	-0.61	4.63	13.86
Inflation Rate (WPI) (%age)	12.5	5	-	-	2.37^b	0.83^d

a. Inflation rate (CPI) for FY 2025-26 is for April to December, 2024.

b. Annual rate of inflation is based on all India WPI for the month of December, 2024 over December, 2023.

c. Inflation rate based on All India CPI for the month of December, 2025 (Provisional) over December, 2024.

d. Inflation rate based on All India WPI for Financial Year 2025-26 (April-December, 2025)

BE 2026-27 is subject to Parliament's approval.

Source: Ministry of Defence (Office of Statistical Adviser) communication dated 15.01.2026

It may be noted that Defence Budget has increased at a Compounded Annual Growth Rate (CAGR) of 10.41% from FY 2021-22 to FY 2026-27, which is significantly higher than the inflation rate of each year.

1.29 During oral evidence of the representatives of the Ministry of Defence in connection with examination of Demands for Grants 2026-27, the Committee made an observation regarding modernization of budget. The Defence Secretary, in this context, deposed as under:

“जीडीपी का कितना प्रतिशत हम डिफेंस पर खर्च कर रहे हैं, पिछले साल भी यह मुद्दा उठा था, देश की अर्थव्यवस्था इतनी तेजी से बढ़ रही है, नामिनलरेट ऑफ ग्रोथ 10 परसेंट करीब-करीब हर सालका है। अपने शेयर को हम 1.8 परसेंट जीडीपी का रख रहे थे फिर भी 10 परसेंट ग्रोथ मिल रहा था। इसके कारण परसेंटेज ऑफ जीडीपी हमारा शेयर डिक्लाइन कर रहा था लेकिन ऑक्सलुट नम्बर हमारा फिगर डिक्लाइन नहीं किया, हमेशा करीब 10 परसेंट या उससे ऊपर ही रहा है। इस साल ऑपरेशन सिन्दूर के संदर्भ में खासकर कैपिटल बजट में 20 परसेंट इन्क्रीज मांगा, फाइनेंस मिनिस्ट्री ने 24 परसेंट कैपिटल बजट में इन्क्रीज किया है, जिसे मॉडर्नाइजेशन बजट कहा जाता है। जो डिक्लाइन शेयर ऑफ जीडीपी घटकर करीब 1.8 परसेंट हो गया था। इस साल उसको रिवर्स कर दिया गया, इस साल हमें 2 परसेंट ऑफ जीडीपी एलोकेशन मिला है।

फाइनेंस कमीशन के सामने हमने पांच साल का डिमांड रखा है, उसके करीब 20 परसेंट साल दर साल इन्क्रीज मांगा है ताकि करीब पांच साल में जीडीपी का 2.5 शेयर हो जाए। हमने अपनी कैबिलिटी डेवलपमेंट के लिए जो गैप है, सर्विसे से जिसे आइडेंटिफाई किया है, उसके हिसाब से 10 परसेंट से ऊपर का इन्क्रीज उनके मॉडर्नाइजेशन के लिए काफी है, लेकिन फिर भी चेंजिंग नेचर ऑफ वारफेयर की हुई, उसके लिए 20 परसेंट साल दर साल इन्क्रीज के लिए रिक्वेस्ट किया है। जो इस साल हमें मिला भी है और आगे भी मिलेगा, इसके लिए अगर स्टैन्डिंग कमेटी रिकॉमेंड करेगा तो हमारे लिए अच्छा रहेगा, कम से कम कैपिटल बजट में मॉडर्नाइजेशन के लिए साल दर साल 20 परसेंट इन्क्रीज होगा। डिक्लाइन शेयर ऑफ जीडीपी भी रिवर्स हो जाएगा, मॉडर्नाइजेशन के लिए काफी अधिक रिसोर्सेज हमें जरूरत से अधिक कर पाएं, उससे लीगेसी इक्विपमेंट ऑफ मॉडर्नाइजेशन की बात एक माननीय सदस्य नेकी, उन सभी को रेक्टिफाई करने की पोजिशन में होंगे।”

1.30 Further the representatives of the Ministry of Defence stated that:

“.....मॉडर्नाइजेशन की ओर बढ़ते कदमों की प्रगति को पिछले वित्तीय वर्षों में एकाउंट किए गए एक्सेटेंस ऑफ नेसेसिटीज के जरिए भी देखा जा सकता है। स्लाइड पर दिखाया गया ग्राफ हमारे फोकस को क्लियरली बताता है, जिसमें कैपेबिलिटी डेवलपमेंट पर जोर दिया जा रहा है। पास्ट में एकाउंट की गई एक्सेटेंस ऑफ नेसेसिटी, सक्सेसफुल कंक्लूजन ऑफ कॉन्ट्रैक्ट्स में भी ट्रांसलेट हो चुकी है। वर्ष 2024-25 में पहली बार हमने दो लाख करोड़ से अधिक के कॉन्ट्रैक्ट साइन किए हैं। यही ट्रेजेटरी इस करेंट करेंट फाइनैशियल ईयर 2025-26 में भी बरकरार है, जहां हम ऑलरेडी दो लाख दस हजार करोड़ के मार्क को क्रॉस कर चुके हैं। यह एक प्रोग्रेसिव स्ट्राइट को इंडिकेट करता है।

हमारे अनुभवों पर आधारित ड्राफ्ट डिफेंस एक्जिजिशन प्रोसीजर 2026 जो अब पब्लिक डोमेन में है। हमारे एक्जिजिशन प्रोसेस को और स्ट्रीमलाइन करने के लिए एक रिफाइन्ड स्ट्रेजिक फ्रेमवर्क को इंट्रोड्यूस करता है। इसकी शुरुआत रियलिस्टिक कैटेगोराइजेशन से हो रही है। इसमें हम एक ऐसी सिस्टम की तरफ बढ़ रहे हैं, जिसमें किसी भी प्रोजेक्ट के इनिशिएट होने से पहले उसकी टेक्नोलॉजी मैच्योरिटी और मैन्युफैक्चरिंग रेडीनेस को स्ट्रिक्ली असेस करता है, ताकि डे वन से ही उसकी वाइबिलिटी एन्शोर की जा सके।

हमारा फोकस इंटेलेक्चुअल प्रोपर्टी राइट को रिटेंशन पर है। यह एन्शोर करता है कि हम अपनी डिजाइन कैपेबिलिटी को सिक्वोर करें, जो हमें बिना किसी फॉरेन डिपेंडेंसी के इंडीजिन्स फ्यूचर अपग्रेडेशन को इंडीपेंडेंटली मैनेज करने में सक्षम बनाता है। आउटकम को एक्स्लरेट करने के लिए हम एडिशनल प्रो सीजर इंट्रोड्यूस कर रहे हैं, जो स्पेशिफिकली स्पीड और स्केलेबिलिटी के लिए इंट्रोड्यूस किए गए हैं। यह ड्राफ्ट डोमेस्टिक इको-सिस्टम को एक सिग्निफिकेंट बूस्ट डेलिवर करता है। साथ ही साथ हम फाइनैशियल गेट्स को ईज करके और

स्पाइरल डेवलपमेंट एडॉप्ट करके एमएसएमई और स्टार्टअप्स के लिए बैरियर्स इफेक्टिवली रिमूव कर रहे हैं, ताकि इनका इम्प्रूवमेंट संभव हो सके। इस ईज ऑफ डूइंग बिजनेस के स्पेशिफिक मेजर्स, जैसे सिम्प्लिफाइड ट्रायल्स और स्टीमलाइन्ड वेंडर्स रजिस्ट्रेशन द्वारा इंक्यूब किया गया है। इसके अलावा, हम इंफ्रीज्ड आउटले तथा ज्यादा इंकलूसिव सेलेक्शन मॉडल के जरिए मेक और डिजाइन एंड डेवलपमेंट प्रोसीजर के प्रति अपनी कमिटमेंट को भी रिइन्फोर्स कर रहे हैं। प्रोसीजरल रिफॉर्म्स का इम्प्लीमेंटेशन हमें कई विजन बेस्ड आउटकम्स देगा। सबसे पहले हम प्रोसेस्ड डोमिनेन्स से आउटकम ओरिएंटेड एक्जिजिशन की तरफ ट्रांजिशन कर रहे हैं, जो इफेक्टिवली रिस्क एवरजन से हट कर कैपेबिलिटी एश्योरेंस की तरफ एक बहुत बड़ा शिफ्ट है। यह एप्रोच टेक्नोलॉजी सॉवरेनिटी को बिल्डअप करने के लिए डिजाइन्ड है, जो कि टू स्ट्रेटजिक ऑटोनॉमी के लिए एक सहायक होगी। हमारे डिफेंस मैनुफैक्चरिंग इकोसिस्टम के कम्प्रिहेंसिव डेवलपमेंट को प्रमोट करने के लिए कमिटेड हैं”

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

1.31 Data on growth of Defence Budget (all 4 Grants) in comparison to central budget and GDP, in absolute and relative terms, for the last five years is tabulated below:

(₹ in crore)

Year	Defence Expenditure	Total CGE	Def. Exp % of CGE	GDP	Def. Exp % of GDP
2020-21	4,85,681	35,09,836	13.84	1,98,54,096	2.45
2021-22	5,00,681	37,93,801	13.2	2,35,97,399	2.12
2022-23	5,73,098	41,93,157	13.67	2,68,90,473	2.13
2023-24	6,09,504	44,42,542	13.72	3,01,22,956 (1 st RE)	2.02
2024-25	6,36,003	46,52,867	13.67	3,30,68,145 (PE)	1.92

Note: i. GDP figures from FY 2020-21 to 2025-26 are as per Economic Survey 2025-26 –

Table 1.6-Components of GDP at Current Prices.

ii. CGE figures for Actuals from 2020-21 to 2024-25 and 2025-26(BE) are as per Budget at a Glance of FY 2022-23 to 2026-27.

iii. RE=Revised Estimates, PE=Provisional Estimates, CGE=Central Government Expenditure

1.32 When asked about to provide data with regard to Defence expenditure by the neighbouring and developed countries, the Ministry submitted as under:

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

[In current US \$ million]

Country	2022			2023			2024		
	Def. exp.	% of GDP	% of Govt. exp	Def. exp.	% of GDP	% of Govt. exp	Def. exp.	% of GDP	% of Govt. exp
China	291958	1.63	4.88	296821	1.67	5.03	313658	1.71	5.06
Pakistan	10358	3.18	15.92	8626	2.88	14.99	10166	2.67	13.83
USA	860692	3.31	9.11	916015	3.30	9.11	997309	3.42	9.11
Russia	102367	4.61	12.96	109204	5.40	14.79	148967	7.05	18.90
UK	64070	2.06	4.67	75303	2.23	5.05	81763	2.28	5.25

Source: SIPRI Military Expenditure Database

Projections made by the Services, allocation and expenditure

1.33 On being asked about the details regarding the projections made by the three Services, including allocations made at BE and RE stage and the actual expenditure incurred during the current and last five years, the projected and allocated budget for FY 2026-27, (combined and separately) under Capital and Revenue Heads, the Ministry provide information as follows: -

A. REVENUE

(₹ in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
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	6r	34,441.48	30,734.58	30,042.41
	Air Force	50,692.44	32,873.46	54,997.72	44,728.10	45,667.15
2023-24	Army	1,84,989.60	1,81,371.97	1,97,628.57	1,95,032.23	1,91,597.63
	Navy	36,605.04	32,284.20	36,776.65	35,150.53	34,261.53
	Air Force	68,081.58	44,345.58	58,565.41	56,272.10	53,024.92
2024-25	Army	2,14,577.03	1,91,319.60	2,01,289.26	1,98,427.82	1,97,039.51
	Navy	40,649.26	32,778.73	36,666.42	35,687.31	32,735.23
	Air Force	60,847.17	46,223.49	55,332.23	50,376.77	49,331.66
2025-26	Army	2,14,727.72	2,06,200.00	2,38,807.48	2,29,648.71	1,64,465.05
	Navy	40,707.22	38,149.80	45,570.26	43,887.71	25,385.33
	Air Force	66,530.27	53,700.00	66,765.18	63,100.00	39,316.54
2026-27	Army	2,61,542.98	2,41,968.98	-	-	-
	Navy	49,888.61	46,800.00			
	Air Force	71,889.04	63,150.00			

Note: (i) Navy includes Joint Staff.

(ii) Expenditure figures in respect of FY 2025-26 are upto December, 2025.

(iii) RE 2025-26 and BE 2026-27 are subject to approval of the Parliament.

B. Capital

(₹ in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2021-22	Army	51,492.10	36,531.90	38,344.90	25,377.09	25,130.94
	Navy	70,920.78	33,253.55	50,011.38	46,021.54	45,028.64
	Air Force	77,140.56	53,214.77	71,176.39	53,214.77	53,217.19
2022-23	Army	46,844.37	32,115.26	32,598.49	32,598.49	36,616.19
	Navy	67,622.96	47,590.99	47,727.03	47,727.03	46,091.48
	Air Force	85,322.60	56,851.55	56,264.54	53,871.17	44,917.78
2023-24	Army	37,341.54	37,341.54	33,412.16	33,412.16	28,613.50
	Navy	52,804.75	52,804.75	51,283.98	51,052.18	50,762.62

	Air Force	58,808.48	58,268.71	58,268.71	58,500.51	60,757.63
2024-25	Army	35,664.95	35,664.95	34,670.21	34,226.95	40,594.03
	Navy	62,545.98	62,545.98	62,953.79	62,192.98	52,012.34
	Air Force	59,062.07	59,062.07	59,062.07	47,766.14	51,426.19
2025-26	Army	33,400.68	33,400.68	36,198.43	35,239.66	26,810.53
	Navy	65,352.82	65,352.82	69,451.02	69,451.02	49,374.04
	Air Force	64,811.68	64,811.68	64,811.68	64,811.68	50,675.77
2026-27	Army	41,672.94	41,672.94	-	-	-
	Navy	70,063.31	70,063.31			
	Air Force	88,809.97	88,809.97			

Note: (i) Navy includes Joint Staff.

(ii) Expenditure figures in respect of FY 2025-26 are upto December, 2025.

(iii) RE 2025-26 and BE 2026-27 are subject to approval of the Parliament.

C. REVENUE + Capital

(₹ in crore)

Year	Service	BE		RE		Expenditure
		Projected	Allocated	Projected	Allocated	
2021-22	Army	2,22,197.38	1,84,176.03	2,07,002.13	1,82,996.15	1,82,222.99
	Navy	1,05,177.61	56,614.23	80,080.46	69,947.45	68,863.63
	Air Force	1,22,133.46	83,867.30	1,19,992.98	87,497.79	87,592.65
2022-23	Army	2,20,882.72	1,95,828.95	2,13,125.20	2,05,934.11	2,06,636.06
	Navy	1,02,324.62	72,997.41	82,168.51	78,461.61	76,133.89
	Air Force	1,36,015.04	89,725.01	1,11,262.26	98,599.27	90,584.93
2023-24	Army	2,22,331.14	2,18,713.51	2,31,040.73	2,28,444.39	2,20,211.13
	Navy	89,409.79	85,088.95	88,060.63	86,202.71	85,024.15
	Air Force	1,26,890.06	1,02,614.29	1,16,834.12	1,14,772.61	1,13,782.54

2024-25	Army	2,50,241.98	2,26,984.55	2,35,959.47	2,32,654.77	2,37,633.54
	Navy	103,195.24	95,324.71	99,620.21	97,880.29	84,747.57
	Air Force	1,19,909.24	1,05,285.56	1,14,394.30	98,142.91	1,00,757.85
2025-26	Army	2,48,128.40	2,39,600.68	2,75,005.91	2,64,888.37	1,91,275.58
	Navy	1,06,060.04	1,03,502.62	1,15,021.28	1,13,338.73	74,759.37
	Air Force	1,31,341.95	1,18,511.68	1,31,576.86	1,27,911.68	89,992.31
2026-27	Army	3,03,215.92	2,83,641.92	-	-	-
	Navy	1,19,951.92	1,16,863.31			
	Air Force	1,60,699.01	1,51,959.97			

Note: (i) Navy includes Joint Staff.

(ii) Expenditure figures in respect of FY 2025-26 are upto December, 2025.

(iii) RE 2025-26 and BE 2026-27 are subject to approval of the Parliament.

Additional Allocation sought by the Services

1.34 The Committee were informed of the details of additional amount sought {Revenue (Net)+Capital} by the three Services at RE stage and the 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		
2020-21	Army	1,78,248.26	1,92,455.85	1,77,828.95	14,207.59	1,70,677.21
	Navy	49,623.03	80,149.12	60,890.57	30,526.09	64,725.13
	Air Force	73,244.57	1,17,560.39	86,825.98	44,315.82	90,817.31
2021-22	Army	1,84,176.03	2,07,002.13	1,82,996.15	22,826.10	1,82,862.81
	Navy	56,614.23	80,080.46	69,947.45	23,466.23	69,619.46

	Air Force	83,867.30	1,19,992.98	87,497.79	36,125.68	87,660.98
2022-23	Army	1,95,828.95	2,13,125.20	2,05,934.11	17,296.25	2,09,398.89
	Navy	72,997.41	82,168.51	78,461.61	9,171.10	77,696.59
	Air Force	89,725.01	1,11,262.26	98,599.27	21,537.25	94,864.64
2023-24	Army	2,18,713.51	2,31,040.73	2,28,444.39	12,327.22	2,23,232.41
	Navy	85,088.95	88,060.63	86,202.71	2,971.68	85,712.78
	Air Force	1,02,614.29	1,16,834.12	1,14,772.61	14,219.83	1,16,111.40
2024-25	Army	2,26,984.55	2,35,959.47	2,32,654.77	8,974.92	2,38,667.80
	Navy	95,324.71	99,620.21	97,880.29	4,295.50	86,056.39
	Air Force	1,05,285.56	1,14,394.30	98,142.91	9,108.74	1,03,435.97
2025-26	Army	2,39,600.68	2,75,005.91	2,64,888.37	35,405.23	-
	Navy	1,03,502.62	1,15,021.28	1,13,338.73	11,518.66	
	Air Force	1,18,511.68	1,31,576.86	1,27,911.68	13,065.18	

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

“This Ministry submits the requirements projected by Services to Ministry of Finance for favourable consideration. While allocating funds, Ministry of Finance analyses 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.”

Private Sector contribution in Export

1.36 During Oral evidence the representative of the Ministry of Defence further stated that :

“एक्सपोर्ट में प्राइवेट सेक्टर का कॉन्ट्रीब्यूशन करीब 60 परसेंट है। पीएसयू का करीब 40 परसेंट है। अभी भी हमारा ज्यादातर पीएसयू को ही जाता है, लेकिन अब इसमें धीरे-धीरे चेंज हो रहा है। मेक इन इंडिया कंपोनेंट इंडीजिनाइजेशन कंटेंट के वेरीफिकेशन की व्यवस्था हमने की हुई है। डायरेक्टर जनरल ऑफ

क्वालिटी अश्योरेंस और दूसरे थर्ड पार्टी रिक्वायरमेंट और सेल्फ सर्टिफिकेशन के बेसिस पर उसे चेक किया जाता है। हम इस पर और अधिक ध्यान देंगे। कभी-कभी कंपनीज बाहर के कंपोनेंट्स को भी लेबलिंग करके भारतीय दिखाने की कोशिश करती हैं। पॉलिसी लेवल के पॉइंट्स मेरे ख्याल से मैंने कवर कर दिए हैं। Utilization in the last quarter की बात एक माननीय सदस्य ने कही थी। आप यदि देखें तो इस साल हमने अभी तक 80 परसेंट खर्च कर दिया है। शुरुआत से ही हमने यह इंश्योर किया है कि हमारी एलोकेशन हर क्वार्टर में उस क्वार्टर की सीलिंग के तहत ही हो। अतः हम दो क्वार्टर में 50 परसेंट और थर्ड क्वार्टर के अंत में 80 परसेंट करने में सफल रहे, ताकि बंचिंग ऑफ क्लेम्स लास्ट क्वार्टर में न हो सके।“

Operational Preparedness of the Forces

1.37 The Committee have been given to understand that there are a total of 17 Single Service Commands in the Indian Armed Forces. The Indian Army (IA) has six Operational and one Training Command. The Indian Air Force (IAF) has five Operational Commands, one Training Command and a Maintenance Command. The Indian Navy (IN) has two Operational Commands and one Training Command. The Commands are commanded by the respective 'Commanders-in-Chief' of the three services. The Commands exercise operational and administrative control over the subordinate formations in their respective Theatres/Areas of Responsibility. They serve as a link between the Service Headquarters (SHQ) and subordinate formations. In addition to above, there is a tri-service Andaman & Nicobar Command under the IDS.

1.38 To a specific query of the Committee regarding the current status of the Unified Theater Commands and the benefits of these Unified Theatre Commands, the Ministry has apprised that the creation of Theatre Commands has seen substantial progress. Broad consensus has been achieved amongst all stakeholders. Certain important issues are being discussed by COSC for finalisation while administrative work related to theaterisation is being pursued concurrently.

The Ministry has further submitted that, in order to keep pace with the evolving character of war and the conduct of modern warfare in a multi-domain environment, it is imperative to undertake structural and functional reforms within the Armed Forces. The proposed measures are aimed at enhancing efficiency in the conduct of military operations through a clear demarcation between 'Force Application' and 'Force Generation' functions, thereby enabling Theatre Commanders to devote undivided attention to operational responsibilities.

The Ministry has also stated that the reorientation of strategic and operational-level planning, with the responsibility for orchestration of military operations vested in a single Commander, would ensure unity of command and greater coherence in execution. Such restructuring is intended to inculcate a spirit of jointness and foster a 'joint culture' for the efficient functioning of Joint Organisations.

1.39 When asked to entail the steps being taken/being contemplated to achieve integration among the three Services and optimum utilization of Services, the Ministry submitted as under:

“Jointness and Integration (J&I) are key building blocks towards maximising combat potential of the Armed Forces in contemporary and future conflicts. 197 Jointness & Integration initiatives have been identified under the verticals of Operations and Intelligence, Capability Development, Communications & IT, Op Logistics, Training, Maintenance Support, Human Resources, Admin and Legal. The achieved status of Jointness & Integration initiatives are as follows: -

Set I	J&I initiatives timelines	Total	Completed
Stage I	Activities till announcement of Theatre Commands.	50	29
Stage II	Activities from announcement till operationalisation of Theatre Commands	62	12
Stage III	Activities appreciated to continue post operationalisation of Theatre Commands.	51	07
Set I	Total	163	48
Set II	J&I tasks (Independent of formation of Theatre Commands)	34	10

The creation of Theatre Commands has seen substantial progress. Broad consensus has been achieved amongst all stakeholders. Certain important issues are being discussed by COSC for finalisation while administrative work related to theaterisation is being pursued concurrently.

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

- (a) Keeping pace with evolution of war and conduct of modern warfare in a multi-domain environment.
- (b) Improvement of efficiency in conduct of military operations.
- (c) Clear demarcation between ‘Force Application’ & ‘Force Generation’ aspects enabling undivided attention of Theatre Commanders towards conduct of military operations.

- (d) Reorientation of strategic and operational level planning with orchestration of military operations with responsibility vested in one single commander.
- (e) Inculcating a spirit of jointness & fostering a 'joint culture' for efficient functioning of Joint Organisations."

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

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

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

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

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

CHAPTER II

BORDER ROADS ORGANISATION

The Committee understand that Border Roads Organisation (BRO) is a road construction executive force in India that provides support to Indian Armed Forces. BRO develops and maintains road networks in India's border areas and friendly neighboring countries. Starting with two projects- Tusker(now Project Vartak) and Beacon, BRO has now expanded to 18 projects across 11 states and three union territories and has footprints in Bhutan. BRO has the inherent capability to undertake road infrastructure development projects through departmental execution, giving it a unique advantage over other construction agencies. The organisation is a unique amalgamation of civilian and military personnel, combining technical expertise with military resolve. BRO is a self-reliant, highly adaptable organisation, capable of being deployed in any Theatre or Country to further national interests. BRO specialises in constructing and maintaining Roads, Bridges, Tunnels, Airfields and Marine Works across some of the world's most challenging terrains. From the High-Altitude Himalayas, dense forests of the Northeast to the Andaman & Nicobar Islands, BRO has become the Go-to Agency for executing critical strategic infrastructure projects to enhance Operational Preparedness of our Security Forces and Socio-Economic development of Nation. With an impressive legacy of achievements, BRO has built over 62,906 km of roads, 1,056 bridges, 6 tunnels and 21 airfields.

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

Allocations to BRO

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

(Rs in Cr)

S/N	FY	Particulars	BE Proj	BE Allocation	RE Proj	RE Allocation	Actual Expdr
1		Revenue					

	FY 2020- 21	MH 2052	2,948.00	2,536.23	2,965.00	2,685.25	2,775.39
		MH 3054	1,365.00	700.00	1,070.00	1,070.00	948.93
		MH 3601 & 2552	100.00	50.00	80.00	80.00	54.89
		Total Revenue	4,413.00	3,286.23	4,115.00	3,835.25	3,779.21
		Capital					
		MH 5054 & 4552	3,582.00	2,300.00	3,400.00	3,100.00	3,104.28
		Total Capital	3,582.00	2,300.00	3,400.00	3,100.00	3,104.28
		G/Total	7,995.00	5,586.23	7,515.00	6,935.25	6,883.49
2	FY 2021- 22	Revenue					
		MH 2052	3,195.00	2,654.08	3,509.50	3,037.42	3,143.93
		MH 3054	1,150.00	800.00	950.00	845.00	828.09
		MH 3601 & 2552	100.00	50.00	50.00	50.00	49.41
		Total Revenue	4,445.00	3,504.08	4,509.50	3,932.42	4,021.43
		Capital					
		MH 5054 & 4552	4,575.00	2,500.00	3,500.00	3,500.00	3,481.17
		Total Capital	4,575.00	2,500.00	3,500.00	3,500.00	3,481.17
		G/Total	9,020.00	6,004.08	8,009.50	7,432.42	7,502.6
3	FY 2022- 23	Revenue					
		MH 2052	3,827.8	3,327.36	3,922.00	3,919.50	3,952.37
		MH 3054	1,100.00	1,000.00	1,130.00	900.00	991.47
		MH 3601 & 2552	55.00	55.00	50.00	50.00	48.50
		Total Revenue	4,982.8	4,382.36	5,102.00	4,869.50	4,992.36
		Capital					
		MH 5054 & 4552	4,960.00	3,500.00	4,500.00	4,500.00	4,509.99
		Total Capital	4,960.00	3,500.00	4,500.00	4,500.00	4,509.99

		G/Total	9,942.8	7,882.36	9,602.00	9,369.50	9,502.33
S.No	FY	Particulars	BE Proj	BE Allocation	RE Proj	RE Allocation	Actual Expdr
4	FY 2023-24	Revenue					
		MH 2052	4,265.00	4,162.75	4,282.00	4,282.00	3,973.75
		MH 3054	1,230.00	950.00	1,200.00	1,200.00	1,173.35
		MH 3601 & 2552	55.00	55.00	50.00	50.00	20.76
		Total Revenue	5,550.00	5,167.75	5,532.00	5,532.00	5,167.86
		Capital					
		MH 5054 & 4552	5,500.00	5,000.00	7,000.00	6,500.00	5,985.03
		MH 4070	-	12.00	12.00	10.00	8.56
		Total Capital	5,500.00	5,012.00	7,012.00	6,510.00	5,993.59
		G/Total	11,050.00	10,179.75	12,544.00	12,042.00	11,161.45
5	FY 2024-25	Revenue					
		MH 2052	4,707.00	4,290.41	4440.41	4391.91	4641.47
		MH 3054	1,300.00	1,250.00	1300.00	1275.00	1295.85
		MH 3601 & 2552	55.00	55.00	55.00	55.00	44.86
		Total Revenue	6,062.00	5,595.41	5795.41	5721.91	5982.19
		Capital					
		MH 5054 & 4552	8,000.00	6,500.00	6500.00	6500.00	6523.95
		MH 4070	12.00	12.00	12.00	12.00	10.88
		Total Capital	8,012.00	6,512.00	6512.00	6512.00	6534.82
		G/Total	14,074.00	12,107.41	12307.41	12233.91	12517.01
6	FY 2025-26	Revenue					
		MH 2052	4079.00	4001.00	4745.00	4246.06	
		MH 3054	1400.00	1300.00	1485.00	1390.00	
		MH 3601 & 2552	65.00	45.00	45.00	45.00	

		Total Revenue	5544.00	5346.00	6275.00	5681.06	
		Capital					
		MH 5054 & 4552	7500.00	7134.50	7134.50	7134.50	
		MH 4070	14.00	12.00	12.00	12.00	
		Total Capital	7514.00	7146.50	7146.50	7146.50	
		G/Total	13208.00	12581.50	13221.50	12827.56	

BE 2026-27 (projections and allocations)

(₹ in crore)

S/N	FY	Particulars	BE Proj	Provisional Allocation	RE Proj
1	FY 2026-27	Revenue			
		MH 2052	5175.00	4456.88	
		MH 3054	1621.00	1490.0	
		MH 3601 & 2552	50.00	47.25	
		Total Revenue	6846.00	5994.13	
		Capital			
		MH 5054 & 4552	7586.00	7380.00	
		MH 4070	14.00	14.00	
		Total Capital	7600.00	7394.00	
		G/Total	14446.00	13388.13	

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

	Allotment(Cr)	BE Demand (Cr)	BE Allocation (Cr)
	FY 2025-26	FY 2026-27	FY 2026-27
Capital			

MH 5054 (Infrastructure)	7134.50	7,586.00	7,380.00
MH 4070 (Computer and Furnitures)	12.00	14.00	14.00
Total	7146.50	7,600.00	7,394.00
Revenue			
MH 2052 (Salary and Allowances)	4246.06	4,975.00	4456.88
MH 3054 (Maintenance)	1390.00 (RE) 1300 (BE)	1,621.00	1,490.00
MH 3601 (Strategic Roads)	45.00	50.00	47.25
Total	5681.06	6,646.00	5,994.13
Total Grant No 19	12827.56	14,246.00	13388.13(94%)

The Committee infer from the above data that for FY 2026-27, BE allocation to BRO under MoD (Civil) is ₹ 13,338.13 crore i.e. 94 percent of the projected budget for FY 2026-27. Further, in BE 2026-27, the allocation under Revenue Budget is ₹ 5,994.38 crore and under Capital Budget is ₹ 7,394 crore.

