

Atmanirbhar Bharat

Shaping India's Defence

Budget for 2024-25

The Indian Defence Budget for 2024-25 reflects the nation's commitment to self-reliance through Atmanirbhar Bharat

India's Defence Budget for the fiscal year 2024-25 underscores a strategic shift towards self-reliance, aligning with the vision of Atmanirbhar Bharat. The budget, pegged at Rs 6.21 lakh crore, marks a significant increase from previous years, emphasizing the government's focus on enhancing domestic defence manufacturing capabilities and reducing reliance on foreign imports.

Major Allocations and Focus Areas

The allocation for defence research and development has seen a substantial increase, with Rs 30,000 crore earmarked for the Defence Research and Development Organisation (DRDO). This funding aims to foster innovation and expedite the development of indigenous defence technologies. Key projects include the development of next-generation fighter jets, unmanned aerial vehicles (UAVs), and advanced missile systems.

The capital outlay for modernisation and acquisition of new equipment has been set at Rs 1.72 lakh crore. This allocation will support the procurement of advanced weaponry, including artillery systems, naval vessels, and aircraft, with a significant portion dedicated to platforms developed under the Make in India initiative. The focus on indigenous procurement is expected to boost local manufacturing and create a robust defence industrial base.

Boosting Indigenous Manufacturing

The Defence Budget 2024-25 has laid consider-

DEFENCE ALLOCATION (In ₹ crore)



able emphasis on boosting indigenous manufacturing. The government has introduced several policy measures to support local industries, including increasing the Foreign Direct Investment (FDI) limit in the defence sector to 74% under the automatic route. This move is expected to attract global defence companies to set up manufacturing units in India, facilitating technology transfer and creating a skilled workforce.

The Defence Production and Export Promotion Policy (DPEPP) aims to achieve a turnover of Rs1.75 lakh crore in aerospace and defence goods and services by 2025. The policy encourages the participation of small and medium enterprises (SMEs) in defence manu-

facturing, providing them with access to funding and technology.

Encouraging Private Sector Participation

Private sector participation is crucial for the success of Atmanirbhar Bharat in defence. The budget has outlined incentives for private companies to enter the defence sector, including tax benefits and simplified procurement processes. The establishment of Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu is a significant step towards creating an ecosystem for defence manufacturing, providing infrastructure and support to private players.