



Ministry of Defence



Defence gets Rs 5.94 lakh crore in Budget 2023-24, a jump of 13% over previous year

Operational allocation of the Armed Forces gets unprecedented jump

Rs 1.38 lakh crore allocated for Defence Pensions

Capital outlay pertaining to modernisation & infrastructure development increased to Rs 1.62 lakh crore; 57% rise since 2019-20

Capital Budget of BRO enhanced by 43% to Rs 5,000 crore; At Rs 23,264 crore, allocation to DRDO increased by 9%

iDEX gets Rs 116 crore, an enhancement of 93% over 2022-23, to further foster innovation

EEE status provided to Agniveer Fund

Raksha Mantri Shri Rajnath Singh terms Union Budget 2023-24 as growth-oriented; Says, it will help in achieving the Government's goal of making India a \$5 trillion economy within few years

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The Armed Forces have to be battle ready to meet any eventuality. Towards that end, Non-Salary revenue outlay has been enhanced significantly from Rs 62,431 crore in Budget Estimates (BE) 2022-23 to Rs 90,000 crore in BE 2023-24, representing a 44% jump. This expenditure is expected to close critical gaps in the combat capabilities and equip the Forces in terms of ammunition, sustenance of weapons & assets, military reserves etc. This Budget has also sustained the thrust on Modernisation and Infrastructure Development of the Defence Services, by continuing an upward trend in Capital Outlay.



The Union Budget for Financial Year 2023-24 envisages a total outlay of Rs 45,03,097 crore. Of this, Ministry of Defence has been allocated a total Budget of Rs 5,93,537.64 crore, which is 13.18 % of the total budget. This includes an amount of Rs 1,38,205 crore for Defence Pensions. The total Defence Budget represents an enhancement of Rs 68,371.49 crore (13%) over the Budget of 2022-23.

Highlights:

v. **Increase in the Non-Salary/operational allocations**

- In keeping with the Government's resolve and focus towards maintaining a high level of Operational Preparedness of the Defence Services to face current and future challenges, the Non-Salary Revenue/operational allocation gets a boost of Rs 27,570 Crore, with the budgetary outlay under this segment augmented from Rs 62,431 crore in BE 2022-23 to Rs 90,000 crore in BE 2023-24. This will cater to sustenance of Weapon Systems, Platforms including Ships/Aircrafts & their logistics; boost fleet serviceability; emergency procurement of critical ammunition and spares; procuring/hiring of niche capabilities to mitigate capability gaps wherever required; progress stocking of military reserves, strengthening forward defences, amongst others.
- As a precursor to this increase in the Non-Salary Revenue segment, the government during the Mid-term review had also enhanced the operational allotments of the current financial year by Rs 26,000 crore, which works out as 42% of the present allocation. This unprecedented increase in the Revised Estimates 2022-23 has ensured liquidation of the entire carry over liabilities during the current year thereby ensuring that there is no dent in the next year's operational outlay of the Services.
- The enhanced allocations in the Budget will also cater to Training Aids & Simulators for Agniveers and ensure that they achieve the set standards of training for induction in the Defence Forces.

v. **Thrust on Modernisation & Infrastructure Development Sustained in Union Budget 2023:**

In the Union Budget 2023-24, the Capital Investment Outlay has been increased steeply for the third year in a row by 33 per cent to Rs 10 lakh crore, which would be 3.3 per cent of GDP. This will be almost three times the outlay in 2019-20.

Accordingly, the Capital Allocations pertaining to modernisation and infrastructure development of the Defence Services has been increased to Rs 1,62,600 crore representing a rise of Rs 10,230 crore (6.7%) over FY 2022-23. Also, the increase in the Capital Budget since 2019-20 has been Rs 59,200 crore (57%). This increase is a reflection of the Government's commitment towards sustainable augmentation in the area of modernisation & infrastructure development of the Defence Services.