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

“...As we are making roads in the operational area, our deployment is akin to that. Two projects are located along the western border and bulk of the projects are located along the Northern border. All in all, we have 18 projects which are going on. We are doing work primarily for the MoD. Recently we have got work done for MHA also in that, we are doing Indo-Myanmar border and also some roads in the Chhattisgarh Naxalite area. We have also a project which is abroad in Bhutan and it is funded by the MEA.

Sir, the hon. Members are well aware of the organisation suffice to say that we are well-structured to render support both in the northern theatres as well as the western theatres. The concept of the BRO is primarily to do the departmental work. That is how it was raised in 1960. But however, as we have moved on, the load of making new roads have evolved. That is why now we have absorbed the concept of doing EPC contract which is in line with the modern practices of infrastructure development. So, it actually reinforces our capability to make more roads in the shortest possible time. We have proved in time that we are the best infrastructure agency. As you can see on the slide, we have a capability to construct everything which is possible. We have made primarily roads, bridges, tunnels, airfields, and also the marine structure. Everybody sitting in this August gathering is well aware of our challenges. It is because of the geography of our country, the most challenging terrain in the world is along the borders, especially the northern borders. It is the place where nobody dares to go, we are working 24x7, 365 days to cut roads. It is not easy. Firstly, I would like to talk about the geography of the Himalayas. It is a young mountain. So, every inch, the geography changes, which puts a challenge on road cutting. Also, there are snow and rainfall areas in the entire border. In spite of that, we have loads of laurels in our lap. Some of them are flashed in the slides. We have 12 world records as we speak. We have made the highest road on the Umling La Pass. The others are listed on the viewfoil.”

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

“...Over the period, the Government has been enabling us with whatever money is required. In the current year, the allotment was Rs. 7,146 crore in CAPEX. Along with the revenue, it was going to be Rs. 12,827 crore. As I told, Sir, we are doing work for the other Ministries also. So, we are getting funding from MHA as well as MoT.”

2.6 During oral evidence in connection with examination of DFG 2026-27, the Committee desired to know the reason for reduction of projected funds for ‘Salary and Allowances’ in BE 2026-27 (₹4975 crore) as compared to the allotted funds (₹ 4246 crore) under this head in 2025-26. The DG BR, in this regard, submitted as under:

“...Likewise, in the salary and allowances, Rs. 2052 crore, Rs. 3054 crore, and Rs. 3601 crore is allotted. Against the demand of Rs. 6,646 crore, we have been allotted Rs. 5,994

crore, which is a 5 per cent jump from this year's allotment. All in all, Sir, the total allotment is Rs. 13388.13 crore, which is 4 per cent jump than the previous allotment."

Current projects of BRO

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

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

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

"With this type of surge in the Budget, we are very much capable of producing the roads in the required timeframes. Sir, the hon. Member has made a mention regarding the two tunnels of Ladakh, the Khardung La tunnel and the other tunnel, which were proposed for the Batalic Road. The DPRs for both the roads were done by us because these were entrusted to us by the UT of Ladakh. But however, beyond the DPR, there is no funding mechanism available. Now, we are trying to do the Khardung La tunnel through the defence budget. It will happen first as it is of priority, and the process is currently on. If the UT Government had funded these tunnels, we could have gone ahead. That being pending, we are seeing the wrong way. The funds could be arranged to make this tunnel. But between the two, the Khardung La tunnel stands as the priority."

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

"Shunkun La Tunnel, you are well aware, it is going well in time and we are making good progress in that. As regards the NPD Road. We plan to inaugurate it this year itself."

Indo-China and difficult Terrains Border Roads

2.11 On being asked about the status of Indo-China Border roads (ICBRs) and roads in difficult terrains like Uttarakhand, J&K Ladakh and North-Eastern Region, the details of roads completed are maintained regularly to ensure better connectivity are given as under:

Sl No	State	Total No of road	Initial approved length(Kms)	Revised Approved length(Kms)	Completed Roads	Balance Roads(Nos)	Length of connected (Kms)
ICBR PH-I							
01	Arunachal	27	1691.87	1674.37	25	2	1674.37
02	Himachal	5	123.03	123.03	5	0	123.03
03	Ladakh(UT)	12	1097.04	1099.02	11	1	1099.02
04	Uttarakhand	15	399.34	408.60	11	4	408.60
05	Sikkim	3	61.98	61.98	3	0	61.98
Total		62	3373.26	3367.00	55	7*	3367.00
ICBR PH-II							
01	Arunachal	10	253.84	237.89	2	8	104.54
02	Himachal	1	22.68	22.68	0	1	22.68
03	Ladakh(UT)	5	196.96	174.00	2	3	174.00
04	Uttarakhand	1	71.49	69.69	0	1	69.69
05	Sikkim	2	95.91	93.13	0	2	38.31
06	West Bangal	3	64.20	64.89	1	2	49.36
Total		22	705.08	662.27	5	17	458.58

*Note : 02 roads shifted from CSG/GS to MoRT&H funding under NH-Others.

2.12 The Committee have learnt from the written submission of the Ministry of Defence that following challenges encountered by BRO in construction of Roads in these areas:-

- (a) Non-conductive weather conditions and highly remote areas.
- (b) The rocky and steep profile of mountains make formation cutting formidable challenge.
- (c) Delay in construction due to cloud burst & flash flood.
- (d) Limited working season i.e April to August is rainy season and December to March is snow bound.

- (e) Less availability of local labours.
- (f) Slow process of LA/FC/WLC.

Technological Innovations

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

- (i) Using Steel Slag in road construction.
- (ii) Using Inter Locked Concrete Paved Blocks.
- (iii) Using RejupaveAshpalt modifier cum rejuvenator for laying bituminous mix at HAA regions under low temperature.
- (iv) Using Cement Treated Sub Base (CTSB) /Cement Treated Base (CTB) in extreme cold climate.
- (v) Using Geotextile, Geo Cell, Geogrid, Geomembrane and Geocomposite in soil stabilization and road construction.
- (vi) Using White Topping as thin lean concrete for resurfacing of bituminous roads.
- (vii) Using Modular Bridges Class 70R for speedy construction.
- (viii) Precast Concrete Technology (Cut & Fit) for culverts, drains and retaining walls/Breast walls.

Manpower in BRO

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

2.15 Answering to a query on the status of roads along with Borders during oral evidence the representative of the Ministry of Defence stated that-

“I would just like to explain the whole thing that we follow the road construction based on the direction of the Government. There the Border Roads Development Programme is the main bucket in which all the roads come. As we stand today, there are 1001 roads which are listed in that. Their total length is about 32,914 kilometres. Out of which, Sir, the number of roads which are required to be constructed is 649. You will appreciate that we require roads everywhere but then there are limitations of Budget and the ability to construct. More so, Sir, we are making Greenfields Road right now. Everything will be sequential.”

Further they submitted that-

“Coming on to the environmental concerns, we are finding the best laid down practices, whatever directions the Government has given us on environmental things. For example, if we have to cut a road, we have to take care that it has followed the norms of MORTH, how the muck is to be disposed, and all that. So, all of those things are there. There is nothing that we are not following. Those practices are there, and recently, the MoD has also asked us that to work out a better plan in line with what is happening so that environmental aspects could be taken care of.”

2.16 During oral evidence the representative of the Ministry of Defence submitted that:

“As regards the labour issue, there is no restriction from our side not to employ local labour because, as a concept, we want to develop the economy of the State where we are working, and hence, local labour is of paramount importance to us. As I speak, I will be giving the numbers exactly, as of date, how many local labourers we are employing. The employment of labour is contingent to the work. Right now, in NPD Road project, bulk of the labourers are employed there. I will share the details with the Committee. I really appreciate your compliments on Zoji La. In fact, this time we are keeping all the passes open against all odds. As regards your point about the best practices, we have a centre of excellence in road construction. We will be more than willing to share our practices. We will work out in detail how it can be shared with the State and civil establishments.”

Further they submitted that –

“Generally, we are making roads which cost us Rs. 4 to 5 crore per kilometre. The terrain is very different, so, material transportation costs come into it. The NSDL goes to about 8 to 10 crore per kilometre. The tunnel is again contingent on the strata we are encountering. As a thumb rule, it is 400 to 450 crore per kilometre”.

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

Group	GREF Officers			(Figs in number) Army Officers		
	Auth	Held	Defi	Auth	Held	Defi
Group 'A'	934	596	338	542	399	143
Group 'B' (Gazetted)	935	920	15	-	-	-
Total	1869	1516	353	542	399	143

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

“Regular demand for recruitment of various categories of Group ‘A’ officers are being requisitioned to UPSC through MoD (BR). Also regular DPCs are being conducted to fill up the vacant posts. Further to address the acute shortage of Medical Officers, 51 medical officers are being hired on contract basis out of which, 27 Medical Officers have joined BRO till date.

In addition to the above, regular DPC is being conducted every year for filling the vacancies of manpower for promotional posts against DPC Vacancies.

Moreover, assessment of manpower requirement over the next five to ten years has been carried out in the “Cadre Review Proposal” submitted to MoD (BR) vide letter No. 12412/Cadre Review/DGBR/14/EG2 dated 19 Dec 2025 wherein the total manpower (authorized strength) was proposed as “40110 [Group ‘B’ & ‘C’]”. Approval of the same is awaited.”

Operational equipments in BRO

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

S No	Veh / Plant / Eqpt	FY 2025-26		FY 2024-25		FY 2023-24		FY 2022-23		FY 2021-22		FY 2020-21	
		Require ment	Held	Require ment	Held	Require ment	Held	Require ment	Held	Require ment	Held	Require ment	Held
1	Excavator cum loader with back hoe loader	444	336	440	396	428	406	555	388	575	420	562	423
2	Dozer Size II or D 80/ Size IV or D 50	289	273	313	324	292	375	438	427	429	521	419	530
3	Hyd Excavator 7-8 Ton	208	187	212	215	411	233	365	226	359	226	281	253
4	Spider Excavator	-	-	-	-	3	-	3	-	3	-	-	-
5	Hyd Excavator 20 Ton with attachment	637	630	634	578	848	514	625	557	503	616	622	545
6	Hyd Excavator 30 Ton with attachments	13	11	14	14	18	15	20	18	24	23	26	24

7	Wheel loader cum dozer with Bucket	361	361	367	355	407	282	478	224	321	182	380	170
8	Skid steer loader Tracked drive with bucket	6	6	6	6	6	6	8	6	12	8	9	8
9	Motor Grader	69	68	76	66	94	64	82	58	71	50	55	46
10	Self propelled light weight Rock Drill	41	41	46	44	45	46	46	46	54	46	-	46
11	Self propelled medium weight Rock Drill	134	124	113	92	230	87	132	57	93	58	212	59
12	Heavy duty Wagon Drill	56	47	43	47	45	43	45	15	35	15	16	12
13	Snow Cutter cum Blower	154	84	154	77	154	81	154	60	154	50	154	50

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

Cases of Land Acquisition, Forest and Wildlife Clearances

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

Cases processed during FY 2025-26			Cases Cleared during FY 2025-26			Cases Pending		
LA	FC	WLC	LA	FC	WLC	LA	FC	WLC
269	116	20	24	11	3	245	105	17

LA: Land Acquisition

FC: Forest Clearances

WLC: Wildlife clearances

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

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

Employment generation to Local Labour

2.23 When asked about the BRO projects support for local development, jobs and tourism in border areas. The Ministry of Defence in their written reply submitted that-

“BRO Projects are deploying around 70,000 labourer for infrastructure Project works thereby generating employment in entire border areas. BRO remains committed to policy of giving preference for employment to locals during recruitment for Project works. Therefore, direct job opportunities are created for locals by BRO. BRO procures construction materials and stores from suppliers and contractors in which locals are benefitted by direct or indirect participation.

BRO infrastructure Projects provide connectivity by constructing and maintaining infrastructure like Roads, Bridges, Tunnels and Airfields in difficult remote border regions. Development of roads and infrastructure in these unconnected remote area ushers local developments by creating ease of living and increased market opportunity. Development of all weather connectivity helps in rapid movements to these far flung border areas thus facilitate in development of Tourism.”

2.24 The Committee desired to know the corrective steps have been taken by the Ministry to overcome these challenges and speed up road construction in these difficult areas. In their written reply, the Ministry submitted that –

“Over the years, several measures have been undertaken by BRO to enhance the pace of construction of border infrastructure in high altitude, difficult terrain and adverse climatic conditions.

The following technological innovations have been introduced by BRO in the construction of roads in the difficult terrains that has reduced the construction time and provided enhanced working window:-

- (a) Induction of modern construction equipment i.e Excavators, Rock drills, All terrain utility vehicle, Snow Sweepers, Field diagnostic vehicle etc.,
- (b) Adoption of precast technologies in high altitude area where limited working season there to utilize the non working seasons.
- (c) Use of various additives/modifiers to enhance the properties of bitumen while working in extremely cold and high altitude areas.
- (d) Use of cut & fill technique to optimize hill cutting.
- (e) Use of controlled blast techniques to minimize damage and higher output.
- (f) Use of Cement Treated Sub Base (CTSB) /Cement Treated Base (CTB) in extreme cold climate.
- (g) Using Geotextile, Geo Cell, Geogrid, Geo-membrane and Geo-composite in soil stabilization and road construction.
- (j) Construction of modular Bridges of CI-70R load classification.
- (k) Use of White Topping as thin lean concrete for resurfacing of bituminous roads
- (l) Use of Inter Locked Concrete Paved Blocks (ILCB).

Apart from introduction of innovative technologies/materials in construction of border infrastructure, various other measures to augment the departmental capability are execution of works through EPC contracts, execution contracts, and revisions of departmental policies. Various research projects with premiere institutes like IITs/NITs are being undertaken to enhance the pace of construction, quality of works and to improve the living standards of the workmen.”

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 that inter alia includes fulfillment of a following duties: -

- (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) Such other matters, including measures for the safety of life and property at sea and collection of scientific data, as may be prescribed.

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

- i. Indian Navy
- ii. Indian Air Force
- iii. Port Authorities
- iv. Shipping Corporation of India
- v. Director General Civil Aviation (DGCA)
- vi. States/ Central Fisheries Authorities
- vii. States/ Central Customs Authorities
- viii. Merchant Ships operating close to the position of distress

- ix. Indian Meteorological Department (IMD)
- x. Indian Mission Control Centre (INMCC), Bangalore
- xi. Department of Telecommunications
- xii. National Institute of Ocean Technology (NIOT)
- xiii. State Marine Police.
- xiv. National Disaster Response Force (NDRF)
- xv. Border Security Force
- xvi. National Security Council Secretariat
- xvii. ISRO, Department of Space
- xviii. National Technical Research Organization (NTRO)
- xix. Customs Department
- xx. Intelligence Bureau/ R&AW
- xxi. Narcotics Control Bureau
- xxii. Central Water Commission
- xxiii. Other resources maintained by private companies where necessary
- xxiv. Directorate General of Shipping
- xxv. Indian Register of Shipping
- xxvi. Ministry of Environment, Forest and Climate Change
- xxvii. Offshore Oil Installations
- xxviii. Receiver of Wrecks
- xxix. Central Marine Fisheries Research Institute
- xxx. Integrated Coastal and Marine Area Management Project Directorate
- xxxi. Mangrove Society of India
- xxxii. National Biodiversity Authority
- xxxiii. Reef Watch Marine Conservation
- xxxiv. Wildlife Trust of India
- xxxv. The Indian Council of Agriculture Research

Safety and security of the country's coastline

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

“The concept of concurrent operations has been emphasized wherein assets are deployed on multi-mission charter. In addition, integration of Coastal Surveillance Network has also been

undertaken in the ICG operations. The various initiatives undertaken by the ICG towards Coastal Security include the following measures:

- (i) Training of Marine Police Personnel.
- (ii) ICG in coordination with respective coastal States and UTs initiated identification of vital assets, vulnerable points, fishing hamlets, fish landing points, etc. in coastal areas.
- (iii) Coastal Security Exercises are being conducted by ICG Regional Headquarters in coordination with all other stakeholders. Further, the lessons learnt and observations emerging from the exercises are utilized for enhancing efficiency of Coastal Security mechanism.
- (iv) Physical inspection of vessels at sea, have been enhanced exponentially. In addition, ICG undertakes special operation code name “OP Sajag’ every month at all coastal States/UT with deployment of maximum ICG units to undertake extensive boarding of fishing boats at sea primarily for deterrence and random scrutiny of documents.
- (v) ICG regularly organizes Community Interaction Programme (CIP) for fishermen to bring in awareness about safety and security at sea.
- (vi) Joint Coastal Patrol (JCP) by ICG and Coastal Police as instituted for providing on job training to Coastal Police personnel and developing their sea legs towards strengthening the coastal security mechanism. Classroom instructions and JCP sorties are undertaken and Marine Police personnel are embarked onboard ICG ships for JCP since inception.
- (vii) With strengthening of ICG in terms of afloat and air assets, ICG has enhanced the patrol efforts in area of responsibility. ICG ships are deployed round the clock for surveillance. The ICG ships and ICG aircrafts are deployed for area surveillance and also for sea-air coordinated operations.”

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

Budget 2026-27

3.5 The Ministry submitted the following information through a written submission regarding the allocations made at BE, RE and actual expenditure for Coast Guard during the last five years, separately for Capital and Revenue heads along with BE allocation for 2026-27:

<u>Sl.</u>	<u>Financial Year</u>	<u>Object Head</u>	<u>BE</u> <u>(in Cr)</u>	<u>RE</u> <u>(in Cr)</u>	<u>MA</u> <u>(in Cr)</u>	<u>Actual Expenditure</u> <u>(in Cr)</u>
(a)	2020-21	Revenue	2532.7600	2432.7600	2522.9200	2547.28
		Capital	2500.0000	2500.000	2500.0000	2503.21
(b)	2021-22	Revenue	2594.7200	2797.2600	2919.1400	2921.8588
		Capital	2650.0000	3236.4600	3275.4100	3189.1884
(c)	2022-23	Revenue	3063.92	3998.3300	3998.3300	3785.44
		Capital	4246.3700	3300.0000	3300.0000	3300.2540
(d)	2023-24	Revenue	3661.4700	4340	4109.2300	4062.65
		Capital	3536.0000	3800.0000	4151.3500	4125.24
(e)	2024-25	Revenue	4151.8000	4080.0000	4040.1088	4013.17
		Capital	3500	4199.5000	4083.2011	4068.9538
(f)	2025-26*	Revenue	4676.7000	4185.0000	--	3516.6610 (As on 09 Jan 26)
		Capital	5000.0000	3598.0000	--	2165.8530
(g)	2026-27	Revenue	4392.85	--	--	--
		Capital	4000.0000	--	--	--

*Actual expenditure as on 09 Jan. 2026

Coast Guard has been obtaining budget as per requirements and has been able to utilize the allotted funds optimally.

3.6 During discussion on DFG 2026-27, the Committee learnt that the expenditure by Coast Guard is ₹ 7,783.00 crore (upto 19.02.26) out of ₹ 7,098.00 crore i.e. 91.2% allocated for FY 2026-27.

3.7 During oral evidence the representative of the Ministry of Defence stated that -

“Today, the Indian Coast Guard has 75 major surface platforms, 80 aircraft, and 80 interceptor boats and hovercraft to perform its mandated charters. While the EEZ surveillance is undertaken by bigger ships and Donier aircraft, the interceptor boats, hovercraft, and helicopters are deployed for close coast surveillance.

As you are well aware, the success of any operation is equally dependent on the workforce behind the machines. With the increase in the number of assets, the workforce requirement of the organization has also been increasing. The Indian Coast Guard has a total workforce strength of 18,960 personnel, the details of which are shown on the screen. With meticulous budget planning and expeditious efforts, we have been able to effectively utilize the allocated Budget every year. Consequent to the sustained capacity building measures of the Indian Coast Guard, the budgetary allocation and expenditure over the years has been consistent and progressive.

The capital and revenue allocation for the Indian Coast Guard for the next Financial Year, that is 2026-2027, is about 7.8 percentage more than the Revised Estimates of the present fiscal based on the fructification of the envisaged projects. Since the inception of the Indian Coast Guard in 1977, we have grown over the past 50 years to emerge as the fourth largest Coast Guard in the world today. As we commemorate the Swarnim Jayanti year of this vibrant organization, let me assure you that the Indian Coast Guard will continue to remain as the guardian of the seas and the protectors of lives in the ocean.”

Force Level and Manpower

3.8 The Committee, during oral evidence in connection with examination of DFG 2026-27+, have been apprised that current fleet of Coast Guard consists of 75 major surface platforms, 80 aircraft, 80 small crafts and boats and 10 drones.

3.9 The breakup of the manpower in Coast Guard in 2026, as furnished in the Power Point Presentation before the Committee, is as under:

Officers	2,603
Enrolled Personnel	14,326
Civilians	2,031
Total	18960

3.10 On being asked about Coastal area where ICG has its presence and has operational machinery/workforce. The Ministry in their written reply submitted that-

“The Indian Coast Guard maintains a comprehensive operational presence across India’s western and eastern seaboard, as well as in the island territories, to safeguard India’s maritime zones. Its coastal footprint is supported by Regional and District Headquarters, stations, air enclaves, surface and air assets and technological surveillance infrastructure.

Western Seaboard. The ICG has a strong presence in Gujarat (Porbandar, Okha, Jakhau, Mundra, Vadinar, Veraval and Pipavav), Maharashtra (Mumbai, Murud Janjira, Dahanu and Ratnagiri), Goa, Karnataka (Karwar and New Mangalore) and Kerala (Kochi, Beypore and Vizhinjam). The Lakshadweep Islands are covered by stations at Kavaratti, Minicoy and Androth.

Eastern Seaboard. Operational units are located in Tamil Nadu {(Chennai, Mandapam and Thoothukudi (Tuticorin))}, Puducherry (Karaikal), Andhra Pradesh (Visakhapatnam, Kakinada, Krishnapatnam and Nizampatnam), Odisha (Paradip and Gopalpur) and West Bengal (Haldia, Kolkata and Frazerganj).

Island Territories. The Andaman and Nicobar Islands host forward-deployed ICG facilities at Sri Vijaya Puram, Diglipur, Mayabunder, Hutbay, Kamorta and Campbell Bay. Operationally, ICG **deploys approx. 50 - 55 ships and 10 - 12 aircraft daily** across India’s maritime zones for surveillance, law enforcement, search and rescue and coastal security. This layered presence is supported by the Coastal Surveillance Network, AIS/satellite-based monitoring systems and intelligence-driven operations to ensure continuous maritime domain awareness and rapid response capability.”

Upgrade Coast Guard Infrastructure

3.11 To a specific query of the Committee regarding upgrading Coast Guard infrastructure along with India’s coastline and progress made. in the written reply the Ministry of Defence submitted as under:

“In last one year, the GoI/MoD has accorded 18 sanctions for acquisition/ leasing of land/Jetty. 69.70 acres land and 272 mtrs of jetty have been included in the ICG inventory. In addition to the above, 04 nos. AIP have been accorded for 28.82 acres of land for which BOO will be convened subsequently for acquisition.

As per recommendation of Group of Ministers (GoM) on reforming the National Security system post Kargil conflict, the Phase-I of the Chain of Static Sensors (CSS) comprising of 46 Radar Stations was implemented to provide electronic surveillance

around the area of high sensitivity and high traffic density along the Indian coast. Further, in order to achieve near gap free electronic surveillance of the entire coastline, a contract for establishment of CSS project Phase-II was concluded with M/s Bharat Electronics Limited, Bengaluru for establishment of additional 38 Radar Stations along with 04 Mobile Surveillance systems (MSS) at the total cost of Rs. 1814.32 cr. Phase-II of the project is in final stages of implementation.

In addition, the following steps have been taken by Indian Coast Guard to improve the infrastructure and also for modernization of fleet support facility along the coast line: - Provision of deficient other than married accommodation (OTM) at 11 locations at Gandhinagar, Vadar, Porbandar, Veraval, Kochi, New Mangalore, Turicorin, Chennai, Haldia, Delhi and Sri Vijaya Puram.

Provision of deficient Married Accommodation at 12 locations at Pipavav, Mumbai, Kochi, Visakhapatnam, Mandapam, Chennai, Gandhinagar, Mayabundar, Campbell Bay, Diglipur, Kamorata and Delhi.

Provision of approx 1248.7 Mtr of jetties for berthing of ICG ships at 08 locations at Kochi, Vizhinjam, Dahanu, Haldia, Porbandar, Vadar, Mandapam, Sri Vijaya Puram and approx. 1090 mtrs of jetty under construction for berthing of ICG Ships at 08 locations at Karwar, Androth, Porbandar, Okha, Mundra, Vizag, Diglipur & Mayabundar

Roof top solar power generator for 1265 KW pan Indian Coast Guard.

