

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE

**LOK SABHA**

**UNSTARRED QUESTION NO. 1484**  
TO BE ANSWERED ON 28<sup>th</sup> July, 2023

**SHORTFALL IN DEFENCE BUDGET**

1484. SHRI MANISH TEWARI:

Will the Minister of DEFENCE be pleased to state:

- (a) the estimated shortfall in the allocation for Defence Services for the year 2023-2024, along with the measures taken by the Ministry to overcome this shortfall;
- (b) the details of the amount budgeted for reorganising the Armed Forces into Theatre Commands and for other defence reforms in the current financial year;
- (c) the steps taken by the Ministry to create a Non-Lapsable Defence Modernization Fund as envisaged by the 15th Finance Commission to tackle the existing shortfall in the defence budget;
- (d) whether the Non-Lapsable Fund would be effective in addressing the existing shortfall in the defence budget, if so, the details thereof; and
- (e) whether the Government has conceptualised a Long Term Perspective Plan for Defence Modernisation and acquisition, if so, the details thereof?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): In Budget Estimates (BE) 2023-24, against the projections of Rs. 4,65,460.49 Crore, an amount of Rs. 4,32,720.14 Crore (92.97% of the projections) has been allocated to Ministry of Defence under Defence Services Estimates (Grant No. 20 and 21). Funds are allocated to the Services/ Organizations, taking into consideration 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. Though the allocations received are not as per the projections made, however, based on the requirement, additional funds are sought at Supplementary/Revised Estimates stages and through re-prioritization.

(b): There is no separate allocation in Current Financial year 2023-24 for re-organising the Armed Forces into Theatre Commands. However, the total allocation in respect of Joint Staff

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(HQ IDS) for the FY 2023-24 is Rs. 6,060.45 Crores. Introduction of Agnipath Scheme in Defence Forces is one of the major reforms for which budgetary provisions has been made in the Budget Estimate of Financial year 2023-24 and a total amount of Rs. 4,266.14 Cr has been allotted for this scheme. Out of this allocation, Rs 3800 Cr, Rs 166.14 Cr and Rs 300 Cr has been further allotted to Army, Air Force and Navy respectively under this Scheme. Atmanirbharta is another major reform aimed to achieve self-reliance in defence manufacturing and technology in the country. During FY 2023-24, out of total modernization budget, 75% (Rs. 99,223.03 Cr) has been earmarked for procurement through domestic sources and Rs. 33,078.24 Cr has been earmarked for procurement through foreign sources. Out of total share for procurement through domestic sources, Rs. 24,805.75 Cr (25% of Rs. 99,223.03 Cr) has been earmarked for procurement through domestic private industries.

(c) & (d): Article 112-114 & 266 of the Constitution of India provide that no money can be spent by the Government from Consolidated Fund of India without authorization through an Annual Budget presented before the Parliament. Since authorization under the Appropriation Act is meant for that particular financial year, the same does not allow operationalization of Public Fund which is non-lapsable in nature. In this regard, separate mechanism is being worked out by the Ministry of Finance in consultation with Ministry of Defence, to explore a special dispensation to Ministry of Defence to operationalize a non-lapsable Defence Modernization Fund.

(e): The current Long Term Integrated Perspective Plan (LTIPP) for Defence Modernisation & acquisition which lays down broad guidelines for the Acquisition plans over a period of 15 years, has now been replaced with 10 years ICDP (Integrated Capability Development Plan). Two Defence Capital Acquisition Plan (DCAP) of five years each would be derived from 10 years ICDP approved by DAC. Further, a two year roll-on Annual Acquisition Plan (AAP) is also prepared every year approved by Defence Procurement Board (DPB). Currently, AAP (2023-25) is in vogue.

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