

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3013**  
TO BE ANSWERED ON 09<sup>th</sup> August, 2024

**BUDGET ALLOCATION FOR DEFENCE SECTOR**

3013 SMT. SANGEETA KUMARI SINGH DEO:  
SMT. PRATIMA MONDAL:

Will the Minister of DEFENCE be pleased to state:

- (a) the reasons for silence on defence allocation in the current budget;
- (b) whether the Government has made an allocation of more than Rs. 6.22 lakh crore for Defence in Union Budget 2024-25;
- (c) if so, the details thereof;
- (d) the other steps being taken by the Government for development of the defence sector in the country; and
- (e) the details of the initiatives taken by the Government to address the concerns of the armed forces?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI SANJAY SETH)

(a) to (c): Allocation for Defence was part of “Demand for Grant” which was laid in the Parliament in this ongoing Budget Session. As per this document, the allocation made to Ministry of Defence for financial year 2024-25 under four Grants, is Rs. 6,21,940.85 Crore. Grant-wise allocation of Budget Estimate (BE) 2024-25 (Net) is as follows: -

(Rs. in Crore)

Grant 19- Ministry of Defence ( Civil)	Grant 20- (Defence Services Revenue)	Grant 21-(Capital Outlay on Defence Services)	Grant 22- (Defence Pension)	Total
25,963.18	2,82,772.67	1,72,000.00	1,41,205.00	6,21,940.85

...2/-

(d): The Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, thereby promoting self-reliance in defence manufacturing & technology in the country. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of five 'Positive Indigenization Lists' of total 509 items of Services and five 'Positive Indigenization Lists' of total 5012 items of Defence Public Sector Undertakings (DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment (FDI) policy allowing 74% FDI under automatic route; Simplification of Make procedure; Launch of Innovations for Defence Excellence (iDEX) scheme involving Startups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely Self-Reliant Initiatives through Joint Action (SRIJAN) to facilitate indigenization by Indian Industry including MSMEs; Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Opening up of Defence Research & Development (R&D) for industry & startups. In addition, out of the total allocation of Rs. 1,40,691.24 Crore under Capital Acquisition (Modernization) Segment, an amount of Rs. 1,05,518.43 Crore (75%) has been earmarked for Domestic Procurement in BE 2024-25.

(e): Funds are allocated to the Services/Organizations, taking into consideration the projections made by the services & expenditure incurred in the past, committed liabilities, approval stage of various projects/schemes etc. The final estimates are arrived at on the basis of scrutiny and pre-budget meetings. Keeping this in view the total Budget allocation made to Ministry of Defence is Rs. 6,21,940.85 Crore, details of which have been mentioned in part (a) to (c) of the instant reply. In case of any further requirement, additional funds are sought at supplementary/Revised Estimates stages and through re-prioritization. Further, preparedness of the Defence Forces is the first and foremost priority of the Ministry and it is ensured that critical requirements of services do not suffer due to want of the funds.

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