Development of strategic repair facility at Ratnagiri and Sri Vijaya Puram for ship repair and maintenance.

Redevelopment of Coast Guard strategic infrastructure for berthing & ship repair at Timber Pond, Chennai.

Cyber warfare, drones and Narco terror

3.12 The Committee desired to know about Cyber warfare, drones and Narco- terror are some of the neo-threats being encountered today and how Coast guard dealing with such challenges. In their written reply the Ministry of Defence submitted that –

“In response to evolving challenges in the cyber domain, the ICG continues to prioritise and maintain cyber resilience. Furthermore, the ongoing execution of Project Digital Coast Guard is set to significantly enhance this cyber infrastructure. The Indian Coast Guard recognises drones and narco-terrorism as emerging and evolving threats in the maritime domain and has instituted multi-layered operational and technological response to counter these challenges. To address narco-

terrorism and maritime drug trafficking, the ICG conducts intelligence-based anti-narcotics operations in coordination with agencies such as the Narcotics Control Bureau, Customs, DRI and Marine Police. Persistent surveillance is maintained through ships, aircraft and the Coastal Surveillance Network, with enhanced patrol density in vulnerable areas and along known smuggling corridors. Suspicious vessels are tracked, boarded and inspected and information sharing mechanisms ensure timely interdiction and deterrence of drug trafficking activities.

To counter the emerging threat of hostile drones and unmanned systems, ICG is progressively expanding its unmanned aerial capability and anti-drone posture. Compact drones have been inducted for surveillance, boarding operations and pollution response and procurement is underway for ship-borne unmanned aerial systems and medium-altitude long-endurance remotely piloted aircraft to enhance persistent maritime surveillance. ICG is also planning induction of mobile and ship-borne antidrone systems with soft-kill and hard-kill capabilities to counter aerial threats at key coastal locations. These measures are complemented by Rapid Response Teams raised for specialised maritime security operations.

Overall, through intelligence-driven operations, inter-agency coordination, advanced surveillance technologies and progressive induction of unmanned and counter-unmanned systems, the Indian Coast Guard is strengthening its capability to effectively deter and neutralise emerging threats such as narco-terrorism and hostile drone activity in India's maritime zones."

CHAPTER IV

DEFENCE ESTATES ORGANISATION

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

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

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

Administration of Cantonments

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

4.4 The salient features of a Cantonment are as under:

- Land ownership of the Govt.

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

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

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

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

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

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

Board level, the Chief Executive Officer (CEO) performs the duties of Member -Secretary of the Board.

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

4.7 Elections: Elections to Cantonment Boards are held on expiry of the term of elected members. The term of elected members is five years. In exercise of the powers conferred by Section 31 of the Cantonments Act, 2006, the Central Government has framed rules called the Cantonment Electoral Rules, 2007 for conduct of elections. The Committee have been informed that as on date, 61 Cantonment Boards are varied under Section 13 of the Cantonments Act, 2006 due to administrative reasons.

Financial base of Cantonment Boards

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

4.9 Service Charges: Since properties of the Union are exempt from property tax, the Government of India decided to pay “service charges” to local bodies in respect of Central Government properties falling within municipal limits, at rates ranging from 33-1/3% to 75% of the property tax payable to compensate the loss of normal income of local bodies. In 1982, the Ministry of Defence agreed to pay service charges to Cantonment Boards. The rate of payment, however, was kept at the lowest slab of 33-1/3% of the property tax leviable. Section 109 of the Cantonments

Act, 2006 also provides for payment of service charges to Cantonment Boards. The amount of Service charges is released based on budget allotment against the projected demand. Service Charges are also being received by Cantonment Boards from Railways, Postal Department, Ordnance Factories and Other Central/State Government Departments.

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

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

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

4.13 **Financial issues**: The resources of Cantonment Boards are limited as the bulk of the property in Cantonments is government-owned which is exempt from property tax. Moreover the nature of the Cantonments is such that there is only limited trade and business activity and practically no industry. In the Financial Year 2024-25, 50 Cantonment Boards were deficit and required financial assistance to balance their budgets.

Allocation of funds for 2025-26

4.14 During Power Point Presentation before the Committee, the representative of DEO furnished following information regarding Demands for Grants of Defence Estates Organisation for FY 2026-27:

(₹ in crore)

Head	BE 2025-26	BE 2026-27
Revenue	654.45	896.16
Capital	32.34	35.41

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

(₹ in crore)

Particular	Year	BE
Grant-in-Aid (General)	2025-26	412.626
	2026-27	638.7908
Grant for Creation of Capital Assets	2025-26	35.20
	2026-27	40.00
Grant-in-Aid (Swachhta Action Plan)	2025-26	4.00
	2026-27	4.00

4.16 During the oral evidence, the representative of the Ministry of Defence apprised that :

“The Directorate General Defence Estates is the Headquarters of Defence Estates Organization. The DGD provides advisory inputs on all cantonment and land matters. The core functions of the Defence Estates Organization are given here.

The total Defence land holding is 17.78 lakh acres. The distribution among the various armed forces and other establishments is shown in the figures. The State-wise distribution of the Cantonment Boards is shown in the figures. The main duties and functions of the Cantonment Boards is to provide basic civic amenities in Cantonments, to ensure that health and hygiene of its residents is maintained, and also to provide the educational facilities to the residents of the Cantonment and other regulatory functions under it. Some of the glimpses of the activities being taken up by the Cantonment Board.

Under the Digital India initiative, the Ministry of Defence has launched various digital initiatives, which includes the e-Chhawani portal, in which 15 modules have been launched in which we have registered 13.3 lakhs residents. We have received applications from 21 lakh, out of which the processing rate has been 99.2 per cent, and the various other digital initiatives.

The Grants-in-Aid which have been given to the Cantonment Boards, primarily for the financial support of the Cantonment Boards, are three the Grants-in-Aid in general; the grants for creation of special capital assets; and the Swachhta Action Plan. The sanctioned Demand for Grants for the Defence Estate Organizations for the year 2025-2026 and 2026-2027 is shown in the figures.“

4.17 On being asked in a reply to Supplementary List of Points why were some Cantonment Board Grants, such as those for capital assets, not unutilized in FY 2023-24. The Ministry in their written submission stated that –

“An amount of ₹45.00 crore was sought during FY 2023–24 under Grant for Creation of Capital Assets for STP projects at St. Thomas Mount cum Pallavaram (₹5.00 crore), Kamptee (₹20.25 crore), and Wellington (₹20.00 crore). At the time of budget formulation, these projects were under consideration, and provision was made to meet the anticipated part payment requirements during the financial year, pending revised sanction in respect of Wellington and fresh sanctions for the other projects. However, as the requisite sanctions could not be issued pending examination of proposals, the allocated funds could not be fully utilized that year.”

Defence Lands under DEO

4.18 The Committee have been informed that the total area under the control/administration of Defence Estates Organization as on 31.12.2025 is 75,569 acres. This includes 52,839 acres inside Cantonments and 22,730 acres outside the Cantonments. As per Rule 7 of Cantonment Land Administration Rules (CLAR) 2021, 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-1 land pockets- only those which have been allotted for office and residential accommodation for DGDE and its field offices.
- (ii) Class A-2 defence land reserved for future/specific military use.
- (iii) Class B-3 defence land held by private persons on leases/grant.
- (iv) Class B-4 defence land i.e. the land which is not included in any other class specified in Rule 7 of the CLAR, 2021.
- (v) Class C defence land, which are vested with respective Cantonment Boards under Section 122 of the Cantonments Act, 2006.

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 22,730 acres.

4.19 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.

4.20 The Committee, through written submission of the Ministry, have learnt that the area of defence land under the management of Defence Estates Organisation under encroachment is 4519 acres. Out of above, 2024 acres are encroached by private individuals, 1575 acres are under unauthorized possession of ex-agricultural lessees, and nearly 819 acres are under occupation of State and Central Government Departments or their undertakings, for various public utility purposes, viz roads, schools, public parks, bus stands, and administrative office.

4.21 When asked about the outcome of engagement with concerned State Govt. authorities in connection with unauthorized occupation of Defence Land and provide date regarding land exchanges made and reclaimed during the last 5 years, the Ministry in their written submission stated that –

“The issue of unauthorized occupation of defence land by various State Government authorities is being consistently pursued by the Ministry of Defence (MoD) and the Directorate General of Defence Estates (DGDE) with the concerned State Governments, with the objective of regularizing such occupation either through exchange of land of equal value or through payment of cash compensation by the State Governments. Notwithstanding these efforts, progress has remained slow.

Details of land reclaimed or land received in exchange against unauthorized occupation of defence land by State Government authorities or their agencies under the management of the organization are enclosed at Appendix-A. One proposal for regularization of unauthorized occupation of defence land measuring 1 acre and 18 guntas at Bengaluru by Bengaluru Mahanagara Palika (BBMP), against payment of cash compensation by BBMP, is under consideration.

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

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

(ii) ‘Bhoomi Raksha’ an IT Module has been launched on 16.12.2022 wherein eviction proceedings under the PPE Act 1971 can be initiated & progressed online. It also provides tools for monitoring & review at the apex levels. This will infuse efficiency & bring transparency in the process of removal of encroachments as well as conduct of eviction proceedings.”

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

(i) Regular inspection of Defence Lands is carried out by the concerned offices and they are required to submit annual certificates as per rules.

(ii) Defence land records have been digitized. These are easily retrievable and shared at the appropriate level with the LMA, State Revenue Authorities and Police Authorities, so that co-ordinated action between different Govt. agencies is initiated while removing encroachments.

(iii) A Land Management System has been put in place wherein GIS layers of encroachments have been developed which provide information on encroachment over a period and helps in monitoring fresh encroachments, if any.

(iv) A “Change Detection GIS Tool” has also been developed at the Centre of Excellence in the NIDEM for detecting changes on real time basis, that can monitor construction/encroachment on Defence land using satellite imagery, which provides details of encroachments over a given span of time.

(v) An encroachment reporting module has been enabled on the DGDE website for reporting encroachments on Defence land by the general public, as and when they happen and a functionality of e-mail alerts to the officer concerned has been added so that corrective action can be initiated by the officers concerned at the earliest.

(vi) A methodology for evaluating “Threat” of encroachment on Defence land has been devised. Steps to be taken by the concerned officers have been communicated to the field offices, including erection of compound walls, fencing or boundary pillars based on threat perception. Accordingly, funds have been allotted & construction of boundary walls/fencing/pillars has been carried out at different locations.

(vii) Survey, demarcation and verification of all Defence land has been undertaken. Survey of Defence land is now a continuing process.

Monetization of Defence Land

4.24 During oral evidence the representative of the Ministry of Defence Submitted that-

“सर, पॉलिसी इश्यूबाउट मानेटाइजेशन पर मैं इतना ही कहूंगा कि हमारे पास जो लैंड है, वह सेंट्रल गवर्नमेंट ऑफ इंडिया के नाम से है and ultimately, the owner is the President. Monetizing land is always a sensitive issue. अभी गवर्नमेंट के इंस्ट्रक्शन्स हैं कि गवर्नमेंट ऑफ इंडिया की कोई लैंड आप बाहर दो, ट्रांसफर करो किसी भी चीज के लिए, except to the State Government or other Government organisations, each individual case must go to the Cabinet. उसको करना बड़ा मुश्किल है। मोनेटाइजेशन के बदले में हम जो अभी कोशिश कर रहे हैं और पिछले साल ही रक्षा मंत्री ने अप्रूवल दी है, वह यह है कि हमारे पास जहां बहुत बड़े चांस ऑफ लैंड हैं, जिनका आज के दिन में कोई खास यूज नहीं हो रहा है। यूपी में सीतापुर में एक जगह है और मध्य प्रदेश में भी एक जगह है, वहां पर हमने यह तय किया है कि वहां पर हम रिन्यूबल एनर्जी पार्क एनटीपीसी के थ्रू करावेंगे, ताकि जो एनर्जी जेनरेट होगी, उसको हम आर्म्ड फोर्सिज़ के स्टैब्लिशमेंट में यूज करेंगे। एक तरह से हम उसको मानेटाइज करेंगे, but not in the way you mean, but monetization in the sense that it will have revenue and cheap power will flow to the defence establishments, reducing their revenue requirements. सीतापुर का पहला जो प्रोजेक्ट है, उसकी बिडिंग एनटीपीसी ने शुरू कर दी है और आगे हम कुछ सीबीजी प्लांट्स भी लगाने की कोशिश कर रहे हैं, जहां भी इस तरह की एक्स्ट्रा लैंड हमारी नजर में आती है। इन सब केसेज़में हम पीएसयूज़ के थ्रू एनटीपीसी और जो ऑयल पीएसयूज़ हैं, उनके थ्रू रिन्यूबल एनर्जी के प्रोजेक्ट्स के तहत एक तरह का रेवेन्यू जेनरेशन का प्रोजेक्ट हम करने की कोशिश कर रहे हैं।”

Litigation and Encroachments

4.25. During oral evidence on a query regarding litigations and encroachments faced by it, the representative of DGDE stated that-

“Specifically, policy exercises relating to leases are already underway. We aim to incorporate all possible cases, so the policy becomes comprehensive covering every category of lease, for various purposes, granted over the past 100 years. The goal is to develop a unified, coherent policy.

As for land disputes, we will provide data on the total number of cases. Regarding rent paid to private individuals in Ladakh, we have received the notified rates from the UT of Ladakh for 2018–2023, and these have been implemented. For 2023–2028, we are awaiting notification from the UT government, and once received, we will act accordingly.

For the specific transfer of land in the Upper Kubatang Plateau, a joint survey has already been conducted. The Army is evaluating the suitability of the offered land, as operational infrastructure must be relocated. Issues concerning basic amenities and access are being addressed, and we are actively working to resolve them at the earliest. The matter of fort renovation, as the Secretary mentioned, will also be looked into. “

4.26 In a reply to Supplementary List of Points regarding (i) the instances of encroachment of cantonment land by civilian population and unauthorized construction have surfaced during the last 3 years and the total area encroached by the civilian population in the cantonment; (ii) the details of the action taken and the manner in which encroachment problems and unauthorized construction are being resolved, in their written submission the Ministry stated that –

“Detection, prevention and removal of encroachment is a continuous exercise. Action for removal of encroachment on Defence land is taken under the provisions of Public Premises (Eviction of Unauthorized Occupants) Act, 1971 as well as under the Cantonments Act, 2006.

(ii) They further stated that the following steps taken to protect land from encroachment:

(a) Regular inspection of sites under the respective jurisdiction is conducted by the DEO and CEO, Cantonment Boards. Action for removal of encroachment /unauthorized occupation is carried out as per the provisions of Public Premises (Eviction of Unauthorized Occupant) Act, 1971 (PPE Act). Besides this, constructions made on Old Grant /Lease sites, not conforming to building bye-laws of the Cantt are removed under the provisions of the Cantonments Act, 2006.

(b) Detailed instructions have been issued by the Government emphasizing the need for ensuring vigilance, detection and prevention of new encroachments.

(c) Defence land records management system has been strengthened by way of digitization and computerization of Defence land records held by DEOs and Cantt Boards.

(d) Real Time Real Management (RTRM) is an online system developed by DGDE to ensure seamless management of critical data sets, including leases granted on Defence land, instances of encroachments, and action against violations. This system has built-in functionality for generating statutory notices and enforcement orders under the PPE Act. This system ensures data protection, guards against manipulation, and facilitates retrieval of information at any point of time. It also facilitates monitoring of action in pending cases, consolidation of diverse workflows within a unified digital framework, enhances operational transparency and strengthens institutional capability for decision-making.

- (e) Close liaison is being maintained with the Revenue and Civil Police Authorities to detect attempts to encroach Defence land and also for removal of encroachments. Regular survey is being carried out to safeguard the Defence lands from encroachers, and also for detection of unauthorized constructions on leased or grant sites.
- (f) A Land Management System has been put in place wherein GIS layers of encroachments have been developed which provide information on encroachments over a period of time, and it helps in preventing fresh encroachments. A "Change Detection GIS Tool" has also been developed which provides details of encroachments over a given span of time.
- (g) A methodology for evaluating "Threat of Encroachment on Defence lands" has been devised. Construction of Boundary Walls/Fences/Pillars is in progress around Defence land pockets prone to encroachments, based on above mentioned "Threat Matrix."
- (h) Survey, demarcation and verification of all Defence land has been undertaken. Survey of Defence land is now a continuing process.
- (f) The process of Defence Land Audit has been institutionalized from 2011-12 as a continuing process."

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

"The geo-tagging of vacant lands within Cantonments, as well as encroached defence lands managed by the Defence Estates Organisation, has been completed and uploaded as a dedicated layer on the Defence Estates Mapping Portal (DEMAP). Further, the Defence Estates Organization carries out survey of defence land pockets in phase wise manner and the shape files of geo tagged land pockets are generated as part of this survey process as an ongoing process across the country."

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

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

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

MoD has constituted Cantonment-wise committees in respect of 38 Cantonments to look into the details of proposed modalities in terms of transfer/retention of assets and liabilities, Cantonment Board employees, pensioners and other issues for excision of civil areas of Cantonments and their merger with adjoining State Municipalities. Out of these, detailed proposals in respect of 37 Cantonments have already been shared with the respective State Governments for their concurrence.

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

4.29 In a reply to Supplementary list of points regarding the steps taken by the Ministry to obtain concurrence of State Govt. or break the logjam with State Govts. In this regard, the Ministry replied that –

“MoD has constituted Cantonment-wise committees in respect of 38 Cantonments to look into the details of proposed modalities in terms of transfer/retention of assets and liabilities, Cantonment Board employees, pensioners and other issues for excision of civil areas of Cantonments and their merger with adjoining State Municipalities. Out of these, detailed proposals in respect of 37 Cantonments have already been shared with the respective State Governments for their concurrence.

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In the meeting held in MoD on 25.02.2025, it was decided to initially process the excision proposals of the aforesaid 10 Cantonments where notifications were issued for inviting objections/suggestions from public. However, the formal concurrence from the State Governments are still awaited.

The issues pertaining to excision are being addressed through ongoing consultations with all stakeholders at the level of Cantonment Boards and Directorates.

It is informed that a meeting was also held on 10.07.2025 under the Chairmanship of Hon'ble CM of Maharashtra to discuss the issue of excision of Cantonments located in Maharashtra. It was decided that State Government shall finalize the proposal & submit to MoD in 03 months' time. However, the same is still awaited."

4.30 In another Supplementary list of points the Committee desired to know the annual allocation received by Cantonments and allocated funds are adequately to carry out all the functioning requirement/development activities of the cantonments. In their written reply the Ministry submitted that-

"About the allocations received by the Cantonment Boards from the Centre, it is stated that the Boards are receiving grants in 03 forms: -

- (i) Ordinary Grant-in-Aid
- (ii) Grant under Creation of Capital Assets
- (iii) Grant under Swacchta Action Plan

The details of these allocations is as under:-

(in Crores)

Year	Grant-in-Aid (Gen)	Grant-in-Aid (Capital Asset)	Grant-in-Aid (SAP)
2020-21	304.60	10.00	1.00
2021-22	239.80	8.75	0.87
2022-23	579.42	53.50	3.00
2023-24	544.80	3.86	3.50
2024-25	551.27	32.00	3.00
2025-26	634.47	35.20	4.00

Apart from this, pursuant to the Fifteenth Finance Commission's recommendations, Cantonment Boards (excluding those in Union Territories) are also receiving local body grant under the CFC through the respective State Governments, the details of the same are as under:-

S. No.	Year	In Crores
1	2021-22	₹106.61
2	2022-23	₹125.44
3	2023-24	₹105.46
4	2024-25	₹100.47
5	2025-26 (as on 31.12.2025)	₹66

With regard to the expenditure incurred on developmental works year-wise, the following details are submitted: -

(in Crores)

Year	Original Works through Cantt funds	Original works through grants for creation of capital assets	Maintenance works
2020-21	30.53	10.00	255.41
2021-22	38.97	8.75	180.50
2022-23	34.57	53.50	203.47
2023-24	59.49	3.86	245.68
2024-25	37.40	32.00	309.27

Under Sections 62 and 64 of the Cantonments Act, 2006, Cantonment Boards are vested with a wide range of mandatory and discretionary functions spanning civic administration, public health, infrastructure development, social welfare, education, town planning, and urban governance.

Section 62 imposes a statutory obligation on the Boards to make reasonable provision for essential municipal services, including street lighting, sanitation, drainage, water supply, public health measures, primary education, fire services, registration of births and deaths, maintenance of public infrastructure, regulation of building activity, town planning, and implementation of schemes for economic development and social justice. These functions constitute the core civic responsibilities of Cantonment Boards and accordingly receive priority in budgetary planning and resource allocation.

Section 64 further empowers the Boards to undertake a range of discretionary functions, such as development of parks and public utilities, promotion of higher and vocational education, establishment and management of electricity and water distribution systems, provision of relief during calamities, construction of housing schemes, heritage conservation, establishment of hospitals and veterinary facilities, creation of community infrastructure, execution of remunerative projects, and other measures conducive to the safety, health, and convenience of the inhabitants.

While existing allocations are sufficient to meet the prioritised & essential mandatory obligations under Section 62, including sanitation, water supply, public health services, primary education, and maintenance of civic infrastructure, the scope of discretionary functions under Section 64 is extensive and demands substantial capital investment

and cannot always be funded through routine budgetary provisions alone by the Boards.

Boards are required to prioritize their mandatory civic obligations and undertake discretionary functions in a phased and calibrated manner, based on the availability of funds and requisite administrative approvals. Concerted efforts are also being made to strengthen financial management, enhance internal revenue generation, improve collection efficiency, and rationalize expenditure, so as to ensure effective and sustained discharge of all statutory obligations under the Act.”

4.31 On being enquired whether any financial deficit is faced by the Cantonment Boards and the measures adopted to increase and monitor the resources, in thier written reply the Ministry submitted that –

“Yes, 51 of the 61 Cantonment Boards are deficit and have to rely on the Central Government grants to balance their budgets. Efforts are made to enhance the local revenue of the Boards.

Measures adopted to increase and monitor resources of Cantonment Boards:

(a) Strengthening Core Revenue Sources: Regular revision of property tax, water and conservancy charges, trade licence fees, lease rent, and building permission fees within permissible limits.

(b) Improved Collection Mechanism: Enhancement of collection efficiency through digital payment systems, online billing, and better monitoring of arrears.

(c) Public–Private Partnership (PPP) Initiatives: Preparation of PPP proposals to attract private investment in civic infrastructure and services, thereby diversifying income streams.

(d) Implementation of Cantonment Land Administration Rules, 2021: Facilitating change of land use for more remunerative purposes to enhance revenue generation and promote financial self-sufficiency.

(e) Recovery of Service Charges: Efforts to recover of service charges from Central and State Government establishments within Cantonment limits.

(f) Framing of Building Bye-Laws: Regulation of construction activities to promote planned development and generate additional revenue through fees and development charges.

(g) Sharing of Tax Proceeds: Pursuing proposals with State Governments for an appropriate share of tax revenues.

(h) Leveraging External Funding Schemes: Submission of infrastructure projects under AMRUT 2.0, Nagarotthan, and similar schemes to supplement resources and reduce dependence on Central Grants.

(i) Prudent Financial Management: Adoption of expenditure rationalization, modernization, and technological upgradation to ensure efficient utilization and monitoring of available resources.”

4.32 The Committee desired to know through Supplementary List of Points about the Public Redressal system for citizens to file complaints related to issues faced in the Cantonment areas state the mechanism and time taken to resolved the complaints. In their written submission the Ministry stated that-

“With regard to public grievance redressal system in the Cantonment Boards, it is intimated that a citizen centric project “eChhawani” of DGDE, Ministry of Defence has been implemented in 61 Cantonment Boards which provides various online citizen services to more than 20 lakh residents across 61 Cantonments in the country through unified eChhawani Portal including grievance redressal of the residents.

Grievance redressal System in eChhawani

The user friendly, web-based online grievance mechanism in eChhawani Project provides a transparent, credible and fair process to all stakeholders. The Cantonment Boards have been mandated to resolve/address all grievances within 03 working days. The Grievance Redressal System intimates the status and progress of complaint to complainant via SMS and email. A complainant can track status of his/her complaint on real-time at any stage on eChhawani Portal.

Lodging and processing of Grievance

A complainant can lodge the grievance online on centralized eChhawani Portal regarding any services being provided by Cantonment Boards. The complaint can also be lodge through eChhawani mobile app available in android and IOS platform. Further, to increase the outreach, helpdesk has also been setup in each Cantonment Board to enable lodging the grievance. Before availing any services in eChhawani Portal, the user has to register in eChhawani. The user can select the respective

Cantonment Board, Category of Grievance with Description of issue being faced. There is also a provision to upload the photograph highlighting the issue.

The online grievance lodged by complainant gets automatically reflected on the dashboard of concerned Cantonment Board. The designated complaint redressal officer of the Cantonment Board logs in to eChhawani Portal and access the complaint. He can reply/address to the complainant or it can be marked/escalated further to concerned section/ department for redressal. The status of same gets reflected on eChhawani Portal as well as is intimated to complainant by SMS and email.

Grievances Monitoring Dashboard

The Cantonment Areas Real Time Executive (CARE) Dashboard provides the performance of Cantonment Boards in resolving the grievances. The dashboard provides the consolidated information pertaining to 61 cantonments with provision to filter based on date range and Cantonment.

Monitor, evaluate and enhance the grievance redressal infrastructure

The Chief Executive Officer (CEO) /Concerned Designated official of Cantonment Board monitors the receipt of grievance and rate of their disposal by Cantonment Board. The dashboard and grievance reports enables CEO to access the performance of various departments in addressing the complaint.

Statistics

Till date, total 1,49,470 complaints have been received on the PGR portal of eChhawani by all Cantonment Boards, out of which 1,49,400 complaints have been disposed of. The resolution rate is 99.94%. The average time taken for resolution of complaints is 3.2 days.”

CHAPTER – V

WELFARE OF EX-SERVICEMEN

The Department of Ex-Servicemen Welfare (DESW) formulates various policies and programmes for the welfare and resettlement of Ex-Servicemen (ESM) in the country. The Department has two Divisions viz. Resettlement and Pension, and it has 3 attached offices namely, Kendriya Sainik Board (KSB), Directorate General Resettlement (DGR) and Central Organisation, Ex-Servicemen Contributory Health Scheme (CO, ECHS).

The Committee have learnt that in view of the expanding population of ex-servicemen (ESM) and widows, there were persistent demands from Service Headquarters and various associations for a separate Department to look after the welfare, resettlement and rehabilitation of ESM, war widows and their dependents. In 1986, a decision was taken to create an independent resettlement division in the Department of Defence. Thereafter, a new Department of Ex-Servicemen Welfare (DESW) was created in the Ministry of Defence on 22nd September, 2004 in order to pay focused attention to the welfare and resettlement of ESM. DESW is mandated to formulate and implement various policies and programmes for the welfare and resettlement of Ex-Servicemen in the country. The Department consists of two Divisions i.e. (i) Pension Division; and (ii) Resettlement Division. The Pension Division of the Department of Ex-Servicemen Welfare deals with pension policies for the Armed Forces personnel and redressal of grievances of Ex-servicemen whereas the Resettlement Division looks after the remaining matters. Further, DESW has 3 Attached offices namely, Kendriya Sainik Board Secretariat (KSB Sectt.), Directorate General of Resettlement, (DGR) and Central Organisation, Ex-servicemen Contributory Health Scheme (CO, ECHS).

