

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2444**  
TO BE ANSWERED ON 08<sup>th</sup> August, 2022

**DEFENCE BUDGET AND PRIORITIES**

2444 SHRI JAWHAR SIRCAR:

Will the Minister of Defence be pleased to state:

- (a) the reasons that the defence budget for 2022-23 reduced the capital allocation for the army by 12 per cent or more than ₹ 4,000 crore;
- (b) whether the navy's share of budget has increased by over ₹ 3,000 crore, including a 43 percent rise in its modernisation funds;
- (c) whether Government is more alert to the naval challenges;
- (d) whether India's membership of Quad will lead to further modernisation of the Indian Navy; and
- (e) how Government intends to utilise 68 percent of the defence modernisation fund for domestic industry?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): On the basis of overall ceilings received, funds are allocated to Army, Navy & other Services/ Organisations taking into consideration pace of expenditure, pending committed liabilities, critical requirements, approval stage of various projects/schemes, Inter-Services priorities etc. Therefore, increase/decrease in allocation over previous years does not imply that one Service is given priority over other Service(s) /Organisation(s). Considering the pace of expenditure, pending Committed Liabilities, likely outgo in current financial year, lesser funds were allocated to Army and more funds were allocated to Navy in comparison to previous financial year. The expenditure position of the Services is monitored at regular intervals. If required, additional funds are sought during the course of the financial year at Supplementary/RE stage(s). Also if required, through reprioritization, it is ensured that urgent and critical capabilities are acquired without any compromise to operational preparedness of the Defence Services.

(d): No, Sir. The Quad is a plurilateral framework with participation of India, Australia, Japan and the United States of America to uphold our shared vision of a free, open and inclusive Indo-Pacific region. The Quad has a positive and constructive agenda which seeks to address contemporary priorities to ensure peace, prosperity and development of the Indo-Pacific region.

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(e): In line with the Government's philosophy of "Atmanirbhar Bharat", the Ministry of Defence had earmarked 68% of the Capital Procurement budget (Rs. 84,597.89 Crore) for domestic industry in the current FY 2022-23. Further, in continuation of Government's efforts to promote Private Industry, MSMEs and Start-ups in defence production ecosystem, 25% of Domestic Capital procurement/Acquisition Budget, amounting to Rs. 21,149.47 Crore, has been earmarked for Domestic Private Industry in the Financial Year 2022-23. Also, to foster innovation and encourage technology development in Defence, an amount of Rs. 1,500 Crore has been earmarked for procurement from Start-ups, including iDEX Start-ups, from within the allocations for Domestic Capital Procurement.

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