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

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

Role of Directorate General of Resettlement (DGR)

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

- (a) Seeking suitable employment for Ex-Servicemen (ESM) as also upgrading their skills by imparting training, to take on new jobs.
- (b) Provide opportunities:
 - (i) Government / Quasi Government / Public Sector Organisation.
 - (ii) Corporate Sector.
- (c) Jobs through schemes for self-employment.
- (d) Assistance in entrepreneurial ventures.
- (e) Act as the interface between retired service personnel, dependents and the outside environment for resettlement / second career.

5.3 The Committee have also been informed that DGR collects and compiles the data of the welfare budget and the actual expenditure for the welfare work of the Ex-Serviceman during the last five years and the projected and allocated BE for 2026-27 is as follows:

(Rs. in crores)

FY	Budget Details	KSB	DGR	ECHS
2021-22	Projection	203.40 (BE)	22 (BE)	8396.06 (BE)
	Allocation	100 (BE) 420 (RE)	6.80 (BE & RE)	3332.51 (BE) 4412.51 (RE)
	Expenditure	419.98	6.80	4870.74
2022-23	Projection	203.90 (BE)	26.00 (BE)	5417.16 (BE)
	Allocation	150.00 (BE) 350.25 (RE)	20.00 (BE) 29.48 (RE)	3582.51 (BE) 5429.07 (RE) 6929.07 (MA)
	Expenditure	350.22	18.06	6893.00
	Projection	304.30 (BE)	33.00 (BE)	5780.00 (BE)

2023-24	Allocation	304.30 (BE)	33.80 (BE)	5431.50 (BE)
		673.30 (RE)	33.80 (RE)	9221.50 (RE)
				9880.99 (MA)
	Expenditure	650.21	27.02	9840.13
2024-25	Projection	505.30 (BE)	57.00 (BE)	9683.72 (BE)
	Allocation	505.30 (BE)	33.80 (BE)	6968.00 (BE)
		505.30 (RE)	33.80 (RE)	9429.00 (RE)
				10928.97 (MA)
	Expenditure	504.92	33.77	10914.04
2025-26	Projection	550.40 (BE)	54.80 (BE)	12017.22 (BE)
	Allocation	404.30 (BE)	54.80 (BE)	8317.00 (BE)
		204.30 (RE)	60.80 (RE)	11000.00 (RE)
	Expenditure	200.48	46.95	9263.29
		(as on 31.01.2026)	(as on 31.01.2026)	(as on 31.01.2026)
2026-27	Projection	542 (BE)	55.00 (BE)	15827.44 (BE)
	Allocation	250 (Provisional BE)	55.00 (Provisional BE)	12100 (Provisional BE)

Budget 2026-27

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

(in ₹ crores)										
	2023-24			2024-25			2025-26			2026-27
Dept./ Office	BE	RE/MA	Actual Exp	BE	RE/MA	Actual Exp	BE	RE/MA	Actual Exp (as on 31.01.26)	BE
DESW	11	11	10.90	11	11	10.95	11.97	11.04	5.51	12.39
Pension	1,38,205	1,42,095	1,41,205	1,49,205	1,57,681	1,57,653.65	1,60,795	1,69,186.50	1,51,673.48	1,71,338.22
DGR	33.80	27.02	27.02	33.80	33.80	33.77	54.80	60.80	46.95	55
ECHS	5,431.56	9,880.99	9,840.80	6,968	10,928.97	10,914.78	8,317	11,000	9,263.29	12,100
KSB	304.30	673.30	650.21	505.30	505.30	504.92	204.30	NIL	200.48	250

Avenues for resettlement of Ex-Servicemen

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

“Resettlement Schemes run by Directorate General Resettlement”

a) **Placement Assistance through Online Registration**: DGR provides placement assistance to Ex-Servicemen through online registration on the DGR Portal. ESM are sponsored against requisitions received from Government Departments, Public Sector Undertakings (PSUs) and Private Sector organizations. Sponsorship is carried out based on voluntary applications by the ESM for the advertised job positions, ensuring transparency and equal opportunity.

b) **DGR Ex-Servicemen Seminars-cum-Job Fairs**: DGR organizes Ex-Servicemen Job Fairs across the country with the support of the three Service Headquarters and CII/various state chambers and industry bodies. These job fairs provide a direct interface between employers and ESM, and include on-the-spot skill tests, interviews and employment opportunities in the public/ private sector. 12 Job Fairs were conducted during FY 2024–25. During FY 2025-26, 14 out of the 20 Job Fairs planned have been conducted up to 31 January 2026.

c) **DGR Empanelled ESM Security Services Scheme:** Under this scheme, DGR empanels and sponsors individual ESM Security Agencies and State ESM Corporations for providing security services to Public Sector Undertakings, Autonomous Bodies, Organizations and Establishments under various GoI ministries/ departments, as also Private Sector organizations. This scheme has been in force vide a Government of India, Ministry of Defence order of 1994, and ensures protection and security of all assets and property (including vital, sensitive & strategic assets) of govt. organizations and establishments, CPSUs/CPSEs, and autonomous bodies across the States and UTs, border areas and island territories by Ex-Servicemen. The scheme promotes entrepreneurship among ESM (Officers) as proprietors of Security Agencies while simultaneously generating large scale employment opportunities for other ESM as security personnel.

d) **ESM Coal Loading and Transportation Scheme:** This scheme is governed by a Memorandum of Understanding (MoU) between Coal India Limited (CIL) and DGR. The scheme has remained suspended following unilateral withdrawal of CIL from the MoU with effect from 30 June 2020. After sustained efforts, a revised MoU was signed between DGR and CIL on 14 October 2025, restoring opportunities for Ex-Servicemen to operate Coal Loading and Transportation Companies across various subsidiaries of CIL. This scheme involves selfemployment of ESM Officers as Directors and other ranks as tipper owners. Widows/ wards and disabled ESM are attached with the ESM company for monetary benefits based on one-time investment.

e) **Management of IGL/ MNGL CNG Stations by ESM:** DGR has entered into an arrangement with Indraprastha Gas Limited (IGL), New Delhi, to provide a panel of retired defence officers (up to the rank of Brigadier and equivalent) for management of IGL/CNG stations in Delhi/ NCR. Eligible ESM officers registered under the scheme are sponsored in the ratio of 1:2 against requisitions received from IGL. Selected officers are engaged on a contractual basis for five years, renewable annually. Monthly remuneration is approximately Rs.90,000/-. A similar scheme has been operational since 2015 with Maharashtra Natural Gas Limited (MNGL) in Pune, Maharashtra.

f) **Management of Company Owned Company Operated (COCO) Retail Outlets:** As per the policy of the Ministry of Petroleum and Natural Gas (MoP&NG), COCO retail outlets are offered for management by retired Armed Forces Officers and JCOs below 60 years of age on a contractual basis for a maximum period of three years. The scheme is operational pan-India. Officers are sponsored by DGR, while JCOs are sponsored through respective Rajya Sainik Boards (RSBs). Oil Marketing Companies pay a fixed remuneration of ₹30,000

per month, in addition to performance-based incentives on sales. Detailed policy guidelines are available on the websites of IOCL, BPCL and HPCL.

g) **Issue of DGR Eligibility Certificate for LPG / Retail Outlet Distributorship (8%Reservation Quota)**:

DGR issues eligibility certificates to eligible ESM for allotment of LPG distributorships and Petrol/Diesel retail outlets advertised by Oil Marketing Companies under the 8% reservation quota. Eligible categories include Ex-Servicemen, War Widows, Widows/dependents of personnel who died in war or in harness due to attributable/aggravated causes and personnel disabled due to service-related causes.

h) **Allotment of Mother Dairy Milk Booths and SAFAL (Fruit & Vegetable) Shops inNCR**:

This scheme is operated under an MoU between DGR and Mother Dairy. Fully furnished milk booths and SAFAL fruit and vegetable shops are allotted to ESM (below officer rank) in the NCR. ESM are sponsored by DGR in the ratio of 3:1 against requisitions received from Mother Dairy. Selected candidates undergo two weeks of training and deposit a refundable security amount of ₹1,00,000 at the time of allotment. A minimum assured commission of ₹15,000 per month is guaranteed for milk booths, while ₹45,000 per month is assured for SAFAL booths for the first six months. ESM are permitted to operate booths up to the age of 60 years, extendable by two additional years.

i) **DGR Technical Service Scheme**: Under this scheme, DGR provides trained ExServicemen as technical manpower to Government establishments through empanelled State Ex-Servicemen Corporations. The scheme leverages the technical expertise and discipline of ESM for public sector requirements.

j) **Pradhan Mantri Bharatiya Jan AushadhiPariyojana (PMBJP) for Ex-Servicemen**:

The PMBJP aims to provide affordable quality generic medicines through dedicated outlets known as Pradhan Mantri BharatiyaJanaushadhiKendras (PMBJK). The scheme is implemented by the Pharmaceuticals & Medical Devices Bureau of India (PMBI), under the Department of Pharmaceuticals. In 2023, based on sustained efforts by DGR, Ex-Servicemen were extended a special incentive of a one-time grant of ₹2 lakh, in addition to the standard incentive of 20% of monthly purchases (maximum ₹20,000 per month). The incentive is released upon submission of a DGR eligibility certificate.

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

Resettlement Training and Skill Development Courses:

Approximately 60,000 Armed Forces personnel retire every year at a relatively young age and require meaningful second career opportunities. To facilitate their smooth transition to civilian life, DGR conducts a wide range of resettlement training and skill development courses, details of which are as under:

a) **Management and Professional Courses:** Management courses for officers are conducted for a duration of 24 weeks at reputed institutions such as Indian Institutes of Management (IIMs) and other leading B-Schools. Additionally, a two-week Independent Directors Course is conducted at the Indian Institute of Corporate Affairs (IICA), Manesar, for officers of the rank of Colonels and above.

b) **Resettlement courses for JCO/OR and equivalent ranks:** DGR conducts Resettlement courses in various disciplines like IT, management, security, entrepreneurship, agribusiness and emerging technologies like AI, Data Science and Drone Technology. These courses have a duration of three to four months and are conducted in premiere govt/ govt autonomous institutes.

c) **Eligibility:** Training is conducted during the terminal phase of service within the last one year for officers and the last two years for JCOs/OR. Post-retirement, officers can avail training within three years, while JCOs/OR are eligible up to five years after retirement.

(d) **Fees/Financial assistance by Govt.:** For officers, 60% of the course fee is borne by MoD/DGR and 40% by the individual. For JCOs/OR, 100% of the course fee is borne by MoD/DGR. Widows of officers, JCOs and OR are also eligible to undertake any DGR sponsored course.

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

**DETAILS OF BENEFICIARIES FOR THE SCHEMES/SKILL DEVELOPMENT TRAINING
COURSES FOR THE LAST FEW YEARS**

S.No	Scheme/ Year	2022-23	2023-24	2024-25	2025-26 (upto 31 Jan 2026)
1.	Security Agencies & State ESM Corporations Empaneled	884	869	752	606
2.	ESM sponsored in security agency	36132	41839	42107	34443
3.	ESM sponsored in Coal Companies	0	12	0	0
4.	Widows/ disabled ESM attached in Coal Cos	0	16	0	0
5.	Management of CNG Station in NCR/Pune	51	43	16	20
6.	Sponsored for COCO Scheme (Petrol Pumps)	40	120	205	362
7.	Issue of Eligibility Certificates for allotment of Oil Product Agencies	2	51	3	2
8.	Mother Dairy Milk Booths/Safal Booth	813	448	606	515
9.	ESM Sponsored/ Placement by DGR (Emp Dte)	8266	3091	3104	2074
10.	DGR Technical Service Scheme	292	218	298	307
11.	Post completion of PRC through Trg Institutes	33	83	0	82

12.	Job fairs/Seminars/PMBJP	5689	8726	13725	14613
	Total	52202	55516	60818	53024

5.8 The Committee have further been informed by the Ministry that no new budgetary demands have been made, since these initiatives do not require additional budgetary support, for example the reinitiation of the ESM Coal Loading and Transportation Scheme, the Milk Booth scheme, etc.

Welfare

5.9 Financial Assistance to States – KSB Secretariat is the apex body of the Government of India responsible for welfare of war-widows/disabled soldiers, ex-servicemen and their dependents. Financial assistance to States as Central share is given by the Department through KSB towards the establishment expenses of Rajya Sainik Boards/Zila Sainik Boards (RSBs/ZSBs). Funding pattern is 75:25 in respect of special category States/UTs namely, Arunachal Pradesh, Assam, Jammu and Kashmir, Ladakh, Meghalaya, Mizoram, Manipur, Nagaland, Sikkim, Tripura,

Himachal Pradesh and Uttarakhand and 60:40 in the case of other States/UTs. Govt. of India also shares 50% cost of construction of Sainik Rest Houses (SRHs) out of the Defence Services Estimates (DSE) Budget. The SRHs are required to be maintained by State Governments/UT Administrations from their own resources/funds. A sum of Rs.179.84 crores (till 31 March 2025) has been disbursed to the States through KSB as Central share during Fy 2024-25.

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

5.10 The Committee have learnt that KSB Secretariat is responsible for the welfare of Ex-Servicemen and their dependents and also for the administration of welfare funds. It is assisted in its task by 34 Rajya Sainik Boards (RSBs) and 434 Zila Sainik Boards (ZSBs), which are under the administrative control of respective State Governments/Union Territory Administrations. The Government of India shares 75% of the expenditure incurred on the maintenance of RSBs/ZSBs in respect of the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim, Uttarakhand, Jammu & Kashmir, and Himachal Pradesh and 60% for other States/UTs while the remaining expenditure is borne by respective State Governments.

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

- i. Welfare support to ex-servicemen, widows and their dependents
- ii. 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)
- iii. Works with 34 Rajya Sainik Boards and 434 Zila Sainik Boards
- iv. Provides financial support to Nepal Bhartiya Gorkha Sainik Board (NBGSB), Nepal
- v. Provides financial support to Paraplegic Rehabilitation Centres at Kirkee & Mohali, Cheshire Homes and War Memorial Hostels.
- vi. Provides assistance to States for construction of Sainik Rest Houses (50%).
- vii. Administration of Armed Forces Flag Day Fund (AFFDF) through various welfare schemes under Raksha Mantri Ex-Servicemen Welfare Scheme
- viii. PM Scholarship Scheme

Grievance Redressal System

5.12 The Committee have learnt that DESW makes concerted efforts to reduce grievances, bring down the disposal time, and promote dialogue and interaction with our Ex-servicemen as also to sensitize the Rajya Sainik Boards (RSBs)/Zila Sainik

Boards (ZSBs) for resolving the grievances of Ex-servicemen. D(Pension/Grievance) Section of Department of ex-servicemen Welfare (DESW) receives online/offline grievances related to Ex-servicemen/Pensioners. Throughout the calendar year i.e. January 1, 2024 to December, 31, 2024, a total of 57,539 (95%) (Fifty four thousand five hundred thirty nine) grievances were successfully disposed of with an average disposal time of 27 days.

5.13 During oral evidence Secretary, ESW apprised the Committee regarding Defence budget for welfare of ex-servicemen as under:

“सर, एक ग्रुप-ऑफ-क्वैश्चंस ई.सी.एच.एस. के बारे में पूछा गया है। आपको बताना चाहती हूँ कि वर्ष 2021-22 में ई.सी.एच.एस. का बजट 4,865 करोड़ रुपये था। चार सालों में वह बढ़ कर 225 प्रतिशत बढ़ गया। उसमें जो एलोकेशन है, वह बढ़ता जा रहा है, पर वित्त मंत्रालय की यह चिंता है कि इस स्कीम का खर्च बाकी स्कीम्स की तुलना में बहुत तेजी से बढ़ रहा है। इसमें जो खर्च है, जिसमें हम एक्स सर्विसमेन का इलाज करते हैं, वह कैशलेस और कैपलेस होता है।”

Huge pending Litigations

5.14. On being asked why is there so much litigation happening in the ESW Department, Secretary ESW replied that :

“सर, उसको हमने एग्जामिन करके रिकमेंड किया है। But all other stakeholder Ministries are responding. They are also facing a lot of litigation on this. You asked us a question on litigation. We have to respond on litigation where our Government policies are being contravened or breached. That is why, the litigation happens. Here again, there is a lot of people who are litigating to have this changed but we are attempting that all stakeholders of Ministries agree and something is done. So, the work is in progress.”

Disability Pension

5.15 During oral evidence, with regard to a query on disability pension, the Secretary, ESW further replied that :

“Now, coming to the last question raised by everyone, which is disability pension. Sir, we have noted the concerns expressed by everyone because these concerns are being expressed. If I am not misunderstood or not misquoted, I would just like to say that disability comes in two forms. One is injury from war, operations or other issues which are a result of being part of service. And other is lifestyle related diseases like BP, Diabetes, hypertension all of those.

Sir, those also gets covered under disability pension as on date as it is now. So, I do not want to comment further. So, the British law that you referred to was talking only about those people who were injured in war, operations or were injured due to any operation.”

CHAPTER – VI

DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION

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

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

Budgetary Provisions

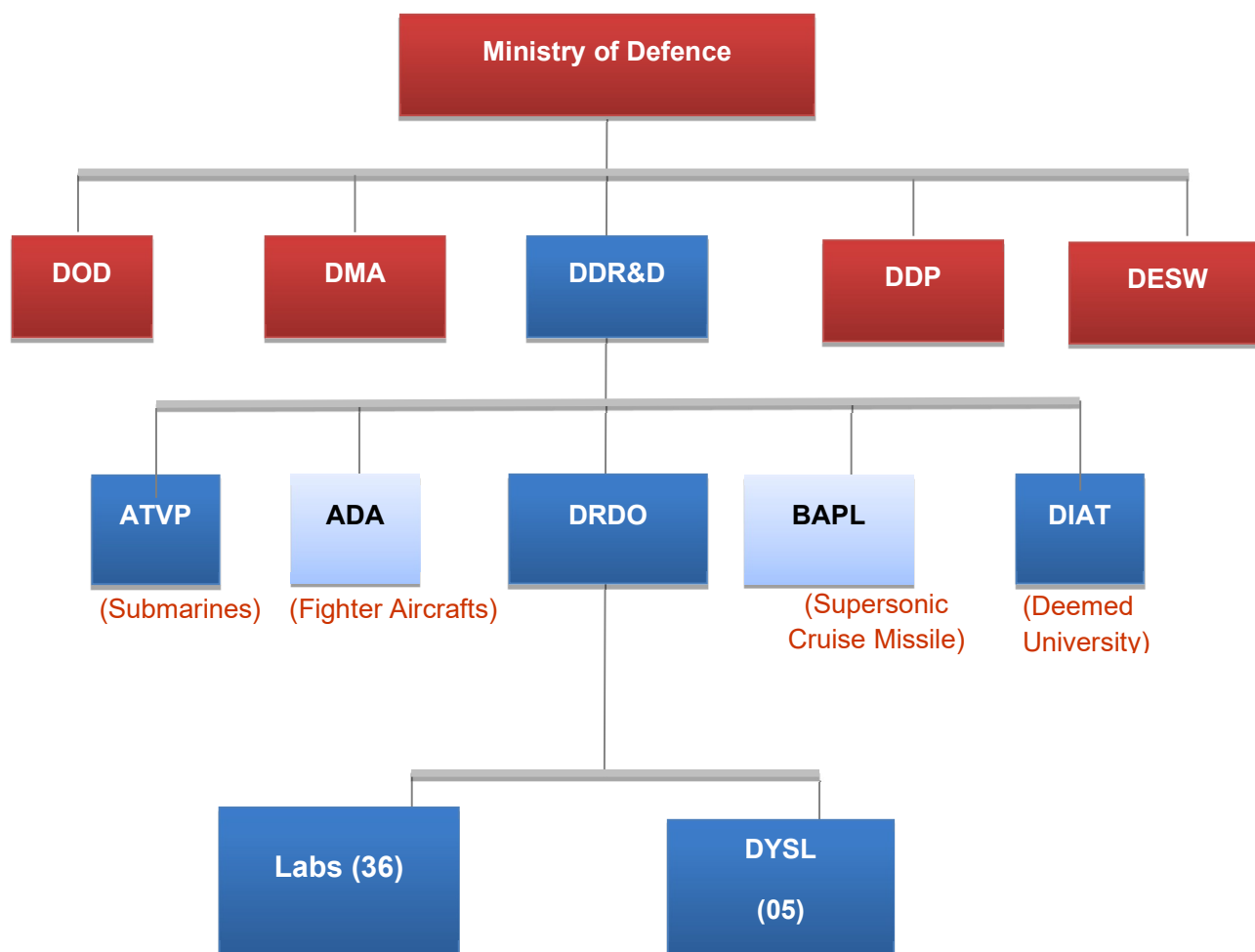
6.3 Details of BE, Budget Allocations for the Department of Defence R&D at different Budgetary stages for last five years, as intimated to the Committee, along with the Projections and Allocations at Budget Estimates for the year 2026-27 is as under:-

(₹ in crore)

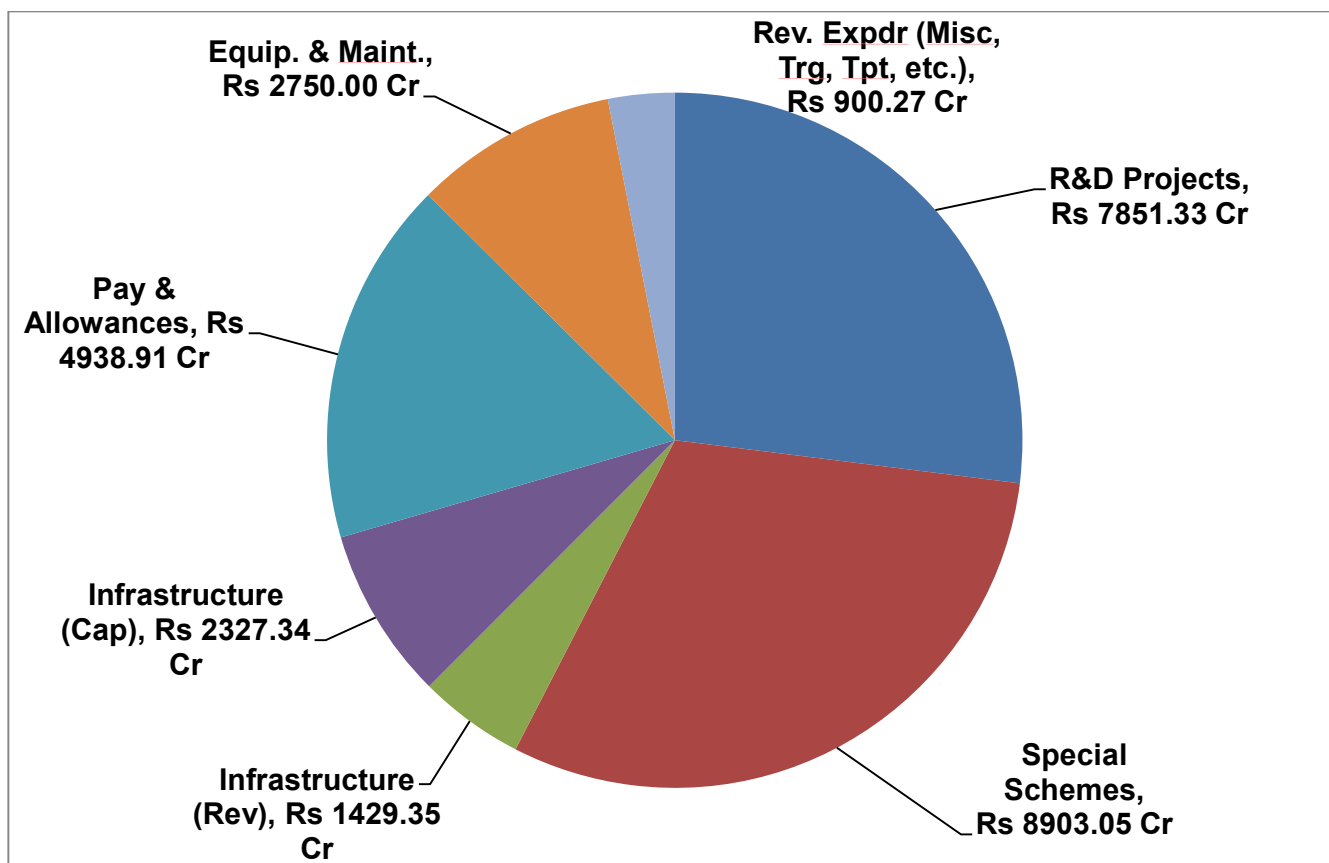
Year	BE Proposed	BE Approved	RE Approved	MA Approved
2020-21	23457.40	19327.35	16466.29	16145.74
2021-22	23460.00	20457.44	18337.44	18720.44
2022-23	22990.00	21330.20	21130.20	21130.20
2023-24	23790.00	23263.89	23691.74	23195.89
2024-25	24508.00	23855.61	24696.94	24938.70
2025-26	27240.14	26816.82	26746.82	-
2026-27	29500.00	29100.25	-	-

Organisation Structure

The Committee have been apprised regarding Ministry's research and development organization structure as follows:-



6.4 The Committee have further learnt that out of an amount of ₹ 29,100 crore allotted to Defence R&D, 59.28% has been allotted to Capital head and 40.72% to Revenue Head. In Defence R&D Budget for 2026-27, provision of ₹ 7,851.33 crore has been made for R&D projects and ₹ 1,962.83 crore for Industry, Start-ups and Academia. The breakup of Defence R&D Budget for FY 2026-27, as provided by the Ministry, is given below:



6.5 When asked whether the budget provided for BE 2026-27 is sufficient for the plans envisaged by DRDO, the Ministry of Defence submitted as under:

“The budget of DRDO has been around 5% of the Defence Budget. A major amount of this goes towards expenses towards Strategic schemes & CCS Projects/ Programmes, pay & allowances and other non-salary revenue expenditure, each of which essentially keeps growing every year. Instructions have been issued to Labs to undertake projects on critical, advanced and futuristic technologies and systems that Indian industries cannot do. DRDO has identified exclusive systems for development by industry which will not be taken up by DRDO. This will substantially cut expenditure on development of certain technologies. DRDO envisages taking up Projects/Programmes for development of technologies for large weapon systems, platforms and sensors in future.

Currently, only 5% of the Defence budget is allocated to R&D (Rs 26,700 Cr). Out of this Rs. 7000 Cr is catered for R&D Projects. To create a culture of innovation and risk-taking by industry for Defence R&D, design & development of new and disruptive technologies by industry directly or through DRDO has to be funded by the Government. Supporting the growth of start-ups and MSMEs in the Defence R&D sector will also seek infusion of Government funding in high-risk, high-return projects. To spearhead this transformation, Hon'ble RM has agreed gradually increase this budget allocation to 10% of Defence budget,

in line with the developed countries. This will fuel innovation and accelerate research efforts for Atmanirbharta in Defence Systems.”

Defence R&D Budget as a percentage of Defence Budget

6.6 During deliberations on DFG 2026-27, the Committee were informed by the Ministry that in 2026-27, the budget for Defence R&D is 5% percent of Defence Budget. The details for the previous financial years is given below:

Year	Defence Budget (Rs in Cr)	DDR&D Budget (Rs in Cr)	DDR&D Budget as a % of Defence Budget
2021-22	3,47,088	20,457	5.9
2022-23	3,85,370	21,330	5.5
2023-24	4,32,720	23,264	5.4
2024-25	4,54,773	23,856	5.3
2025-26	4,91,732	26,817	5.5
2026-27	5,84,785	29,100	5.0

6.7 During oral evidence the representative of the Ministry of Defence apprised that:

“Today, though it is not reflected in the budget, we get a lot of money from the services budget also for our projects, especially for the mission mode projects like we are now doing AEW&C Mark II. It is of Rs. 19,000 crore project; but out of that, Rs. 10,000 crore comes from the Air Force Budget. We are having several projects now where at least 50-60 per cent of that budget comes from the services budget. This is in addition to the R&D budget that DRDO gets. Overall, the budget is increasing, but as has been said by the Committee, if we have to become Atmanirbhar and compete with countries such as China and the US, we have to increase the percentage of budget with respect to the overall Defence Budget. That will be required in the years ahead. The hon. Raksha Mantri has promised us that this year has been an exception because of Operation Sindoor. The defence capital budget has been increased significantly. That

is why the number has dropped. But over the next five years, I am very confident that we will move to 10 per cent of the defence R&D budget.”

Focus Areas of DRDO

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

(i)	Missiles & Strategic Systems:	Missiles and Strategic Systems Avionics, Propulsion, Navigation, Guidance & Controls Test Range
(ii)	Aeronautical Systems	Manned & Unmanned Fighter Aircrafts Airborne Surveillance Systems Gas Turbine Engines
(iii)	Armaments & Combat Engg. Systems	Rockets, Artillery Guns, Ammunitions Tracked & Wheeled combat vehicles Bridging systems & Launchers
(iv)	Naval Systems & Materials	Sonar systems Torpedoes & Anti-torpedo weapons Materials for Naval applications
(v)	Soldier Support Systems	NBC detection and protection, Nuclear medicine Life support systems, High altitude survivability Combat Nutrition
(vi)	Electronics & Communication Systems	Radars & Electronic Warfare systems Laser based equipment and Weapons Communication systems

		Microwave power sources
(vii)	Micro-Electronic Devices & Computation Systems	Solid state electronics, AI, Robotics Networking, Information & Communication Security Crypto analysis, Cyber Security

DRDO Projects

6.9 The Committee, during oral evidence in connection with examination of DFG 2026-27, were informed that as on February 2026, following category of projects are ongoing in DRDO:

Category	No.	Cost (Rs in Cr)
Mission Mode (MM)	47	93699
Technology Demonstration (TD)	183	25095
Infrastructure & Facilities (IF)	26	7345
Product Support (PS)	10	1943
Science and Technology (S&T)	34	1325
Total	300	129407

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

- Indian Light Tank
- Long Range Glide Bomb 'Gaurav'
- Long Range Radar
- VHF Surveillance Radar

- Mounted Gun System
- 30 kW Directed Energy System
- High Power Microwave System
- Medium Range Microwave Obscurant Chaff Rockets
- On Board Oxygen Generating System (OBOGS) & Life Support System (ILSS) on LCA
- Automatic Fire Protection System in DORNIER-228 Aircraft

6.11 Further details about Systems Inducted/Acceptance of Necessity accorded, User Trials and Development and Internal Evaluation Trials undertaken by DRDO in 2025 are as under:

(i) Systems Inducted/ AoN Accorded (2025)

a) Missiles

- BrahMos Missiles
- Quick Reaction Surface to Air Missile System (Anant Shashtra)
- Air-to-Air Missile Astra Mk-1
- Conventional Ballistic Missile
- Long Range Air to Surface Supersonic Cruise Missile (LRASSCM) for Su-30MKI fleet
- AEW&C Aircraft Systems (AEW&C Mk-1A)

b) Radars

- Mountain Radars
- Enhanced Capability Global Navigation Satellite System Jammers
- Full Mission Simulator for LCA Mk-1A

(ii) User Trials (2025)

- Surface to Surface Missile 'Pralay'
- Surface to Air Missile 'Akash-NG'
- Man Portable Anti Tank Guided Missile (MPATGM)
- Guided Extended Range Rocket 'Pinaka'
- Electronic Warfare Systems for Plains & Deserts
- Border Surveillance System
- Software Defined Radio for Indian Army
- Advanced Light Weight Torpedo
- Extended Range Anti-Submarine Rocket (ER-ASR)

(iii) Development Trials (2025)

- Air to Surface Missile 'Rudram-2'
- Very Short-Range Air Defence System (VSHORADS)

- Short Range Surface to Air Missile
- Short Range Naval Anti-Ship Missile (NASM-SR)
- Long Range Land Attack Cruise Missile
- Air to Air Missile Astra Mk-II
- Anti-Tank Guided Missile for MBT Arjun
- Anti-Tank Missile 'NAG Mk-II'
- Man Portable Anti-Tank Guided Missile
- UAV Launched Precision Guided Missile (ULPGM-V3)

6.12 In his oral deposition, the representative of Defence Research and Development Organisation (DRDO) also briefed the Committee about the user trials and development Trials of various equipment/systems/platforms undertaken by DRDO in 2025 as under:

“सर, साल 2025-26 में डिफेंस एक्जिजिशन काउंसिल ने डीआरडीओ द्वारा बनाने के लिए या बनाए गए 22 ऐसे सिस्टम्स हैं, जिनको एक्सेप्टेंस ऑफ नेसेसिटी प्रदान किया, जिसकी कुल कीमत लगभग 1 लाख 30 हजार करोड़ रुपये है। ये सारे के सारे इंडियन इंडस्ट्रीज़ बनाएंगी, हमारे आर्म्ड फोर्स में इंडक्ट करने के लिए। इसमें मुख्य हैं— ब्रह्मोस मिसाइल सिस्टम, क्लिक रिएक्शन सरफेस टू एयर मिसाइल सिस्टम, जिसे अनंत शस्त्र नाम दिया गया है। एयर टू एयर मिसाइल अस्त्र एमके-1, कंवेंशनल बैलेस्टिक मिसाइल, माउंटेन राडार्स और कुछ जैमर्स भी हैं।

सर, डीआरडीओ के कुछ प्रोडक्ट्स के लिए कॉन्ट्रैक्ट्स भी साइन किए गए हैं। इंडस्ट्रीज को इनके कॉन्ट्रैक्ट दिए जा रहे हैं। ये 11 प्रोडक्ट्स हैं, जिनकी कीमत 26 हजार करोड़ रुपये है। इसमें राडार, एंटी टैंक मिसाइल, आर्टिलरी गन और पिनाक रॉकेट सिस्टम शामिल है।

सर, जब वैज्ञानिक किसी चीज को डेवलप कर लेते हैं, तो यूजर्स उसको इंडक्ट करने से पहले खुद उसके टेस्ट एंड ट्रायल्स करते हैं, जिसको हम यूजर्स ट्रायल कहते हैं। वर्ष 2025 में जो मेजर सिस्टम्स यूजर्स ट्रायल में गए हैं, उसमें मुख्य हैं— सरफेस टू सरफेस मिसाइल 'प्रलय', सरफेस टू एयर मिसाइल 'आकाश-एनजी', गाइडेड एक्सटेंडेड रेंज रॉकेट 'पिनाक', इलैक्ट्रॉनिक वारफेयर सिस्टम, एडवांस लाइट वेट टॉरपीडो – हम पनडुब्बी या किसी जहाज को नष्ट करने के काम में लाते हैं। एंटी-सबमरीन रॉकेट सिस्टम है।

सर, जब हमारे साइंटिस्ट किसी प्रोडक्ट को बना लेते हैं तो उसका खुद से वह ट्रायल्स करते हैं, जिसको हम डेवलपमेंट ट्रायल्स कहते हैं। वर्ष 2025 में हमारे कई प्रकार के मिसाइल्स डेवलपमेंट ट्रायल्स स्टेज में थे। उसमें मुख्य हैं— वैरी शॉर्ट-रेंज एयर डिफेंस सिस्टम, नेवल एंटी-शिप मिसाइल, लॉन्ग रेंज लैंड अटैक क्रूज मिसाइल, एंटी-टैंक मिसाइल, UAV Launched Precision Guided Missile. जो यूएवी लॉन्च मिसाइल है, हम यूएवी में अपने मिसाइल को फिट करके दुश्मन के इलाके में इसको दाग सकते हैं। यह बहुत ही नया कॉन्सेप्ट है।”

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

“सर, कमेटी को हम उन चीजों के बारे में और भी अवगत कराना चाहेंगे, जो मेजर सिस्टम आपने अपने ओपनिंग रिमार्क्स में कहे, जिस पर हम काम कर रहे हैं। जैसे कि एडवांस मीडियम कॉम्बैट एयरक्राफ्ट, लाइट कॉम्बैट एयरक्राफ्ट मार्क-2, एयरबोर्न अली वार्निंग सिस्टम मार्क-2, हाइपरसोनिक ग्लाइड

व्हीकल, लॉन्ग रेंज सरफेस टू एयर मिसाइल सिस्टम्स, जो इंडियन नेवी और एयर फोर्स के लिए, जो S-400 के बराबर के सिस्टम्स हैं। इन सबके साथ हम यह बताना चाहेंगे कि ये जो आपने सिस्टम्स देखे, जिनका हमने परीक्षण किया है, वे इन एरियाज में हमें आत्मनिर्भरता दिलाते हैं और सिर्फ डीआरडीओ नहीं, हमारी इंडियन इंडस्ट्रीज भी इन सब चीजों को प्रोड्यूस करने में कैपेबल हो चुकी हैं। अब तक जो डीआरडीओ ने टेक्नोलॉजी बनाई हैं, उनके आधार पर इंडियन इंडस्ट्रीज को सवा छह लाख करोड़ रुपये के बिजनेस या ऑर्डर्स हमारे इंडस्ट्रीज से मिल चुके हैं।”

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

“DRDO Roadmap 2025-2034, has been finalised and approved by the competent authority. This Roadmap tells how we will gradually move out from certain technology areas and system development as industry matures.”

Critical and Latest Technology

6.15 During the oral evidence the Chairman DRDO apprised the Committee about the critical technologies R&D and futuristic system of DRDO as under:

“We will also look at futuristic systems such as hypersonic missiles, which PSUs may not be able to address independently. So our priorities will evolve. With respect to fifth-generation fighters, we are currently working on them. The Advanced Medium Combat Aircraft (AMCA) is a fifth-generation fighter. However, countries like the United States have already begun work on sixth-generation fighters. Therefore, we will soon initiate development of technologies that will be essential for sixth-generation platforms.

A sixth-generation fighter will essentially be a network-centric platform, connected to other platforms as well as ground systems. It will not function as a stand-alone aircraft. Instead, it will operate as a platform that integrates information from all available sensors. It will be capable of directing weapon fire from other platforms. In effect, it will function like a cloud-enabled system. It will be a platform integrated with a cloud architecture. The concept being explored is manned-unmanned teaming, where one manned platform operates alongside several unmanned platforms.”

Indigenisation and self-reliance

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

“During the last five years (2020-2025), 221 projects have been completed at a total cost of Rs 9576 Cr. Some of the major Projects completed are: Anti-Tank Guided Missile ‘Nag Mk-2’, Air to Air Missile ‘Astra Mk-2’, Air to Surface Missile ‘Dhruvastra’, Anti-Tank Guided Missile for MBT Arjun Mk-II, Solid Fuel Ducted Rocket Ramjet Technology for Air Launched Tactical Missiles, Anti-Drone Air Defence System, Mission Planning System and Dual mode Seekers for Terminal Guidance, Radome for Active Electronically Scanned Array (AESA) Radar, Hemispherical Resonating Gyroscope (HRG), Terahertz Proximity Sensor, Delivery of Third AEW&C Aircraft System to IAF, High-Speed expendable Aerial Target ‘Abhyas’, Unmanned Small Airship System, Anti-Icing System of a Gas Turbine Engine, Heavy Drop System for C-130 & C-17 Aircraft, Assault Rifle, Light Machine Gun, Mounted Gun System, Improved Propulsion System for 120mm & 125mm Tank Gun Ammunition, Futuristic High Explosive Technologies, Landing Gear for 1T class UAV, Wheeled Armoured Platform (WhAP) CBRN, Advanced Technologies for Torpedo Defence System, Ground based Integrated Electronic Warfare (EW) Systems, Discrete and Portable COMINT Stations for Mountains, EW Systems for Capital Ships, Aircrafts & Helicopter of Indian Navy, NextGen Microwave Receiver Modules for EW Applications, D-Jag System Internal RWJ System for Jaguar DARIN III Upgrade Aircraft, Tactical Radios for Land Systems, Data Links for Airborne Platforms, Compact Transhorizon Communication System, Advanced SATCOM Technologies & System, InfraRed Search and Track Technologies, Hyper Spectral Imaging Technologies & Infrastructure, Advanced Laser Threat Detection System for Armoured Fighting Vehicles, Micro-optics and Freeform Optics based Devices, Ku-band Transmitter for Mobile Troposcatter System, Laser Ordnance Disposal System for Indian Army, Beam Combined Fiber Laser Source, Photonics Radar, Surface Wave Over The Horizon Radar, Operational Planning and Management System, Indigenous Geographical Information System for Tri-Services, Laser Diode Technology, GaN HEMT based MMICs for Applications up to X-band, Nuclear Defence Technologies for Armed Forces, Biomechanical Human Endurance Machine, Thermal Infrared Signature Technologies, Oxygen Solution for High and Extreme Altitudes etc.

Major indigenous defence technologies and weapon systems inducted are: Light Combat Aircraft (LCA) ‘Tejas Mk-1 / Mk-1A’, Missiles – Surface to Air Missile ‘Akash’, Supersonic Cruise Missile ‘BrahMos’, Anti-Tank Guided Missile ‘Nag’, Medium Range Surface to Air Missile (MRSAM), Air to Air Missile ‘Astra’, Airborne Early Warning & Control (AEW&C Mk-1) Aircraft, Main Battle Tank (MBT) ‘Arjun’, Multi Barrel Rocket Launcher System ‘Pinaka Mk-I’, Advanced Towed Artillery Gun System (ATAGS),

Wheeled Armoured Platform (WhAP), Bridging Systems – 5m,10m Sarvatra, BLT-72, Small Arms & Ammunitions, A range of Sonars for ships and submarines, Torpedoes – Varunastra, TAL, Anti-Torpedo Decoy System ‘Maareech’, A range of Radars, Electronic Warfare & Communication Systems, Drone Detect, Deter and Destroy (D4) System, Aerial Delivery Systems, CBRN Protection System, Naval Steels, Composite Sonar Dome, Anti Corrosion Paints/ Acoustic Rubber Tiles etc.”

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

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

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

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

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

The following initiatives are taken by DRDO in last three years to encourage private sector and academic institutions to participate in Defence R&D and innovation:

- **Development cum Production Partner (DcPPs) / Production Agency (Pas) including private industries:** DRDO is a development agency and production of all DRDO developed systems are taken through production agencies. DRDO has implemented DcPP model to identify potential manufacturing agency through competitive process involving both public & private sector and transfer the manufacturing technology to meet production requirements. DcPP/ PA/ Lead System Integrator (LSI) participation has been made mandatory for all Mission Mode (MM) Projects. The DcPP mechanism enables transfer of design and development knowledge and capability from DRDO to the industry making them ready for the design & development of similar defence systems in future. 136 DcPP/PAs have been identified for various systems, of which 45 nos. have been identified in 2023-25.

- **Transfer of Technology (ToT) to Industries:** DRDO has developed a pool of 2000 industries to manufacture sub-systems, systems and equipment. More than 10,000 MSMEs support the manufacturing chain as Tier-2 and Tier-3 manufacturers. The technology of DRDO developed systems are transferred to Indian Industries at zero ToT fee for Development cum Production Partner (DcPP)/ Production Agency (PA)/ Development Partner (DP). Consultancy Services of DRDO Scientists to industry is made available. Till date, 2135 ToTs have been done, of which 1927 ToTs (more than 90%) have been done with 1022 private industries. Approx. 400 no. of ToTs have been done in the past 2 years (2024-25). Simplified ToT policy and procedure has been formulated and approved by Hon'ble Raksha Mantri. The policy was released by Hon'ble Raksha Mantri during Aero India 2025.
- **DRDO Patents:** DRDO has a total patent portfolio of 1277 and a total of more than 2780 IPRs. Policy for Free Access of DRDO Patents by Indian Industries has been implemented – As per DRDO's royalty free patent policy, 972 DRDO patents have been made available to Indian industries for licensing without any royalty. Also, during the period 2021-25, 733 IPRs were granted.
- **Technology Development Fund (TDF):** TDF Scheme is a program of MoD executed by DRDO to encourage participation of public/ private industries especially Micro, Small and Medium Enterprises (MSMEs)/ Start-ups and to promote self-reliance in Defence technology as part of Make-in-India initiative. The Funding under TDF Scheme for each project has been enhanced from Rs 10 Cr to Rs 50 Cr by Hon'ble Raksha Mantri in Jun 2022 to support the private industries for development of Indigenous technologies. At present, a total of 81 projects at a total cost of Rs 324 Cr are supported under the TDF scheme with various Industries/MSMEs/ Start-ups. The projects have also seen lot of successes with 26 technologies successfully developed and two of the projects system flown in Space as part of PSLV mission. Export order to South Korea, France and Israel has been received. Production order from Services & Govt. agencies also received for TDF developed technology and products. The TDF SoP has been amended to simplify the existing process to make it more effective and efficient. The same has been released by Hon'ble RM in Oct 2024. In line with the Government mandate, a corpus of Rs. 500 Cr has been additionally sanctioned towards TDF Scheme with focus towards DeepTech and cutting edge technologies.
- **New Start-up Policy:** DRDO is coming up with a new policy to facilitate easier interaction with these emerging Start-ups. This policy aims to streamline the process of engaging with start-ups and leveraging their innovative ideas for defence applications. It will enable individual DRDO labs to directly engage with the Start-ups for their immediate or future requirements. Additionally, DRDO will encourage innovation within start-ups by organizing open challenges and providing mentorship.

- **Dare to Dream:** 'Dare to Dream' is a contest organised by DRDO for recognising individual innovators, start-ups & MSMEs. Four Dare to Dream contests have been successfully conducted. The contest is aimed at creation of an ecosystem to foster innovation and technology development in Defence and Aerospace by engaging Start-ups and individual innovators and engage them to carry out R&D development which has good potential for future adoption for Indian Defence and aerospace needs. Four versions of Dare to Dream Contest have already been successfully conducted. Till date, 70 individuals and 47 start-ups have been awarded. Also, 9 winners of Dare to Dream have been funded for development under TDF. Dare to Dream 5.0 was launched on 18th Oct 2024.
- **Test Facility support to Industries:** Several world class R&D test facilities in DRDO Labs have now been opened for industries and necessary SOP has been formulated. Since past few years, more than 300 nos. of industries/ firms have utilised DRDO test facilities annually and availed R&D support from DRDO, facilitating the testing and validation of their products. Test facilities of 24 DRDO labs have been uploaded on the Defence Testing Portal (DTP), a platform of MoD for offering the Ministry's test infrastructure to Defence industries in a more transparent manner.
- **Interaction with Industries:** DRDO interacts periodically with industries in various cities to proliferate the latest policies and procedures by organising regular summits and workshops. Industry Interaction Groups (IIGs) have been established in labs to facilitate industries.
- **25% Defence R&D Budget opened up for Industry, Start-ups and Academia:** 25% of Defence R&D Budget (which amounts to approximately Rs 1300 Cr, with an annual increase) has been opened up for industry, start-ups and academia based on Budget 2022-23 announcements. This is being implemented through various schemes for industry, start-ups and academia. During the last three financial years, more than Rs 4500 Cr was utilised by industry, start-ups and academia for Defence R&D under various schemes.
- **Extramural Research:** The aim of Extramural Research is to develop essential knowledge and capabilities in the areas of critical Defence technologies, establish network with researchers, develop highly skilled human resource and augment research infrastructures in Indian academic institutions/ research centers to support the evolving Defence R&D ecosystem in the country. DRDO, under the Grants-in-Aid (GIA) scheme, supports research activities in academic institutions and R&D centre for the development of technologies for its ongoing and future projects. The GIA funding is provided through Extramural Research Scheme and Research Boards. There are 69 ongoing projects at a cost of Rs 112 Cr. Till now DRDO has funded 1292 projects for extramural research at a total cost of Rs. 1151 Cr to various academic institutions across the country.
- **DRDO-Industry-Academia Centres of Excellence (DIA-CoE):** DRDO has policy and mechanism for collaborative directed research in developing critical and futuristic

technologies for defence and security applications through a network of DRDO Industry Academia - Centre of Excellence (DIA-CoE). These centres play a catalyst role to build advanced research capabilities and capacities with spurring innovation for achieving global leadership in Defence technologies. The centres are established at some of the premiere institutes in the country such as IITs, IISc and some Central Universities. The DIA-CoEs bring together researchers from DRDO, industry and academia to work on cutting-edge R&D projects. A total of 15 DIA-CoEs have been established (6 in the last 3 years) which are steering translational research activities in nearly 82 identified research verticals. These DIA-CoEs are instrumental in bridging the gap between early-stage research (low TRL) and operational sub-system/ component (high TRL) by providing the necessary infrastructure, expertise, and funding to accelerate the development and application of innovative technologies.

DRDO has also launched SoP for industry engagement through academia for the projects sanctioned through the 15 DIA-CoEs. Direct ToT from academia to industry and involvement of industry as Co-PI for technology enhancement has been enabled at DIA-CoEs through the SoP for industry engagement. The Start-up engagement carried out through the incubators nurtured by the institute for DIA-CoE projects have led to innovations in the technology. More than 281 Projects at a Cost of Rs. 1095 Cr have been funded to 45 Academic Institutes through these DIA CoEs. A total of 125 projects have also been completed.

- **Defence Industry Corridors**: DRDO is supporting Uttar Pradesh Industrial Corridor and Tamil Nadu Defence Industrial Corridor by collaborating with Industries as knowledge partner. The corridors have been established to achieve 'Atmanirbharta' and to realise the goal of 'Make in India'. A new facility 'Defence Technology & Test Centre (DTTC)', Lucknow have been commissioned for handholding, encouraging and assisting industries with S&T consultancy, skill development, testing, and incubation of new technologies. Training has been provided to 200 personnel at DTTC, Lucknow.

Measuring effectiveness/Benchmarking of R&D by DRDO

6.18 During oral evidence the representative of the MoD apprised that:

"The answer is, today we do not have, to be honest. So, what we are looking at benchmarking what we have achieved against global technologies. We have formed a committee which will benchmark all the systems that we have developed against what is developed globally. So, in the next three to six months we should have an answer to what you are asking. Today we do not have a comparison of how we stand

and what we have achieved for the money that we have spent. But in the next six months we will be able to give a better answer to your question.“

Major Achievements of DRDO

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

“DRDO carries out design and development of systems that are required by Indian Armed Forces. Once the technology is successfully trial evaluated, the same is transferred to Indian industries (both Private and Public) on a level playing field as per the provisions of ‘DRDO Policy for Transfer of Technology’, in vogue. The revised ‘DRDO Policy for Transfer of Technology-2025’ approved by Hon’ble Raksha Mantri was released in Feb 2025 during Aero India.

The DRDO ToT policy along with detailed procedure and the description of the technology available for transfer, is hosted on DRDO website for information of the industries at large.

DRDO provides the relevant ‘know-how’ in the form of Technology Transfer Documents (TTD) and handholding support to Indian industry. Technology is transferred to Development cum Production Partner (DcPP)/ Development Partner (DP) / Production Agency (PA) without any ToT Fee and to other industries with a one-time ToT Fee as certain % of total technology development cost. ‘Nil’ Royalty is charged on net sales to Indian Armed Forces and other Govt Departments. Only 2% royalty is charged for sales in Indian commercial market and exports.

A Licensing Agreement for Transfer of Technology (LAToT), duly vetted by LA Defence and approved by Hon'ble RM, is signed while transferring technology to Indian Industries. DRDO verifies that the industry is in possession of the Industry License for Defence Manufacturing Companies (ILDC) as mandated by DPIIT/MoCI and PESO license, where applicable. All the Industries, signing LAToT with DRDO, are mandated to follow and implement the security provisions as defined in Security Manual for Licensed Defence Industries - 2025 which lays down the measures to be implemented to safeguard technology. The LAToT defines the control of IPR and reserves march-in rights for the DRDO/ Gol. In case of failing to abide by the terms and conditions of LAToT, DRDO revoke the license to the Industry and recover all data and material.

During the last three years (01 Jan 23 to 31 Dec 25), 652 number of Licensing Agreement for Transfer of Technology have been signed between DRDO and Indian industry for transfer of DRDO developed technologies to Indian industries.”

Collaboration with Academia and Industry

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

“Another question was about funding industry. Out of the 25 per cent allocation mentioned earlier, we spend approximately Rs.2,000 crore annually on academia and industry, about Rs.500 crore for academia and Rs.1,500 crore for industry. There are two funding models. The first is the DCPP model, under which we select an industry partner to work with us on systems under development. The funding comes directly from the DRDO budget. The second model is where they want to develop things on their own. So, we have a mechanism known as technology development fund. We put out challenges or they can *suo motu* come up and say that this is what we want to develop and then we have a mechanism to evaluate that proposal and we can fund up to Rs. 50 crore for a given project. So, that is the second mechanism. These are two mechanisms by which we can fund industry.”

Salary Structure of Scientist

6.21 During the oral evidence the representative of DRDO submitted as under :

“...the salary structure of scientists, within a Government framework it is difficult to match private-sector salaries, especially in areas such as AI and quantum technologies, where compensation levels are very high. While we will provide whatever incentives are possible within Government norms, we cannot match those salaries. Our strategy, therefore, is to collaborate with startups. We can fund startups, and they in turn can attract top talent. Rather than being part of DRDO directly, they can work closely with us as development partners. That is the approach we intend to implement. We will also train our scientists not only at leading institutions within the country but also, where possible, at reputed foreign institutions.”

Enhancement of R&D Budget

6.22 During oral evidence the representative of DRDO stated as under:

“This is in addition to the R&D budget that DRDO gets. Overall, the budget is increasing, but as has been said by the Committee, if we have to become Atmanirbhar and compete with countries such as China and the US, we have to increase the percentage of budget with respect to the overall Defence Budget. That will be required in the years ahead. The Hon. Raksha Mantri has promised us that this year has been an exception because of Operation Sindoor. The defence capital budget has been increased significantly. That is why the number has dropped. But over the next five years, I am very confident that we will move to 10 per cent of the defence R&D budget. “

6.23 The Committee desired to know the details of exports of products/equipments, If any, done by DRDO and amount of revenue generated by export and steps made to enhance these exports. In their written reply, Ministry submitted that-

“DRDO is a Research & Development Organisation leading to development of prototypes, which are then manufactured/ produced mainly by the PSUs and also by the Indian Industries. DRDO provides the relevant 'know-how' in the form of Technology of Transfer (ToT) and handholding support to Indian industry as per the provisions of “DRDO Policy for Transfer of Technology 2025”. DRDO internally has no mechanism for export of its own design and developed products.”

6.24 On being asked about the steps have been taken for empowerment of women in DRDO and redressal of grievances of employees/staff of DRDO in various Labs and establishments especially the details of numbers of grievances & complaints received of women employees addressed/resolved at various DRDO establishments. In this regard, the Ministry in their written reply submitted that –

“The women in DRDO are given equal opportunities to prove their technical acumen and be the leaders. In compliance to Government directives there are no gender specific scheme for induction and career progression.

(i) The grievance redressal in DRDO has a very strong infrastructure to address employee grievance irrespective of the gender. However, women who complain under the ambit of POSH Act are redressed by specially constituted Internal Complaints Committee (ICC) which maintains a zero tolerance for such complaints. In compliance to the Government directives, the Department has Nodal Officers in each of its labs. Also, Sexual Harassment electronic Box (She-Box) is also available to provide a single

window access to every woman, irrespective of her work status. Regular outreach programmes for gender sensitization are conducted in various forums.

(ii) The grievance redressal in DRDO is done at two levels :-

(a) Employee grievance: Every lab has a structured Grievance Redressal Committee to redress employee grievances. The next escalation is a GRC at HQ level.

(b) Citizen Grievance through CPGRAMS: The Director of Personnel is the Nodal Officer for the Department of Defence R&D who is mandated to address the citizen grievances to the satisfaction of the aggrieved. In current structure, last mile officer has been nominated in each lab to provide impetus and reduction in reaction time of redressal of grievances. The Director General Human Resource forms the Apex of the grievance redressal infrastructure in the role of Appellate Authority.

The grievance redressal is not gender specific and each grievance is redressed on its merit. However, total grievances handled as on 01 Jan 2025 till date is as given below:-

Receipt	Disposed	Closing Balance
1160	1030	130

PART – II

OBSERVATIONS/RECOMMENDATIONS

GENERAL DEFENCE BUDGET

General Overview

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. The requirements for the Civil expenditure of the Ministry of Defence Secretariat, Defence Accounts Department, Canteen Stores Department, Defence Estates Organisation, Coast Guard Organisation, Jammu & Kashmir Light Infantry (J&K LI), Border Roads Organization and Armed Forces Tribunal are provided for in Demand No. 19- MoD(Civil). The Defence Services Estimates (DSE) reflects the detailed estimates for the Defence Services and Organizations/Services covered under Grant Number 20 and 21 of the Ministry of Defence.

The Services and Organizations covered under DSE are Army (including National Cadet Corps, Director General Quality Assurance and Ex-Servicemen Contributory Health Scheme), Navy (including Joint Staff), Air Force, Defence Research and Development Organization (DRDO) and Directorate of Ordnance (Coordination & Services). Grant Number 20 caters to revenue expenditure which includes expenditure on pay & allowances, transportation, revenue stores (like ordnance stores, ration, petrol, oil and lubricants, spares, maintenance of various platforms / equipment etc), revenue works (which include maintenance of buildings, water and electricity charges, rents, rates and taxes, etc.) and other miscellaneous expenditure. Grant Number 21 caters to Capital expenditure which includes expenditure on land, construction works, plant and machinery, equipment, heavy and medium vehicles, Naval Vessels, Aircraft and Aero engines, Dockyards, etc.

Demand No. 22 provides for Pensionary charges (Service pension, gratuity, family pension, disability pension, commuted value of pension, leave encashment etc.) in respect of the retired Defence personnel (including Defence civilian employees) of the three Services viz. Army, Navy and Air Force and employees of erstwhile Ordnance Factories.

Defence Budget 2026-27

2. The Committee note that the total allocated budget for the Ministry of Defence for Financial Year 2026-27 i.e. ₹ 7,84,678.28 crore which amounts to approx. 2% of GDP and accounts for 14.67% of total Central Government expenditure (53.47 lakh crore). Therefore, the Ministry of Defence has been given the highest allocation among the Ministries. This allocation is 15.19% higher than BE allocation of FY 2025-26 (6.81 lakh crore) and 7.12% higher than RE allocation for FY 2026-27 (7.32 lakh crore). Out of the total Defence expenditure, largest share of 74.53 percent, i.e. ₹ 5,84,785.45 crore has been allocated for Defence Services Estimates (Grant Number 20 and 21). An amount of ₹ 3,65,478.98 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 ₹ 2,19,306.47 crore i.e. 24.99% higher than previous year. Defence Pension (Grant Number 22) has secured 21.84 percent of the total Defence budget i.e. ₹ 1,71,338.22 crore. Further, 3.64 percent (₹ 28,554.61 crore) of the total Defence budget has been allocated to the Ministry of Defence (Civil) (Grant Number 19). Out of the total outlay for the Ministry of Defence for BE 2026-27, a share of 29.44% goes to capital outlay and 17.24% for Revenue expenditure.

Committee also note from the Ministry's submission that Defence Budget has increased at a Compound Annual Growth Rate (CAGR) of 10.41% from FY 2021-22 to FY 2026-27 which is greater than the inflation rate in each year. Also, growth of Defence Budget in 2026-27 adjusting inflation rate (Consumer Price Index) of 2.37 percent tantamount to 0.83 percent, which shows a marked improvement when compared to this growth rate in fiscal year 2025-26.

The Committee are happy to note that The Union Budget 2026–27, the first after the landmark success of *Operation Sindoor*, underscores the Government's unwavering commitment to national security through modernisation, self-reliance, and innovation. By accelerating indigenous defence manufacturing, channeling strategic investments into research and infrastructure, and prioritising the welfare of veterans, this Budget lays the foundation for a stronger, more resilient India. It is not just a financial plan, it is a blueprint for safeguarding sovereignty and advancing the long-term vision of *Viksit Bharat@2047*.

During oral evidence the representatives of the Ministry of Defence has submitted that during the current financial year, the Ministry of Defence had utilized 50 percent of the capital allocation allotted to the Defence Services within the second quarter itself, and as of the present date, the MOD has already utilized more than 80 percent of this year's funds. It is due to this improved utilization that we have received such a significant increase in the capital budget. Seventy-five percent of the modernization budget has been earmarked for domestic procurement, which is part of our efforts towards indigenization and self-reliance. Since earmarking funds for domestic industries in the financial year 2020–21, there has been a sharp rise in defence industry production in the country. In the financial year 2024–25, annual defence production stood at ₹1.51 lakh crore, which is 18 percent higher compared to the previous financial year, i.e., 2023–24. Similarly, during 2024–25, defence exports rose to ₹23,682 crore, reflecting a 12 percent increase over defence exports in 2023–24.

For ensuring appropriate allocations against the projected budget requirements in the financial year 2026–27, the Ministry of Defence has held consultations with the Ministry of Finance. This process was carried out in close coordination with the Defence Services and other organizations under the MOD. During these meetings, the concerns of the Ministry were presented to the Ministry of Finance in detail, supported by facts and figures, due

considerations. It is precisely for this reason that the Ministry of Defence has received such a substantial increase in the defence budget this year. The Committee welcome the coordinated efforts of the Ministry of Defence and Ministry of Finance . The Committee hope and trust that the Ministry of Defence will continue this momentum of improved pace of fund utilization, rise in indigenous defence industry production, increase in defence export will further accelerate in future years so that the Ministry of Defence will get their required allocation as per the projection. The Committee, noting the steady and competent growth of the Defence Budget in recent years, recommends that, if required, the Ministry of Defence be provided with additional allocations at the Revised Estimates stage. This measure will ensure that the combat preparedness of our Forces is consistently maintained at an optimum level. The Committee further emphasizes that such allocations must be accompanied by effective and judicious utilization of resources to maximize operational efficiency.

Utilization of Defence Budget 2025-26

3. After a detailed analysis of the budgetary documents furnished by the Ministry of Defence, the Committee observe that as per the revised estimates for the years 2023-24 and 2024-25, the total Defence Budget allocation at RE stage was ₹ 6,23,888.94 crore and ₹ 6,41,060.00 crore respectively, out of which 97.69% and 99.21% of the funds have been utilised, respectively. The Committee further note that out of the amount of ₹7,32,511.9 crore allocated for total Defence Budget at Revised Estimates 2025-26 stage, the actual expenditure incurred upto December 2025 is ₹5,29,933.0 crore i.e. approximately 72.34 percent. The Committee, in this context, desire that concrete and concerted efforts be taken by the Ministry of Defence to achieve complete utilization of funds for FY 2025-26 to avoid saving of funds after the end of current Financial Year.

Modernisation budget for the Defence Services

4. The Committee on examination of Demands for Grants for the year 2026-27, find that in comparison to the Budget Estimates 2025-26 and Revised Estimates 2025-26, there has been an increase of 17.24 Percent and 21.84 Percent, in Revenue and Capital budget allocation respectively, for the three Services. With regard to Revenue expenditure under Defence Services Estimates for the three Services, there has been an increase of 17.24 percent and 4.49percent, respectively, when compared to that of BE and RE 2025-26. The Committee note from the submission of the Ministry during deliberations on DFG 2026-27 that there is adequate money available for the Capital budget for the Forces. However, the limiting factors are the ability to sign contracts quickly and thereafter ensuring timely delivery of supplies. Certain geopolitical factors have also contributed to the challenge of timely procurement of equipment/weapon systems for the Forces.

The Committee also learn that as 75 percent of the modernisation budget has been earmarked for procurement from indigenous sources, so that foreign exchange risk does not play a major part in allocation of capital acquisition budget for the Forces. Keeping in view current geo-political scenario and the inflation trends the Committee opine the need for further greater budget allocation for modernization of Defence forces with a special impetus on capital expenditure.

The Committee desire that all out efforts may be instituted/contemplated by the Ministry to overcome the challenges of timely award and fulfillment of contracts for procurement of equipment/weapon systems/platforms for the Forces ensuring complete utilization of modernisation budget . The Committee may be intimated about the steps taken in this regard and the out come thereof at the time of furnishing Action Taken Replies. The Committee also recommend that budget as per the projections made by the Forces may be provided at RE stage of the Financial Year 2026-27 based on their functional and other

requirements so that the operational preparedness of the Forces remains in right track.

Modern warfare

5. The Committee are aware of the fact that the budget to be spent on modernization cannot be predicted to a large extent, and accordingly feel that it is crucial to have intensive study and knowledge of emerging trends in technology that will have an impact on war and the art of warfare. Such emerging sectors are robotics automation, advanced drone technology, Sixth-generation (6G) fighter crafts, hypersonic missiles, velocity (which uses hypersonic drones, etc.) and intelligence warfare (includes artificial intelligence, data analytics and machine learning) and quantum technology . The Committee appreciate the proactive efforts of the Ministry in analyzing, recognizing and adopting critical/latest emerging technologies of warfare and recommend that adequate budgetary provisions for Research and Development in this direction be made available to the Armed Forces. The Committee may be apprised of the latest status update and development in this regard.

BORDER ROADS ORGANIZATION (BRO)

Budgetary Allocation to BRO

6. The Committee found that during the previous years (2024-25 and 2025-26), a total allocation of Rs. 12,475.42 and Rs. 12,827.56 crore was made to BRO respectively. The Committee further note that for BE 2026-27, under Ministry of Defence (Civil), the total allocation to BRO is ₹ 13,388.13 crore; allocation under Revenue head is ₹ 5,994 crore and Capital head is ₹ 7,394 crore. This allocation for BE 2026-27 to BRO is approximately 94 percent of the projected amount i.e. Rs. 13,388 crore. Further, the expenditure incurred by BRO in FY 2025-26 (upto December 2025) is ₹ 7146.50crore out of Rs. 12,827.56 crore allotted under RE 2025-26. The Committee feel that there is a need to enhance the BRO budget so

that timely development and completion of BRO projects in high altitude areas, border areas and difficult terrains could be done which is also a strategic requirement.

Employment generation to Local Labours

7. The Border Roads Organisation (BRO) plays an important role in developing infrastructure in remote border areas of India. Through its various projects, BRO deploys around 70,000 labourers, creating many job opportunities, especially for local people. It also supports local businesses by purchasing construction materials from nearby suppliers and contractors. By building and maintaining roads, bridges, tunnels, and airfields in difficult terrains, BRO improves connectivity in these regions. Better infrastructure not only makes travel and transportation easier but also supports local development, boosts market opportunities, and promotes tourism in these far-flung border areas.

The Committee feel that need for the Government is to strengthen the role of the Border Roads Organisation in border infrastructure development in a more concerted manner, as its projects are not only improving strategic connectivity but also creating significant employment opportunities for local population. While around 70,000 labourer are currently engaged in various projects, continued emphasis on giving preference to local residents during recruitment ought to be encouraged. This policy should be institutionalized across all projects so that the population living in the remote border tail end regions are able to derive benefit of job opportunities and skill development. Greater participation of local suppliers/vendors and contractors in procurement of construction material should be promoted to enhance indirect economic benefits to the local /rural population.

The Committee suggest the Ministry further to consider expanding investment in improving roads, bridges, tunnels, and airfields in remote border areas to improve all-weather connectivity. Such infrastructure development will

enhance ease of living, improve access to markets, and promote economic growth in these regions. Improved connectivity will also facilitate tourism development and faster movement of people and goods, thereby contributing to overall regional development. Strengthening infrastructure in border areas will not only support national security objectives but also ensure inclusive growth and better livelihood opportunities for the local population.

Modern and Latest Technologies for Border Infrastructure Development

8. The Committee are happy to note the efforts of the Border Roads Organisation in adopting modern technologies and innovative construction practices to accelerate the development of border infrastructure in high altitude and difficult terrains. The infusion of modern construction equipment such as excavators, rock drills, snow sweepers and field diagnostic vehicles, along with the adoption of precast technologies, has greatly helped in reducing construction time thereby improving efficiency during limited working seasons. The Committee recommend that latest technological interventions and innovations should be put to use in an organised manner so as to ensure completion of projects in a time bound manner.

The Committee further note the use of advanced construction techniques such as controlled blasting, cut and fill methods, cement treated bases, geotextiles and modular bridges, which have enhanced the durability and quality of infrastructure in extreme climatic conditions. The Committee recommend that the Government should continue to strengthen research collaborations with premier institutions such as Indian Institutes of Technology and National Institutes of Technology to promote innovation in construction technologies and improve living and working conditions of personnel and labourers engaged in these projects. In addition, wider adoption of EPC contracts and improved departmental policies may be encouraged to further enhance the pace, quality and sustainability of border infrastructure development.

INDIAN COAST GUARD

Budget 2026-27

9. The Committee learn that the amount allocated under Capital and Revenue heads to Indian Coast Guard Organisation (ICG) in Budget Estimates (BE) 2026-27 is ₹ 4392.00 crore and ₹ 4000.00 crore, respectively. The Committee note that the Capital allocation to Coast Guard in BE 2026-27 has seen an increase of approximately 7.8 percent compared to allocation in BE 2025-26. The reason for this significant increase in allocation for Capital expenditure, as adduced by the Ministry of Defence, is large-scale acquisition plan for Coast Guard comprising 2 Pollution Control Vehicles, 8 Fast-Patrol Vessels, 12 New Generation Offshore Patrol Vessels, 6 Air Cushion Vehicles, 22 interceptor boats, helicopters, etc. in the immediate future. The Committee appreciate that significant financial provision, double the Capital allocation of BE 2022-23, has been made in this budget for capital budget for Coast Guard which will be a good step further in the direction of strengthening our maritime and coastal security. The Committee desire that details of this capital acquisition i.e. cost, timeframe for delivery and induction in Coast Guard, indigenous or foreign sources/vendors etc. may be intimated within three months of presentation of this Report.

Strengthening Maritime Security

10. The Committee note that new and evolving threats such as cyber warfare, drones and narco-terrorism are posing significant challenges to maritime security. The Committee appreciate the efforts of the Indian Coast Guard to enhance cyber resilience through the implementation of Project Digital Coast Guard and the use of advanced surveillance technologies. The Committee further note the intelligence-based anti-narcotics operations being conducted in coordination with agencies such as the Narcotics Control Bureau and the Directorate of Revenue Intelligence, along with continuous maritime surveillance through ships, aircraft and coastal surveillance systems. These

measures have contributed in strengthening monitoring and interception capabilities in vulnerable maritime areas.

The Committee recommend the Government to further strengthen technological capabilities and inter-agency coordination to effectively address emerging threats in the maritime domain. Greater investment in unmanned aerial systems, anti-drone technologies and advanced cyber infrastructure, AI technologies may be considered to enhance persistent surveillance and rapid response capabilities. The Committee also suggest expanding training, intelligence sharing and joint operations among maritime and security agencies and friendly nations so as to ensure timely detection, deterrence and neutralisation of threats such as narco-terrorism and hostile drone activities in India's maritime zones.

DEFENCE ESTATES ORGANIZATION

Budgetary provision

11. The Committee learnt that for Directorate General Defence Estates (DGDE), under Budget Estimates 2026-27, ₹ 896.16 crore and ₹ 35.41 crore have been allocated under Revenue and Capital Head, respectively. The Committee find that the Revenue Budget Estimate of the Defence Estate Organisation has increased from ₹654.45 crore in 2025–26 to ₹ 896.16 crore in 2026–27, indicating higher funds for regular administrative and operational expenses. The Capital Budget Estimate has also increased slightly from ₹32.34 crore to ₹35.41 crore, reflecting a small rise in allocation for capital works and developmental activities. Overall, the budget for FY 2026–27 shows a significant increase in revenue expenditure and a modest increase in capital expenditure for the Defence Estates Organisation.

It also learnt that the Ministry of Defence (MoD) provides financial assistance to Cantonment Boards in the form of ordinary Grant-in-Aid to balance their budget. The Committee find that for BE 2025-26, the total Grant-in-Aid to the Cantonments amounts to ₹ 412.626 crore compared to amount of

Rs. 638.790 crore provided in BE 2026-27. In this regard, the Committee recommend that if required, additional funds commensurate with pace of expenditure and prioritization of critical works should be allocated to the Cantonments at Revised Estimates stage.

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

12. The Committee, during examination of Demands for Grants for 2026-27, were informed that in order to move away from the Cantonment concept and bring uniformity in municipal laws governing civil areas of Cantonments and adjoining State Municipal areas, it was decided to consider excision of civil areas of select Cantonments and merge them with adjoining municipalities. The Committee learnt that subsequently Cantonment-wise committees in respect of 36 Cantonments have been constituted by the Ministry of Defence to look into the details of proposed modalities in terms of transfer/retention of assets and liabilities, Cantonment Board employees, pensioners and other related issues. Also, notifications have been issued inviting objections/suggestions concerning de-notification or excision of civil areas as the case may be, in respect of 61 Cantonment Boards namely Ajmer, Babina, Deolali, Nasirabad, Clement Town, Dehradun, Fatehgarh, Mathura, Ramgarh & Shahjanpur. The views / comments from the State Governments are still awaited.

The Committee understand that excision of civil areas of select Cantonments and their merger with adjoining municipalities is a complex process involving many stakeholders such as military authorities, employees of Cantonment Boards civilians, State Governments etc, In this regard, the Committee recommend that priority may be accorded to accomplish this task at the earliest so that challenges faced by civilians in Cantonment Boards are resolved to a large extent.

Civic and welfare facilities in the Cantonment Areas

13. The Committee observe that Cantonment Boards receive financial support from the Central Government mainly through three types of grants, namely Ordinary Grant-in-Aid, Grant for Creation of Capital Assets, and Grant under the Swachhta Action Plan. In addition, based on the recommendations of the Fifteenth Finance Commission, Cantonment Boards (except those in Union Territories) also receive local body grants through the respective State Governments. These funds are mainly utilized for essential civic services such as sanitation, water supply, public health, primary education and maintenance of infrastructure, which are mandatory functions under the Cantonments Act, 2006. While the present allocations are generally sufficient to meet these essential services, the Boards also have several discretionary functions such as development works, parks, community facilities and other public utilities which require additional financial resources. Therefore, Cantonment Boards prioritize mandatory services and undertake other development activities depending on the availability of funds.

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

‘Bhoomi Raksha’ Module’

14. The Committee learnt that ‘Bhoomi Raksha’, an IT Module, has been launched on 16.12.2022 wherein eviction proceedings under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 can be initiated and progressed online. This module has been introduced by the Ministry of Defence with a view to infuse efficiency and bring transparency in the process of removal of encroachments as well as conduct of eviction proceedings. The

Committee urge the Ministry to use the Bhoomi Raksha module effectively and take proactive actions for encroachment removal and evictions on the basis of this data. The Committee also desire that details of the eviction proceedings initiated and being monitored using 'Bhoomi Raksha' module after its introduction in 2022 may be intimated to the Committee at the stage of furnishing Action Taken Replies by the Ministry.

Safeguarding Defence Lands from Encroachment

15. The Committee note from the data and information provided by the Ministry that a large number of cases of encroachment and unauthorized construction on Defence lands have been detected including various cantonments during the last three years. The Committee applaud the efforts undertaken by the Government through the Defence Estates Organisation to carry out regular inspection, digitization of land records and the implementation of systems such as Real Time Real Management (RTRM) to monitor encroachments and initiate action under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971 and the Cantonments Act, 2006. The Committee also note the use of GIS-based land management tools, surveys and coordination with civil authorities for the detection and prevention of encroachments on Defence land has resulted in safeguarding the menace of encroachment of Defence land.

The Committee recommend that the Governments should further strengthen the monitoring and enforcement mechanisms to prevent instances of fresh encroachments on Defence land. Greater use of digital land management systems, GIS mapping, satellite imagery, AI based surveillance and periodic joint surveys with local administration may be undertaken periodically to ensure timely detection and removal of encroachments. The Committee also suggest that the construction of boundary walls, fencing and proper demarcation of vulnerable land parcels should be expedited so as to

safeguard Defence land at prime locations and prevent unauthorized occupation.

Defence Land Litigations

16. The Committee observe that a large number of litigations are undergoing on various defence lands. The Ministry also submitted that information regarding the total number of pending land dispute and litigation cases will be compiled and provided separately. The Ministry has apprised that it is undertaking policy exercises relating to defence land leases with the objective of formulating a comprehensive and unified policy covering different categories of leases granted over the past many decades.

The Committee note the submission made by the representatives of the Directorate General Defence Estates regarding ongoing policy exercises related to defence land leases and disputes. The Committee note that efforts are being made to develop a comprehensive and unified policy covering various categories of leases granted over a long period. The Committee also note the steps taken to address issues related to land disputes, including joint surveys and coordination with local authorities, particularly in regions such as Ladakh where matters relating to notified land rates and relocation of operational infrastructure are under consideration.

The Committee recommend that the Government may expedite the formulation and implementation of a clear and comprehensive defence land lease policy to address long-pending cases and avoid future disputes. The Committee further suggest that issues relating to land rates, transfer of land and infrastructure relocation should be resolved in close coordination with the petitioner/complainant, concerned Union Territory administrations and defence authorities so as to ensure timely settlement of disputes before they reach at litigation level.

WELFARE OF EX-SERVICEMEN

Budget

17. The Committee learn that an amount of ₹ 60.80 crore and ₹ 11,000 crore has been allocated to Directorate General of Resettlement (DGR) and Ex-Servicemen Contributory Health Scheme (ECHS), respectively, for Budget Estimates 2026-27. Kendriya Sainik Board (KSB) Secretariat and Department of Ex-Servicemen Welfare (DESW) have been allocated sum of ₹ 542 crore and ₹ 12.39 crore, respectively. The Committee note that the budget for KSB, DGR and ECHS has generally increased over the years. However, on comparing the allocations for 2024–25 and 2025–26, it is observed that the allocation for KSB remained the same at ₹505.30 crore in 2024–25 (BE) and declined to ₹404.30 crore in 2025–26 (BE), while DGR increased from ₹33.80 crore in 2024–25 to ₹54.80 crore in 2025–26. Similarly, the ECHS allocation rose from ₹6968 crore in 2024–25 (BE) to ₹8317 crore in 2025–26 (BE). This shows that the Government is steadily increasing the budget to strengthen welfare and healthcare support for Ex-Servicemen.

The Committee note the increasing trend in budgetary allocations for KSB, DGR and ECHS, particularly the enhancement proposed in the Budget Estimates for 2026–27. While appreciating the Government's efforts to augment financial support for the welfare and resettlement of Ex-Servicemen, the Committee observe that the allocations for certain organisations such as DGR, DESW and KSB had remained largely static during 2024–25 and 2025–26. Keeping in view the rising number of beneficiaries and need to expand expanding welfare activities and the impact of inflation, the Committee recommend that the Government may consider further enhancing the budgetary allocations for these organisations in the coming years so as to enable them to effectively discharge their mandated responsibilities and strengthen welfare, resettlement and healthcare support for Ex-Servicemen and their dependents.

Welfare of ESM

18. The Committee find that the Kendriya Sainik Board (KSB) Secretariat is the apex body responsible for the welfare of war widows, disabled soldiers, Ex-Servicemen and their dependents. The Committee further observe that financial assistance is provided to States/UTs through KSB towards establishment expenses of Rajya Sainik Boards (RSBs) and Zila Sainik Boards (ZSBs). The funding pattern is 75:25 for special category States/UTs such as Arunachal Pradesh, Assam, Jammu & Kashmir, Ladakh, Meghalaya, Mizoram, Manipur, Nagaland, Sikkim, Tripura, Himachal Pradesh and Uttarakhand, and 60:40 for other States/UTs, with the balance expenditure borne by the respective State Governments/UT Administrations. The Government of India also shares 50% of the cost for construction of Sainik Rest Houses (SRHs) from the Defence Services Estimates, while their maintenance is the responsibility of the States/UTs. The Committee also learn that KSB is assisted by 34 Rajya Sainik Boards and 434 Zila Sainik Boards functioning under the administrative control of the respective State Governments/UT Administrations. During FY 2024–25, an amount of ₹179.84 crore (till 31 March 2025) has been disbursed to the States as Central share for welfare related activities.

The Committee applaud the role played by KSB, RSBs and ZSBs in implementing welfare measures for Ex-Servicemen and their dependents across the country. However, considering the increasing number of beneficiaries and the growing requirements for welfare support at the grassroots level, the Committee recommend that the Government may consider enhancing financial assistance and strengthening the functioning of RSBs and ZSBs, including support for infrastructure such as Sainik Rest Houses. The Committee are of the view that adequate and timely allocation of funds will further improve the delivery of welfare services and ensure better support to Ex-Servicemen, war widows and their families.

The Committee have also been apprised that Ministry undertakes review of various welfare schemes to enhance the grant amount and also launch new

initiatives based on the feedback and inputs from Ex-Servicemen. The Committee desire that a comprehensive study may be taken by the Department of Ex-Servicemen Welfare in consultation with other stakeholders to increase avenues for welfare of children/wards/widows of Armed Forces Personnel such as exploring feasibility of increasing reservation for children/wards of Defence Personnel in Professional Colleges in the country.

Ex-Servicemen Employment & Welfare

19. The Committee note that the Directorate General Resettlement has put in place a wide range of resettlement schemes to ensure smooth transition of Ex-Servicemen (ESM) to civilian life. These include online placement assistance, job fairs, empanelled security services, management of CNG stations and COCO retail outlets, allotment of LPG distributorships, milk and SAFAL booths, technical services, and participation in PMBJP outlets. The Committee acknowledge the initiatives undertaken by the Ministry to provide meaningful employment, promote entrepreneurship, and leverage the skill-set of retired Armed Forces personnel. The Committee also appreciate the foresightedness of the Ministry to ensure that the resettlement training and skill development courses are also conducted in emerging sectors such as IT, AI, Data Science, Drone Technology, agribusiness, and management, thereby equipping ESM for diverse second-career opportunities.

The Committee recommend that the Government may take necessary steps to provide special recruitment opportunities and if required, specific job quota for Ex-Servicemen in Public Sector Undertakings (PSUs), Central and State Govts. and Autonomous Bodies in order to ensure their employment, security and welfare after retirement from the Armed Forces. The Committee further recommend that the existing reservation/quota for Ex-Servicemen in such organisations should be effectively implemented, and a proper monitoring and supervision mechanism may be put in place to ensure that these provisions

are followed in letter and spirit. This will help in providing meaningful employment opportunities and support the rehabilitation of Ex-Servicemen.

The Committee further recommend the Ministry to expand these resettlement and welfare measures to cover all retiring personnel across the country, including widows and dependents. Efforts may be made to increase awareness about live schemes, enhance financial incentives, and strengthen coordination with public and private sector organizations to create more employment avenues. The Committee suggest that continued support for educational scholarships, healthcare assistance, rehabilitation centers, and housing subsidies to ensure holistic welfare of ESM and their families may be ensured to enable them to lead dignified and secure post-service lives.

Huge pending Litigations of ECHS

20. The Committee note that with respect to settlement of bills and ECHS facilities and coverage issues there are a large no. of litigations in Courts by ESW. The Committee observes that consultations with other stakeholder Ministries are still in progress, as many of them are also facing litigation on the issue. The Committee also note that such litigations arise when Government policies are alleged to have been contravened or require clarification. Several individuals have also approached courts seeking changes in the existing provisions. The Committee have been apprised that the matter is under examination and that stakeholder Ministries are in the process of harmonizing their views. The Committee are of the firm opinion that recurring litigation and policy ambiguities necessitate a more coordinated, time-bound, and transparent institutional response.

The Committee, therefore, recommend that the Government should establish a structured inter-Ministerial coordination mechanism to expeditiously resolve policy inconsistencies, minimize avoidable litigation, and ensure uniform implementation across all Departments. Further, while acknowledging that the present database of ex-servicemen is operational and

functional, the Committee strongly urges the creation of a unified, centralized, and standardized digital platform integrating all State and District Sainik Boards under a single national software architecture, with mandatory registration protocols, real-time updating, and seamless interoperability, so as to ensure efficient delivery of benefits, improved employment outreach, enhanced transparency, and robust data-driven policy planning for the welfare of veterans across.

DEFENCE RESEARCH AND DEVELOPMENT ORGANISATION

Budget 2026-27

21. The Committee note that during FY 2025-26, budgetary allocation for DRDO was ₹26816.82 Crore at BE stage. In a significant increase in allocation in BE 2026–27, total ₹29,100 crore has been allocated for Defence R&D, out of which about 59.28% has been provided under the Capital Head and 40.72% under the Revenue Head. The Committee further note that ₹7,851.33 crore has been allocated for R&D projects and ₹1,962.83 crore for support to Industry, Start-ups and Academia. The Committee also observe that the budget utilisation for Defence R&D has shown a steady trend during the last three years, reflecting continued efforts of the Ministry to strengthen research, infrastructure and collaboration with industry and academia in the defence sector.

The Committee note that consequent upon the announcement in the Union Budget 2026 to promote deep tech innovation in India, the Technology Development Fund (TDF) Policy in DRDO is being modified to support Deep Tech Technology Project. These projects are aimed to be undertaken for Defence applications and the DRDO-Industry-Academia Centers of Excellence (DIA-CoEs) and as well as Research Boards who are prioritizing Deep Tech & Intelligence surveillance and Reconnaissance (DT & ISR). The Committee also note that with both these schemes, about ₹ 2,000 crore is being spent from the available R&D Budget of DRDO. Keeping in view the key role of DRDO in developing critical, advanced and futuristic technologies and systems for

empowering the Nation and our Armed Forces, the Committee recommend that the Government may ensure consistent and adequate budgetary allocation for Defence R&D in the coming years to support critical mission-mode projects and strengthen indigenous defence capabilities.

Enhancement of Defence R&D Budget

22. The Committee note from the submission of the Defence Research and Development Organisation that while the overall R&D budget has been increasing, there is a need to further enhance the allocation as a percentage of the total Defence Budget to achieve the goal of Atmanirbhar Bharat and maintain technological competitiveness with other leading countries in the world. The Committee appreciate the special increase in the defence capital budget in the current year due to Operation Sindoor and acknowledges the commitment of the Government to strengthen defence R&D in the coming years.

The Committee, however, strongly recommend that the Government may progressively increase the Defence R&D budget over the next five years which is very crucial for enabling higher investments in R&D, especially in latest advanced and critical technologies for supporting the development of better-designed, more efficient and advanced defence products. Adequate and sustained funding should be ensured to support indigenous development of advanced defence technologies, promote innovation, and reduce dependence on imports. The Committee further suggest that periodic review of R&D projects and budget utilization may be undertaken by DRDO to ensure that resources are efficiently deployed for strategic capability development and technological self-reliance.

Benchmarking of R&D Projects by DRDO

23. The Committee observe that currently there is no comprehensive benchmarking available to compare the defence systems developed domestically with global technologies. However, the Ministry has informed that a Committee has been constituted to assess and benchmark all the systems

developed against international standards. It was assured by the Ministry that within the next three to six months, a detailed assessment will be completed, enabling a clearer understanding of India's technological standing in defence relative to global achievements and the value derived from the expenditure incurred. The Committee note that this exercise will provide valuable insights for future planning and resource allocation.

The Committee recommend that DRDO may identify clear performance indicators such as cost efficiency, technological maturity, target dates for completion, time taken for development/completion and operational effectiveness, and undertake an independent review of its major R&D projects against international standards. Further, the benchmarking exercise should be completed within the proposed timeline of three to six months through a detailed report, highlighting areas of strength, gaps in capability, and a roadmap for improving innovation, accountability, and effective utilization of public funds.

In this regard the Committee urge the Defence Research and Development Organisation (DRDO) to establish a structured and transparent benchmarking framework to periodically compare its research and development outcomes with leading global Defence technologies , institutions and global leaders in the field.

Encouraging Collaboration with Industry/Private Sector and Academia

24. The Committee note that DRDO has various schemes for collaborating with academic institutes and providing skills in the youth in the field of Defence Research and Technology. These measures aim to prepare skilled human resources and strengthen India's indigenous defence research and innovation ecosystem.

The Committee note that DRDO has implemented several key schemes to strengthen defence research and skill development. These include five Research Boards focusing on Aeronautics, Armaments, Life Sciences, Naval, and Electronics & Communication Systems. DRDO has also established

Industry-Academia Centres of Excellence (DIA-CoEs) at premier institutes to promote collaboration between DRDO labs, academia, start-ups, and industry, thereby building a directed research ecosystem. To develop skilled youth for defence research, DRDO has introduced M.Tech programs in Defence Technologies in 40 universities under AICTE, elective subjects in Defence Technology in B.Tech courses, around 8,000 internships annually for B.Tech and M.Tech students, and PhD programs at the Defence Institute of Advanced Technology (DiAT) for research in Defence Technology. These initiatives aim to create a strong talent pool and promote innovation in defence technologies.

The Committee compliment DRDO for assisting the academic institutions in the fields of Defence Research and Technology and desire that feasibility of designing courses in Defence Research, Technology and Production Industry for inclusion in curriculum of B.Tech as well as senior secondary classes in collaboration with various Education Boards in the country be explored so that the scientific aspiration, temperament and aptitude required in this field is inculcated in the youth at an early level of education. The Committee recommend that efforts be strengthened to enhance collaboration with the private sector, foreign institutions, and academia for effective technology and knowledge transfer. The Committee further recommend the Ministry of Defence to promote collaborative development involving DRDO, private industry, start-ups, and academic institutions so that advanced propulsion, guidance, and materials technologies could be developed within the country. The Committee may also be apprised of the details and status of all collaborations of DRDO with foreign institutions /countries.

Critical and Latest Technology

25. The Committee observe that DRDO is focusing on the development of futuristic defence systems, including hypersonic missiles and next-generation fighters. While the Advanced Medium Combat Aircraft (AMCA) represents India's ongoing work on fifth-generation fighters, efforts are also being planned to develop technologies for sixth-generation fighters, which will be network-centric and integrated with other platforms and ground systems. The

Committee note that such initiatives are essential to keep pace with global technological advancements in defence.

The Committee note the advanced technology and knowledge transfer priority for the development of Supersonic Glide Missile systems as part of India's future combat and deterrence capabilities. Such systems combine the speed of supersonic or hypersonic delivery with the ability to glide and maneuver after launch, making them difficult for adversaries to detect and intercept. In view of the evolving nature of modern warfare and the increasing focus on network-centric and cloud-enabled operations, the Committee are of the view that indigenous research and development in glide missile technology will not only enhance India's strategic preparedness but will also ensure its operational flexibility.

Adequate funding, time-bound milestones, and testing infrastructure should be ensured to accelerate progress in this area. The Committee is of the view that strengthening indigenous capabilities in supersonic glide missile technology will support the broader objective of technological self-reliance and complement future platforms such as next-generation fighter aircraft and unmanned systems.

In this regard, the Committee recommend a separate budget head for R&D for critical & latest technologies may be created for ensuring better development & timely execution of such projects on priority . It will also ensure that lack of sufficient funds does not become an impediment in execution of such projects.

Women Empowerment in DRDO

26. The Committee believe that increasing the representation/ participation of women in scientific and technical roles will strengthen the talent pool and contribute to innovation and diversity within the organisation. Nari Shakti is also the prime focus of Government of India which includes women empowerment as well as women led development.

The Committee recommend that the Ministry of Defence ought to take proactive steps to increase the participation of women employees and incentivizing women scientists in DRDO by creating a supportive and inclusive work environment. Special recruitment drives, incentives, fellowships, mentorship programmes, and flexible work policies may be introduced to encourage more women to pursue careers in defence research and advanced technologies such as artificial intelligence, space systems, and quantum technologies. In addition international training opportunities and better promotional avenues for women scientists should also be explored. Such measures will help attract and retain talented scientists, including women scientists & researchers, while ensuring that DRDO continues to build strong indigenous capabilities in critical defence technologies.

Grievance Redressal

27. The Committee note that the Defence Research and Development Organisation provides equal opportunities to women employees and has a well-established grievance redressal mechanism in place. The Committee appreciates the role of Internal Complaints Committee (ICC), the Sexual Harassment electronic Box (She-Box), and the appointment of Nodal Officers in each lab to ensure timely redressal of complaints under the POSH Act. The structured Grievance Redressal Committees at lab and headquarters levels, along with the Director of Personnel as Nodal Officer for citizen grievances through CPGRAMS, demonstrate a strong framework for addressing employee and citizen complaints efficiently. The Committee note that as on 01 January 2025, out of 1,160 grievances received, 1,030 have been disposed of, reflecting an effective grievance management system.

The Committee recommend that the DRDO may continue to strengthen its gender sensitization programmes and further reduce the pending grievances to ensure timely and transparent redressal for all employees, especially women. It is also suggested that periodic reviews be conducted to assess the effectiveness of ICCs, grievance committees, and She-Box mechanisms, along with awareness campaigns to encourage women employees to report issues

without hesitation. Enhanced monitoring and reporting systems should be institutionalized to maintain zero tolerance for harassment and promote a safe, inclusive, and empowering work environment across all DRDO laboratories and establishments. The Committee may be apprised of action taken for effective grievance redressal of women along with details in all DRDO Labs & Establishments.

New Delhi;
16 March, 2026
25 Phalguna, 1947 (Saka)

RADHA MOHAN SINGH
Chairperson
Standing Committee on Defence

STANDING COMMITTEE ON DEFENCE (2025-26)

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2025-26)**

The Committee sat on Thursday, the 19th February, 2026 from 1100 hrs. to 1710 hrs. in Main Committee Room, 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 Lumbaram Choudhary
5.	Captain Viriato Fernandes
6.	Shri Mohammad Haneefa
7.	Ms. S. Jothimani
8.	Shri Shashank Mani
9.	Shri Virendra Singh
10.	Shri Kesineni Sivanath
11.	Shri Richard Vanlalhmangaiha
	<i>Rajya Sabha</i>
12.	Shri Naresh Bansal
13.	Shri Shaktisinh Gohil
14.	Shri Muzibulla Khan
15.	Dr. Ashok Kumar Mittal
16.	Shri Ujjwal Deorao Nikam
17.	Dr. Sudhanshu Trivedi

SECRETARIAT

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

LIST OF WITNESSES

Ministry of Defence

General Defence Budget and Capital Outlay

- | | | |
|-----|-----------------------------------|------------------------------------|
| 1. | Gen Anil Chauhan | CDS & Secretary, DMA |
| 2. | Shri Rajesh Kumar Singh | Defence Secretary |
| 3. | Dr. Samir Venkatpati Kamat | Secretary DDR&D &
Chairman DRDO |
| 4. | Shri Sanjeev Kumar | Secretary (DP) |
| 5. | Smt. Sukriti Likhi | Secretary(ESW) |
| 6. | Lt Gen Pushpendra Singh | VCOAS |
| 7. | Air Mshl Nagesh Kapoor | VCAS |
| 8. | Vice Admiral Sanjay Vatsayan | VCNS |
| 9. | Lt Gen VPS Kaushik | Adjutant General |
| 10. | Shri Raj Kumar Arora | FA(DS) |
| 11. | Smt. Ishita Ganguli Tripathy | Addl. FA & JS |
| 12. | Maj Gen G S Choudhry | JS(Army & TA) |
| 13. | AVM Vikram Gaur | JS(Air & SD), DMA |
| 14. | Rear Admiral Kunal Singh Rajkumar | JS(Navy & DS) |

Procurement Policy and Defence Planning

- | | | |
|----|------------------------------|----------------------|
| 1. | Gen Anil Chauhan | CDS & Secretary, DMA |
| 2. | Shri Rajesh Kumar Singh | Defence Secretary |
| 3. | Lt Gen Pushpendra Singh | VCOAS |
| 4. | Air Mshl Nagesh Kapoor | VCAS |
| 5. | Vice Admiral Sanjay Vatsayan | VCNS |
| 6. | Shri Raj Kumar Arora | FA(DS) |
| 7. | Shri A Anbarasu | AS & DG(Acquisition) |
| 8. | Shri Dinesh Mahur | AS(DP) |

9.	ADG A P BADOLA	ADGCG
10.	IG VK Vijay Kumar	DDG(P&P)
11.	Shri Longjam Sidhartha Singh	AS & FA(Acquisition)
12.	Shri Dharmendra Kumar Singh	JS & AM(Air)
13.	Smt. Ishita Ganguli Tripathy	Addl. FA & JS
14.	Shri Dinesh Kumar	JS & AM (MS and LS)
15.	R Adm Paar Sadiq	ADG Acq Tech (M&S)
16.	AVM GK Mohan	ADG Acq Tech (Air)
17.	Maj Gen Tarun Agrawal	ADG Acq Tech (Army)
18.	Sh. Amit Satija	JS(DIP)
19.	Sh. Rajeev Prakash	JS(NS)
20.	Ms. Manisha Chandra	JS(Aerospace & DOMW)
21.	Maj Gen G S Choudhry	JS(Army & TA)
22.	AVM Vikram Gaur	JS(Air & SD), DMA
23.	Rear Admiral Kunal Singh Rajkumar,	JS(Navy & DS)

Joint Staff

1.	Gen Anil Chauhan	CDS & Secretary, DMA
2.	Air Marshal Ashutosh Dixit	CISC
3.	Vice Admiral Atul Anand	AS, DMA
4.	Shri Raj Kumar Arora	FA(DS)
5.	Vice Admiral Vineet McCARTY	DCIDS(PP&FD)
6.	AVM Dharminder Singh Handa	ACIDS (FP&ADM)
7.	Maj Gen Amit Talwar	ACIDS (PP&FS)
8.	Smt. Ishita Ganguli Tripathy	Addl. FA & JS
9.	Maj Gen G S Choudhry	JS(Army & TA)
10.	AVM Vikram Gaur	JS(Air & SD), DMA
11.	Rear Admiral Kunal Singh Rajkumar	JS(Navy & DS)

Army

- | | | |
|-----|-----------------------------------|----------------------|
| 1. | Gen Anil Chauhan | CDS & Secretary, DMA |
| 2. | Shri Pushpendra Singh | VCOAS |
| 3. | Vice Admiral Atul Anand | AS, DMA |
| 4. | Lt Gen Manish Luthra | Offg DCOAS (Strat) |
| 5. | Lt Gen Ulhas Kirpekar | DG FP |
| 6. | Lt Gen Amardeep Singh Aujla | MGS |
| 7. | Shri Raj Kumar Arora | FA(DS) |
| 8. | Maj Gen Neeraj Shukla | Offg DG SP |
| 9. | Maj Gen G S Choudhry | JS(Army & TA) |
| 10. | AVM Vikram Gaur | JS(Air & SD), DMA |
| 11. | Rear Admiral Kunal Singh Rajkumar | JS(Navy & DS) |
| 12. | Maj Gen Vikram Sharma | Addl QMG |
| 13. | Maj Gen TS Bains | ADG FP |
| 14. | Smt. Ishita Ganguli Tripathy | Addl. FA & JS |

Air Force

- | | | |
|-----|-----------------------------------|----------------------|
| 1. | Gen Anil Chauhan | CDS & Secretary, DMA |
| 2. | Air Mshl Nagesh Kapoor | VCAS |
| 3. | Shri Raj Kumar Arora | FA(DS) |
| 4. | Vice Admiral Atul Anand | AS, DMA |
| 5. | Air Mshl Awadhesh Kumar Bharti | DCAS |
| 6. | AVM Tejpal Singh | ACAS (Plans) |
| 7. | AVM Vikram Gaur | JS(Air & SD), DMA |
| 8. | Maj Gen G S Choudhry | JS(Army & TA) |
| 9. | Rear Admiral Kunal Singh Rajkumar | JS(Navy & DS) |
| 10. | Smt. Ishita Ganguli Tripathy | Addl. FA & JS |

Navy

- | | | |
|----|-----------------------------------|----------------------|
| 1. | Gen Anil Chauhan | CDS & Secretary, DMA |
| 2. | Vice Admiral Sanjay Vatsayan | VCNS |
| 3. | Shri Raj Kumar Arora | FA(DS) |
| 4. | Vice Admiral Atul Anand | AS, DMA |
| 5. | Rear Admiral BS Sodhi | ACNS(P&P) |
| 6. | Rear Admiral Kunal Singh Rajkumar | JS(Navy) |
| 7. | AVM Vikram Gaur | JS(Air & SD), DMA |
| 8. | Maj Gen G S Choudhry | JS(Army & TA) |
| 9. | Smt. Ishita Ganguli Tripathy | Addl. FA & JS |

Indian Coast Guard

- | | | |
|----|------------------------------|-------------------------------|
| 1. | Shri Rajesh Kumar Singh | Defence Secretary |
| 2. | Smt. Dipti Mohil Chawla | Addl. Secretary, DoD |
| 3. | DG S Paramesh | DG ICG |
| 4. | Shri Raj Kumar Arora | FA(DS) |
| 5. | Shri Satyajit Mohanty | Joint Secretary (Coast Guard) |
| 6. | DIG V Krishna Kumar | PD(P&B) |
| 7. | ADG A P BADOLA, | ADGCG |
| 8. | Smt. Ishita Ganguli Tripathy | Addl. FA & JS |
| 9. | IG VK Vijay Kumar | DDG(P&P) |

DGDE

- | | | |
|----|------------------------------|----------------------|
| 1. | Shri Rajesh Kumar Singh | Defence Secretary |
| 2. | Smt. Shobha Gupta | DGDE |
| 3. | Shri Raj Kumar Arora | FA(DS) |
| 4. | Shri Rakesh Mittal | Additional Secretary |
| 5. | Smt. Ishita Ganguli Tripathy | Addl. FA & JS |

6.	Ms. Nigar Fatima	Sr. Addl. DG
7.	Smt. Vibha Sharma	Addl DG
8.	Shri Madhukar Naik	Addl. DG

BRO

1.	Shri Rajesh Kumar Singh	Defence Secretary
2.	Lt Gen Harpal Singh	DGBR
3.	Shri Raj Kumar Arora	FA(DS)
4.	Shri Rakesh Mittal	Additional Secretary
5.	Smt. Ishita Ganguli Tripathy	Addl. FA & JS

DGAFMS

1.	Shri Rajesh Kumar Singh	Defence Secretary
2.	Shri Raj Kumar Arora	FA(DS)
3.	Surg VAdm Arti Sarin	DGAFMS
4.	Shri Manish Tripathi	Additional Secretary
5.	Shri Dalip Singh Bhadauria	DDG(Med)
6.	Maj Gen Manas Chatterjee	Addl DGAFMS(E&S)
7.	Smt. Ishita Ganguli Tripathy	Addl. FA & JS

NCC

1.	Shri Rajesh Kumar Singh	Defence Secretary
2.	Lt Gen Virendra Vats	DG NCC
3.	Shri Raj Kumar Arora	FA(DS)
4.	Smt. Dipti Mohil Chawla	Addl. Secretary, DoD
5.	Shri S. G. P. Verghese	Joint Secretary
6.	AVM PVS Narayana	ADG(A)
7.	Smt. Ishita Ganguli Tripathy	Addl. FA & JS

2. At the outset, the Chairperson welcomed the Members of the Committee and informed them of the agenda for the Sitting *i.e.* oral evidence of the representatives of Ministry of Defence in connection with examination of Demands for Grants for the year 2026-27.

3. Thereafter, the Chairperson welcomed the Defence Secretary and Chief of Defence Staff (CDS) along with, the representatives of the Armed Forces and Ministry of Defence to the Sitting of the Committee convened to deliberate on the subjects 'General Defence Budget, Department of Military Affairs (DMA), Ministry of Defence (Civil), Capital Outlay on Defence Services, Procurement Policy and Defence Planning, Army, Air Force, Navy, Joint Staff, Indian Coast Guard (ICG), Directorate General Defence Estates (DGDE), Border Roads Organization (BRO), Director General Armed Forces medical Services (DGAFMS) and National Cadet Corps (NCC)' in connection with examination of Demands for Grants of the Ministry of Defence for the year 2026-27.

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 2026-27. The highlights of the brief given by the Defence Secretary are as under:

- (i) The total outlay of the Ministry of Defence for 2026-27 is Rs 7.85 lakh crore, which is 15.19 per cent higher than the current financial year BE and is about 2 per cent of the estimated GDP for FY 2026-27.
- (ii) The budget estimate for Defence Services for the financial year 2026-27 is Rs 5.85 lakh crore, of which Rs 3.65 lakh crore is under the revenue head and Rs 2.19 lakh crore is under the capital head.
- (iii) Out of total allocation, Rs. **5.85** crore has been allotted for Defence Services Estimates, Rs. **28,500** crore for MoD (Civil) and Rs. **1.71** lakh crore for Defence pensions;
- (iv) Ministry of Defence had utilised 50 per cent of the capital allocation allocated to the Defence Services within the second quarter and till date, the MoD has utilised more than 80 per cent of the amount for this year.
- (v) Seventy-five percent of Defence Modernization budget has been earmarked for domestic industry in FY 2025-26; and
- (vi) Annual defense production in the financial year 2024-25 was ₹1.51 lakh crore, an increase of 18 percent compared to the previous financial year, i.e., 2023-24.
- (vii) Similarly, defense exports during the financial year 2024-25 increased to ₹23,682 crore, representing a 12 percent increase compared to defense exports in the financial year 2023-24.

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

- (i) The total allocation of the MoD is Rs. 7.85 lakh crore. Out of which Rs. 5.85 lakh crore, which is almost 75 per cent, is allocated for Defence Services; Rs. 1.71 lakh crore is

for Defence Pensions and the remaining 3.64 per cent is for Civil Organisations under the Ministry of Defence.

- (ii) In Defence Services Estimates, out of the total allocation of Rs. 5.85 lakh crore, Rs. 3.65 lakh crore is for Revenue and the balance Rs. 2.19 lakh crore is for Capital head.
- (iii) The total Central Government allocation for the financial year 2026-27 is almost 15 per cent of the total Central Government Budget. At the Revenue allocation, it constitutes 13.42 per cent (Rs. 41.25 lakh crore) of the total Central Government Revenue and with respect to Capital allocation, the Ministry of Defence accounts for 18.91 per cent. (Rs. 12.22 lakh crore)
- (iv) Two per cent of the GDP of FY 2026-27 is accounted for by the Ministry of Defence. This outlay is 15.19 per cent higher than the BE of financial year 2025-26 (i.e. Rs 6.81 lakh crore) and 7.12 per cent higher than the RE of financial year 2025-26 (i.e Rs. 7.32 lakh crore).
- (v) distribution of the MoD Budget component-wise, the four major heads are: Salary and Allowances at 27.83 per cent (Rs. 2,18,404.79), Capital Head at 29.44 per cent (Rs. 2,31,009.72), Defence Pensions at 21.84 per cent (Rs. 1,71,338.22), and Non-Salary Expenditure at 20.89 per cent. (Rs. 1,63,925.55)
- (vi) the trend of the last five years, the defence budget has steadily increased. The increase is about 64.09 per cent from Rs. 4.78 lakh crore in 2021-22 to Rs. 7.85 lakh crore in the financial year 2026-27. In absolute terms, the increase is Rs. 3.06 lakh crore, reflecting a compounded annual growth rate of 10.41 (CAGR) per cent over the past five years.
- (vii) In Defence Services Estimates the total allocation is Rs. 3.65 lakh crore. Of this, 57 per cent is for Pay and Allowances, and the remaining is for Non-Salary Expenditure.
- (viii) the total allocation for Revenue Expenditure for the Defence Forces is Rs. 3.65 lakh crore. This is 17.24 per cent higher than the BE of financial year 2025-26 and more than 4.49 per cent higher than the RE of financial year 2025-26.

Thereafter, the Members raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

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

- (i) Total allocation of Ministry of Defence is 7,84,678.28 crore, out of which Rs. 5,84,785.45 crore has been allotted for Revenue and Capital Head to Defence Services Estimates. In Capital head Rs. 2,29,306.47 crore has been allotted and out of which Rs. 1,84,931.92 crore is allocated for capital acquisition.
- (ii) Allocation under capital has been gone up from Rs. 1,80,000 crore in FY 2025-26 to Rs. 2,19,306.47 crore in FY 2026-27 which is an increase in 21.84 percent ;
- (iii) Capital Budget is also termed as Modernization Budget of Armed Forces to be used for Acquisition of Military Equipments like Aircrafts, Aero-engines, Naval Fleet and Heavy and Medium Vehicles

- (iv) In respect of three services there is an increase of 22.58 % and 18.29% with respect of BE and RE respectively for FY 2025-26
- (v) There is an increase in capital outlay of more than Rs. 84,000 crore from Rs. 1,35,061.00 crore rupees in financial year 2021-22 to Rs. 2,19,306.47 crore for financial year 2026-27
- (vi) In the components of the capital budget for financial year 2026-27 29 per cent of the expenditure is planned on aircraft and aero engine and 39.69 per cent on other equipment. Other equipment includes armaments, guns, tanks, electronics, surveillance equipment, radars, and aviation equipment.
- (vii) For FY 2026-27 there is an overall increase of 24.35% with respect of BE and 18.10% over RE of FY 2025-26 in case of three services
- (viii) Defence Capital Acquisition (modernization) Budget has been increased from Rs. 1,11,463.00 crore in FY 2021-22 to Rs. 1,84,931.92 crore in FY 2026-27.
- (ix) Mission Atmanirbharta and earmarking of funds for domestic industries
- (x) MoD took an initiative for earmarking of fund for domestic industries since FY 2020-21 to strengthen the domestic industries
- (xi) For FY 2026-27, 75% of Capital Acquisition Budget of Rs. 1,84,931.92 crore has been earmarked for acquisition through domestic industries i.e Rs. 1,38,698.94 crore
- (xii) 25% of domestic share i.e. Rs. 34,674.74 crore has been further earmarked for acquisition of capital assets through Domestic private Industries for FY 2026-27.
- (xiii) In the current FY i.e 2025-26, against target of Rs. 1.11 lakh crore, procurement amounting to Rs. 88,577.84 crore has been realized through domestic industries and against target of Rs. 27,886.21 crore from Domestic private Industries procurement of Rs. 16,475.41 crore has been realized till January, 2026.
- (xiv) working on the sixth generation prototype aircraft
- (xv) plans for procuring missile systems under the capital outlay
- (xvi) planned to be spent for the procurement of advanced aircraft and advanced engines

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

8. Thereafter, the representatives of the Ministry of Defence then gave a Power Point Presentation on **Procurement Policy and Defence Planning** which was followed by discussion on the following:

- (i) Aim to Viksit Bharat 2047 (Developed India)
- (ii) intense regional confrontations and global engagements
- (iii) robust military strength for secured nation
- (iv) defence planning means strong Industrial Base, financial framwork, R&D capacity, Defence diplomacy, skilled human resourses

- (v) challenges for outcome are evolving character of warfare, active borders, Technological Asymmetry, scale of production, capability voids legacy systems and Grey Zone terrorism
- (vi) Integrated capability development system (ICADS)
- (vii) 10 year Integrated Capability Development Plan (ICDP)
- (viii) Capital acquisition carried out on the basis of Defence Acquisition Process (DAP) 2000
- (ix) Defence procurement Manual (DPM) 2025 needs for sustenance
- (x) Defence acquisition procedure bridges operational needs, fiscal framework and industry capability
- (xi) 75% (Rs. 1,38,698.94 crore) of Capital Acquisition Budget has been earmarked for domestic industries;
- (xii) 25% Defence R&D Budget for Industry, Start-ups and Academia
- (xiii) increase of DRDO Budget from 26,816.82 crore to 29,100.25 crore in FY 2026-27
- (xiv) Defence Industry Corridor at Uttar Pradesh and Tamil Nadu
- (xv) supports for MSMEs through ADITI, iDEX and TDS
- (xvi) 11 Nodes provides plug and play support to industries
- (xvii) highest priority is being Buy Indian (IDDM) category

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The witnesses then withdrew)

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

- (i) Promoting jointness and integration among the three services;
- (ii) Formulation of policy on Joint Operational Capabilities, Training and Functional aspects;
- (iii) Financial planning and oversight of joint staff;
- (iv) Net Assessment of potential Adversaries
- (v) Planning and Coordination of efforts of Three Services-Operations, Exercises, Strat intelligence and Crisis Management
- (vi) "VISION-2047" which include Phase-I (2023) -Era of Transition, Phase II (2030-40)-Era of Consolidation and Phase III (2040-47)-Era of Excellence
- (vii) Changing character of warfare from Net Centric to Intelligent Warfare (Data Centric)
- (viii) perception management during Operation Sindoor
- (ix) Docrines, Policies and Orders of Joint Staff
- (x) Indigenisation efforts of Joint Staff

- (xi) plans for future roadmap of Joint Staff

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The officials of Joint Staff then withdrew)

10. Following the discussion on Army, a Power Point presentation on the Army was made. This was followed by detailed deliberations on following issues:

- (i) Ensuring territorial integrity by Army;
- (ii) Security situation in border areas of the country;
- (iii) Reviewing deployment of troops and surveillance in border areas by army;
- (iv) Patrolling along the Line of Control and the hinterland by army;
- (v) Logistic operations in border areas and High Altitude Areas;
- (vi) Operation Sindoor with precision and professionalism;
- (vii) Focus on capability development in the form of intelligence dominance to cutting edge technology and joint operational readiness;
- (viii) Operation Mahadev to neutralized terrorists involved in the Pahalgam attack;
- (ix) Indian Army on the path of jointness and integration;
- (x) enhancing integration through pursuits in common operational planning process, technology development, harmonising intelligence surveillance and reconnaissance resources
- (xi) formulation of joint military civil fusion doctrine
- (xii) enhancing defence through integration of Akashteer, Command and control system;
- (xiii) carried out various transformation and reorganisation in the year 2025 by Indian Army
- (xiv) formation of combined arms through Rudra Brigades
- (xv) raising of Bhairav Battalions, Ashni protons and shaktimaan regiments
- (xvi) Self-sufficiency in defence procurement and manufacturing
- (xvii) acquiring the capability for developing in-house drone systems
- (xviii) Strengthening of Border Area Development programme in border areas by army;
- (xix) commitment to the vision of a developed India @ 2047 by army
- (xx) carrying out Military Civic Action Projects under Operation Sadbhavana in the border areas
- (xxi) allocation of Rs. 2,85,735 crore which is 18 per cent increase from the previous financial year Budget Estimates to Indian Army.
- (xxii) Budgetary allocation in capital and revenue head to Army;
- (xxiii) Status of army equipment which remains wintage

- (xxiv) Effect of operational readiness expenditure on Army's maintenance, spares and logistic support
- (xxv) Plan or mechanism to accommodate 25 per cent Agniveer and the rest others
- (xxvi) Budget to meet 30 per cent of new generation equipments

Thereafter, the Members raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The officials of Army then withdrew)

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

- (i) Transformation of Air Force into a multi-domain capable aerospace park to protect our national interest
- (ii) Coordination of Air Force with Army and Navy
- (iii) procurement and upgrading of new aircrafts to maintain combat capability
- (iv) fully participation by Air Force in design and development of the LCA Mark2 and Anka's
- (v) fully operational of combat-capable helicopters like Apache, Prachand, and ALH Mark4 in the IAF.
- (vi) Responsibility of Air Force for air defence of the Indian airspace
- (vii) Role of critical combat Enablers like Airborne Early Warning Aircraft, flight refuellers and special Electronic Intelligence and surveillance platforms in Air Force
- (viii) Budgetary allocation to Air Force;
- (ix) capital budget earmarked for modernization for utilization in acquiring combat platforms and critical combat enablers
- (x) proposal to acquire air-to-air, air-to-ground and surface-to-air guided ammunition as well as loitering munitions
- (xi) Stress on self-reliance by Indian Air Force
- (xii) Commitment for Atmanirbharta by Air Force

Thereafter, the Members raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The officials of Air Force then withdrew)

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

- (i) Role of Navy in close coordination with Indian Coast Guard and other stakeholders
- (ii) Deployment of naval forces in overlapping missions
- (iii) Major activities undertaken by Navy
- (iv) Conduct of Theatre Level Exercise- TROPEX 25
- (v) Monitoring movement of Chinese Warships, Chinese Research Vessels and Pakistani Warships

- (vi) Anti-piracy operations by Navy;
- (vii) Role of Navy in Joint Operations and Exercises
- (viii) Establishment of Indian Navy Incubation Centre of Artificial Intelligence
- (ix) Use of AI Compute Centre, CRYSTAL for the development, training and testing of advanced AI models.
- (x) Indigenisation of Main Propulsion system to fill critical capability gap in self reliance
- (xi) Induction of stitched ship as Indian Naval Sailing Vessel 'Kaundinya' by Navy
- (xii) Steps taken for empowerment of Women in Navy
- (xiii) Increase indigenious contents in shipbuilding
- (xiv) Navy's capability development under the Atmanirbhar Bharat initiatives
- (xv) Budget allocation of Rs. 1,07,549.57 crore for FY 2026-27

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The officials of Navy then withdrew)

13. Thereafter, a Power Point Presentation on the working of Indian Coast Guard was made. This was followed by discussion on following points:

- (i) Deployment of donier aircrafts, interceptor boats, hovecraft and helicopters for close coast surveillance;
- (ii) Workforce of the Indian Coast Guard
- (iii) More allocation in BE 2026-27 as compared to RE 2025-26;
- (iv) Emerged as the fourth largest Coast Guard in the world
- (v) Commemorate the year as Swarnim Jayanti year
- (vi) Protection of lives in the ocean
- (vii) Reasons for less expenditure of allocated budget of previous year
- (viii) Import of equipment for Coast Guard

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The officials of Indian Coast Guard then withdrew)

14. Subsequently, a Power Point Presentation on the working of Defence Estates Organisation was made. This was followed by discussion on following points:

- (i) Allocation in BE in FY 2026-27;
- (ii) Duties of cantonment Board i.e. sanitation, drains and sewerage, water supply, primary education, health, roads, street lights and survey, etc.;
- (iii) Duties of cantonment Board i.e. sanitation, drains and sewerage, water supply, primary and secondary education, hospitals and dispensaries, roads, street lights and regulation of building construction, etc.;
- (iv) Environment and waste management works;

- (v) Provision of eChhawani-Digital portal for online municipal services;
- (vi) Grants-in-aid to the Contonment Board
- (vii) status of hospitals, dispensaries, AYUSH Centres, etc.
- (viii) Advanced health care infrastructure of Cantonment General hospitals
- (ix) Integration of PM GatiShakti Portal with Defence Estates Mapping
- (x) Successfully implementation of Bhoomi Raksha Portal
- (xi) Integration of Lease Renewal/extension Module of eChhawani with Real Time Record Management
- (xii) Telemedicine Services across all Cantonment General Hospitals and dispensaries
- (xiii) Policy issue about monetization of land
- (xiv) Policy relating to leases of land
- (xv) Litigations related to disputed land
- (xvi) Issues relating to transfer of land remined unutilized by Armed Forces
- (xvii) Proposal from the State Government for provision of Defence Land;

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The representatives of Directorate General Defence Estates then withdrew)

15. Thereafter, a Power Point presentation on Border Roads Organization was made. The deliberations were held on the subject on following points:

- (i) Budgetary allocations and Role of BRO in building roads in the challenging terrains and operational area
- (ii) Details on ongoing projects of BRO
- (iii) Construction of road projects in Indo-Myanmar border, Chhatisgarh Naxalite are Bhutan
- (iv) Rendering support by BRO in northern theatres and western theatres
- (v) Absorbaton the concept of EPC contract
- (vi) Construction of primarily roads, bridges, tunnels, airfields and marine structure by BRO
- (vii) Challenges like geography challenges, snow, rainfall, land slides, etc. faced by BRO
- (viii) Construction of highest road on the Umling La Pass
- (ix) Allotment of grants to BRO for the FY i.e. Rs. 5994.13 crore which is 4 percent jump than previous allotment
- (x) Plan to built roads in Indo-China border
- (xi) Need for environment concerns to meet the complexities
- (xii) Issues relating to construction of pending roads in Ladakh, khardung La tunnel, Kargil Batalik road, Pahalgam Kishtwar road, etc. ;

- (xii) Deployment of local labourers to raise employment
- (xiii) Construction cost in making per kilometer road by BRO
- (xiv) Efforts for transferring of technologies and best practices with State Governments and other Central agencies

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The representatives of Border Roads Organization then withdrew)

16. After a brief introduction, a Power Point presentation on DGAFMS was made. The deliberations were held on the subject on following points:

- (i) Budgetary allocation and details regarding organizational structure of DGAFMS
- (ii) Mission of DGAFMS in delivery comprehensive medical care of the highest standard during operations as well as peacetime
- (iii) Mandate of the DGAFMS
- (iv) spread of the AFMS to the Army, Navy, Air Force, Coastguards, DRDO, Assam Rifles, NCC and Border Roads
- (iv) Healthcare establishments i.e. hospitals, sick bays and station medicare centres of DGAFMS
- (v) Echelon based medical care in AFMS
- (vi) Tele-consultation from ships and submarines as well as ambulances

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

(The representatives of DGAFMS then withdrew)

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

- (i) Budgetary allocation and overview of NCC
- (ii) Institutional training with primary focus on creating discipline and responsible citizen by NCC
- (iii) Annual training camps
- (iv) Organizing various camps i.e. Ek Bharat Shrestha Bharat, All India Thal Sainik Camp, India Vayu Sainik Camp, Advance Leadership Camp, Republic Day Camp
- (v) attachment of cadets to Army, Navy, Air Force units
- (vi) Training syllabus covering subjects i.e. National integration, social awareness, hygiene, disaster management
- (vii) weapon training and drill
- (viii) new initiatives i.e. drone training and cyber training

- (ix) skilled monthly start-up camps to inculcate a spirit of entrepreneurship and orientation and to promote new ideas
- (x) Adventure camps
- (xi) trekking camps, mountaineering, and microlight flying

Thereafter, the Membes raised clarifications on the issues related to budgetary allocations to which the representatives of the Ministry responded.

18. 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.

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2025-26)

**MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2025-26)**

The Committee sat on Friday, the 20th February, 2026 from 1100 hrs. to 1530 hrs. in Main Committee Room, 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 Mohammad Haneefa
6.	Ms. S. Jothimani
7.	Shri Shashank Mani
8.	Shri Jagadish Shettar
9.	Shri Virendra Singh
10.	Shri Kesineni Sivanath
11.	Shri Richard Vanlalhmangaiha
	<i>Rajya Sabha</i>
12.	Shri Naresh Bansal
13.	Shri Muzibulla Khan
14.	Dr. Ashok Kumar Mittal
15.	Shri Ujjwal Deorao Nikam
16.	Dr. Sudhanshu Trivedi

SECRETARIAT

1. Smt. Jyochnamayi Sinha — Joint Secretary
2. Shri Amrish Kumar — Director
3. Shri Ajay Kumar Prasad--- Deputy Secretary

Ministry of Defence
LIST OF WITNESSES

Sl. No.	Name &	Designation
1.	<u>DPSUs</u>	
01	Shri Sanjeev Kumar	Secretary (DP)
02	Shri Raj Kumar Arora	FADS
03	Shri Dinesh Mahor	AS(DP)
04	Ms. Manisha Chandra	JS(Aero)
05	Dr D K Sunil	CMD HAL
06.	Shri Manoj Jain	CMD BEL
07	Cmde A Madhavrao	CMD BDL
08.	Shri Shantanu Roy	CMD BEML Ltd.
09.	Dr S.V.S. Narayana Murty	MIDHANI
10.	Capt Jagmohan	CMD, MDL
11.	Cmde P R Hari	CMD, GRSE
12.	Shri Brajesh Kumar Upadhyay	CMD GSL
13.	Cmde Hemant Khatri	CMD, HSL
14.	Shri Anil Kumar	DDG
15.	Shri Rajeev Prakash	JS(NS)
16.	Shri Amit Satija	JS(DIP)
17.	Smt. Ishita Ganguli Tripathy	Addl. FA & JS
18.	Shri Siddhartha Singh Longjam	AS & FA(Acq)
19.	Shri Eddie Lalrinliana Khawlhing	Addl. FA & JS
20.	Shri Sanjay Kumar	Addl. FA & JS
21.	Shri Amitabh Ranjan Sinha	Addl. FA & JS
22.	Ms. Meera Mohanty	JS(P&C)

2. New DPSUs

1	Shri Sanjeev Kumar	Secretary (DP)
2	Shri Raj Kumar Arora	FADS
3	Shri Dinesh Mahor	AS(DP)
4	Dr. Garima Bhagat	Joint Secretary (Land Systems)
8	Smt. Ishita Ganguli Tripathy	Addl. FA & JS
6	Shri Shrish Kumar	Addl. DGO (C&S)
7	Ms. Sunita Mansukhani	DDG(Budget)
8	Shri Rakesh Kumar Tiwari	Sr. DDG (NDCD)
9	Shri Sanjay Hazari	CMD MIL
10	Shri Sanjay Dwivedi	CMD AVANI
11	Shri Umesh Singh	CMD AWEIL
12	Dr. Sunil Date	CMD TCL
13	Shri M. C. Balasubramaniam	CMD GIL
14	Shri Vijay Kumar Iyer	CMD YIL
15	Shri Tushar Tripathi	CMD IOL
16	Shri Manoj Kumar Singh	DDG(NDCE-I)
17	Shri Neeraj Agrawal	DDG & OSD(DOMW)

3. DGQA & DGAQA

1.	Shri Sanjeev Kumar	Secretary (DP)
2	Shri Raj Kumar Arora	FADS
3	Shri Dinesh Mahor	AS(DP)
4	Dr. Garima Bhagat	Joint Secretary (Land Systems)
5	Ms. Manisha Chandra	JS(Aero)
6	Smt. Ishita Ganguli Tripathy	Addl. FA & JS

7	Shri N Manoharan	DG, DGQA
8	Smt. Neena Mishra	PD(Budget)
9	Brig S J Varughese	Offg ADG QA(PP&T)
10.	Shri Nagaraja RB	Director General, DGAQA
11.	Shri C Ramesh	Addl. Director General, DGAQA

4. DRDO

1	Dr. Samir Venkatpati Kamat	Secretary (DDR&D) & Chairman DRDO
2	Shri Raj Kumar Arora	FADS
3	Smt. Ishita Ganguli Tripathy	Addl. FA & JS
4	Shri Lal Chand Mangal	DS & DG(TM)
5	Dr (Ms) Chandrika Kaushik	DS & DG (PC &SI)
6	Dr. Mayank Dwivedi	OS & DG(HR)
7	K,Dr. Ravindra Singh	OS & DG(R&M)
8	Sh. Vipin Kumar Kaushik	OS & Director, DRPPI
9	Dr. Sumit Goswami	Sc 'G' & Director, P&C
10	Dr. Maiya Din	Sc 'G' & Director, DFMM

5. Ex-Servicemen Welfare

1	Ms. Sukriti Likhi	Secretary (ESW)
2	Shri Raj Kumar Arora	FADS
3	Air Marshal Manoj Kumar Mehra	ACAS(Accounts & AV)
4	Lt Gen VPS Kaushik	Adjutant General
5	Lt Gen Ulhas Kirpekar	DGFP
6	Shri Vishvajit Sahay	CGDA
7	Shri Kanwaldeep Singh	PCDA(Pension)
8	Shri Ajay Kumar	Jt. Secretary, ESW

9	Smt. Ishita Ganguli Tripathy	Addl. FA & JS
10	Maj Gen TS Bains	ADGFP
11	Rear Admiral Aditya Hara	ACOP (AC)
12	Maj Gen SBK Singh	DG(R)
13	Maj Gen Anil Chandel	MD, ECHS
14	Smt. Molly Sengupta	Jt. CGDA(Pension)
15	Brig DS Basera	Secretary, KSB

2. At the outset, the Chairperson welcomed the representatives of Ministry of Defence to the Sitting of the Committee convened to deliberate upon Defence Public Sector Undertakings (DPSUs), Directorate of Ordnance(Coordination and Services)-New DPSUs, Directorate General of Quality Assurance (DGQA), Directorate General of Aeronautical Quality Assurance (DGAQA), in connection with examination of Demands for Grants of the Ministry of Defence for the year 2026-27.

3 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.

4. After formal introduction, the Secretary, Defence Production initiated the discussion by highlighting the works of the department which includes production and promotion of defence equipments in country, attracting more companies including DPSUs and private sector companies towards defence sector to create an adequate supply chain, encouraging export of defence products and briefly highlighted various steps taken towards indigenization and self reliance. Thereafter, the secretary sought permission from the Committee to present a detailed presentation through PPT by the Joint Secretary of the Department. The highlights of the presentation given by the Joint Secretary are as under:

(i) mandate of the department is to achieve self reliance in design, development and production of defence equipment, to promote indigenization, to promote export, to improve R&D, promote innovations, to increase public & private sector participation including MSMEs & Startups and to improve investments including FDI.

(ii) Self Reliance/ Indigenisation Initiatives through Make Pocedures(Make-I/II/III) to promote indigenous design, development and manufacturing, SRIJAN portal to bring private industry into indigensiation drive, notification of 5 Positive Indigenisation List, Launch of Innovation for Defence Excellence (iDEX) to foster innovation and technology development by engaging MSMEs and Startups etc.

(iii) Initiatives taken for Export promotion- Streamlining of SOP for ease of business, setting up of Defence Export Promotion Wing, export to almost 100 nations, promotion of Brand India scheme through Defence Attaches and Export value of Rs. 27085 achieved till 31.01.2026.

(iv) Defence manufacturing licensing have been streamlined resulting in drastiv reduction in processing time from 8 weeks to 4 weeks. 824 industrial licences issued so far.

(v) Other major reforms – Defence testing portal, launch of Digital Database of Indian Defence Companies, R&D roadmap for DPSUs for next 5yrs., setting up strategic material bank of critical materials.

(vi) Major achievements- Defence production of more than 1 lakh crore and export of Rs 27,000 crore crossed till 31.12.2025, 15,500 plus items indigenised.

5. Thereafter, a Power Point Presentation was made by the CMDs of all nine Defence Public Sector Undertakings (DPSUs) viz. Hindustan Aeronautics Limited, Bharat Electronics Limited, Bharat Dynamics Limited, BEML Limited, Mishra Dhatu Nigam Limited, Mazagon Dock Shipbuilders Limited, Garden Reach Shipbuilders and Engineers Limited, Goa Shipyard Limited, and Hindustan Shipyard Limited. Focus of their presentation was on overview, financial performances, major achievements, major projects/orders ongoing/completed, R&D and Exports. This was followed by detailed deliberations on the following issues:

- (i) Time bound delivery of critical projects.
- (ii) Order Book position.
- (iii) Use of AI in defect detection in manufacturing line.
- (iv) increasing share of export by DPSUs in India's export.
- (v) allocation for R&D.
- (vi) CSR Spending by DPSUs.
- (vii) Impact of accidents on orders.
- (viii) reserve of rare materials which are useful for defence equipment and production.
- (ix) increasing production of naval fleets and submarines.
- (x) Profitability of DPSUs.
- (xi) Focus on Indigenisation and self reliance.
- (xii) Structured coordination between DPSUs and Private sector on defence as well as civilian production to make India a global manufacturing hub.
- (xiii) periodic technical assessment and adaptive allocation.

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

6. After introduction of the representative of Directorate of Ordnance (Cord. & Serv.), a brief overview regarding seven new DPSUs was presented by the Joint Secretary. Then CMDs of all new DPSUs made a Power Point Presentation before the Committee highlighting their financial position including revenue and order books. This was followed by detailed deliberations on the following issues:

- (i) CAPEX support to new DPSUs.
- (ii) Overlapping of products produced by new DPSUs.

- (iii) Export by new DPSUs.
- (iv) Source of raw materials.
- (v) manufacturing of anti land mine vehicles.
- (vi) Indigenisation.
- (vii) Expenditure on R&D.
- (viii) Issue of Merger and difficulties faced by employees.

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

7. The Director Generals of DGQA and DGAQA gave an overview of their respective organizations with the help of a Power Point Presentation highlighting the role and functions of both the organizations along with budgetary allocation made and the funds utilized which was followed by deliberations on the following issues/topics:

- (i) Extent of role of DGAQA.
- (ii) Underlying issues behind the crash of legacy aircrafts and trainers aircrafts.
- (iii) Operational clearance for indigenous platforms like Tejas and LCH.
- (iv) Nature of quality assurance in foreign collaboration projects.

(The witnesses then withdrew and representatives of Ministry and Defence Research and Development Organisation (DRDO) came in after the lunch break)

8. The Chairperson welcomed the representatives of Ministry of Defence to the Sitting of the Committee convened to deliberate upon Defence Research and Development Organisation (DRDO), Defence Pension, Welfare of Ex-Servicemen, Ex-servicemen Contributory Health Scheme (ECHS) in connection with examination of Demands for Grants of the Ministry of Defence for the year 2026-27.

9. 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.

10. The representatives of the Department of Defence R&D gave an overview of the the organization with the help of a Power Point Presentation highlighting their financial overview comprising of budgetary allocation and expenditures, which was followed by deliberations on the following issues/topics:

- (i) Role of DRDO in changing scenario.
- (ii) Retention of scientists in light of salary of their counterparts in private sector.

- (iii) Commercialization of cutting-edge innovation and research for obtaining financial self sufficiency.
- (iv) Development of ICBM.
- (v) Increasing budgetary support up to 10% of defence budget and optimum utilization of sanctioned allocations.
- (vi) Partnership with academia, startups and industries.
- (v) Support to agriculture and allied sectors through research.
- (vi) Timely completion of R&D projects.
- vii) Conceptualisations of emerging/invisible/ unforeseen technologies.

11. After concluding discussion on Department of Defence R&D, representatives of Department of Ex-Servicemen Welfare (Defence Pension, Welfare of Ex-Servicemen & Ex-Servicemen Contributory Health Scheme (ECHS) gave an overview of the organization with the help of Power Point presentation highlighting administrative and financial matters relating to Armed Forces Veterans (Ex- Servicemen) including pensioners, Armed Forces Veterans (Ex- Servicemen) Contributory Health Scheme (ECHS) and Matters relating to Directorate General of Resttlements. This was followed by detailed deliberations on the following issues/topics:

- (i) Clearance of Pending bills of empanelled hospitals.
- (ii) Shortfall of medical specialists in polyclinics.
- (iii) Clearance of OROP dues.
- (iv) Reconsideration of issues relating to bringing Disability Pension in under Income Tax.
- (v) Relaxation of age limit for Ex- Servicemen for UPSC exams.
- (vi) Reservation for Children of Ex-Servicemen in education.
- (vii) Employment of Ex Servicemen.
- (viii) Setting up of ECHS facilities in Kargil districts.
- (ix) Upgradation of Polyclinics.
- (x) Reform in referral system for ECHS beneficiaries.
- (xi) Mobile Polyclinics.
- (xii) Increasing allocation for serious disease/ cancer/ dialysis grants.
- (xiii) Ensuring benefits of rightful claims of veterans.

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

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

The Committee then adjourned.

STANDING COMMITTEE ON DEFENCE (2025-26)

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON
DEFENCE (2025-26)**

The Committee sat on Monday, the 16th March, 2026 from 1600 hrs. to 1616 hrs. in the Committee Room No. '62', Samvidhan Sadan, New Delhi.

PRESENT

Shri Radha Mohan Singh - **Chairperson**

MEMBERS

Lok Sabha

- | | |
|----|--|
| 2 | Dr. Rajeev Bharadwaj |
| 3 | Shri Karti P. Chidambaram |
| 4 | Shri Lumbaram Choudhary |
| 5 | Captain Viriato Fernandes |
| 6 | Shri Rahul Gandhi |
| 7 | Shri Ravindra Shukla Alias Ravi Kishan |
| 8 | Shri Shashank Mani |
| 9 | Smt. Mahua Moitra |
| 10 | Shri Jagadish Shettar |
| 11 | Shri Virendra Singh |
| 12 | Shri Richard Vanlalhmangaiha |

Rajya Sabha

- | | |
|----|----------------------------|
| 13 | Shri Naresh Bansal |
| 14 | Shri Damodar Rao Divakonda |
| 15 | Shri Muzibulla Khan |
| 16 | Dr. Sudhanshu Trivedi |

SECRETARIAT

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

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

- (i) **Demands for Grants of the Ministry of Defence for the year 2026-27 on 'General Defence Budget, Border Roads Organisation, Indian Coast Guard, Defence Estates Organisation, Welfare of Ex-Servicemen and Defence Research and Development Organisation (Demand Nos. 19, 20 and 21)';**
- (ii) **Demands for Grants of the Ministry of Defence for the year 2026-27 on 'Army, Air Force, Navy, Joint Staff, Ex-Servicemen Contributory Health Scheme and Director General of Armed Forces Medical Services (Demand Nos. 20 and 21)';**
- (iii) **Demands for Grants of the Ministry of Defence for the year 2026-27 on 'Capital Outlay on Defence Services, Defence Planning, Procurement Policy and Defence Pensions (Demand Nos. 21 and 22)';**
- (iv) **Demands for Grants of the Ministry of Defence for the year 2026-27 on 'Defence Public Sector Undertakings, Directorate of Ordnance (Coordination and Services–New DPSUs), Directorate General of Quality Assurance, Directorate General of Aeronautical Quality Assurance and National Cadet Corps (Demand Nos. 20 and 21)'; and**
- (v) **Draft Report on the subject 'Review of Sainik Schools, Rashtriya Indian Military College (RIMC) and Rashtriya Military Schools'.**

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.