- **MoD is committed towards infrastructure strengthening in the Border Areas, particularly the Northern Borders.** Accordingly, the Capital Budget of Border Roads Organisation (BRO) has been increased by 43% to Rs 5,000 crore in FY 2023-24 as against Rs 3,500 crore in FY 2022-23. Also, the allocation under this segment has doubled in two years since FY 2021-22. This will boost the Border infrastructure thereby creating strategically important assets like Sela Tunnel, Nechipu Tunnel & Sela-Chhabrela Tunnel and will also enhance border connectivity.

v. **Recognising the crucial role of Research, Innovation and Technological development towards capacity building of the Armed Forces as well as fueling India's Mission of**



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- Towards strengthening Research and Development in Defence, the allocation to DRDO has been enhanced by 9%, with a total allocation of Rs 23,264 crore in BE 2023-24.
- To further foster innovation, encourage technology development and strengthen the Defence Industrial ecosystem in the country, iDEX and DTIS have been allocated Rs 116 crore and Rs 45 crore respectively representing an enhancement of 93% for iDEX and 95% for DTIS over 2022-23. This will fulfill the Ministry of Defence's vision to leverage ideas from bright young minds across the country.
- The Union Budget 2023-24 has announced a National Data Governance Policy to unleash innovation and research by start-ups and academia. This will enable access to anonymized data which will further boost the Defence Start-ups and iDEX scheme.
- The Union Budget 2023-24 has also announced that the revamped Credit Guarantee scheme for MSMEs which will take effect from 1st April 2023 through infusion of Rs. 9,000 Crore in the corpus. This will enable additional collateral-free guaranteed credit of Rs 2 lakh crore. Further, the cost of the credit has also been reduced by about 1 per cent. This scheme will give a further fillip the MSMEs associated with the Defence Sector.

vi. **Budgetary provision to comprehensively raise the overall ease of living for our esteemed veterans**

- The Defence Pension Budget registers a notable jump of 15.5 % in FY 2023-24. In absolute terms, this amount is Rs 1,38, 205 Crore in BE 2023-24 against Rs 1,19,696 crore in BE 2022-23. Further, RE 2022-23 allocations at Rs 1,53,415 crore records a significant jump of 28%, amounting to Rs 33, 718 crores. This includes an amount of Rs 28,138 Crore to meet the requirement on account of revision of Armed Forces Pensioners/ Family Pensioners under One Rank One Pension (OROP).
- Towards the Government's commitment in transforming Healthcare outreach to our veterans, Defence Budget 2023-24 registers a notable increase of 52% in the allotment for Ex-Servicemen Contributory Health Scheme (ECHS) with BE allocation of Rs. 5431.56 Crore in FY 2023-24 against Rs. 3582.51 Crore in FY 2022-23. This enhancement will ensure 'Cashless Health Services' and improved 'Service Delivery' to our veterans and their dependents across India.

v. **Welfare of Agniveers**

- The Union Budget 2023-24 has provided Exempt-Exempt-Exempt (EEE) status to the Agniveer Fund.

Through a series of tweets, Raksha Mantri Shri Rajnath Singh congratulated Finance Minister Smt Nirmala Sitharaman for presenting a growth-oriented Union Budget for FY 2023-24, stating that priority has been given to provide support to farmers, women, marginalised sections and the middle class, under the leadership of Prime Minister Shri Narendra Modi.

The Union Budget for 2023-24 presented by FM Smt. @nsitharaman under the guidance of PM Shri @narendramodi is focused on growth and welfare, with a priority to provide support to farmers, women, marginalised sections and the middle class.#VanchitonKoVariyata

— Rajnath Singh (@rajnathsingh) February 1, 2023



Shri Rajnath Singh asserted that the Budget demonstrates the government's commitment towards supporting growth and welfare oriented policies that will benefit all sections of society including small businesses owners, farmers, and professionals alike.

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— Rajnath Singh (@rajnathsingh) February 1, 2023

The Raksha Mantri exuded confidence that the Union Budget 2023-24 will help in achieving the Government's goal of making India a \$5 trillion economy and among the world's 'Top Three' economies within a few years.

The Union Budget 2023-24 is expected to bring about positive changes in the country that will lead us towards achieving our goal of becoming a \$5 trillion economy and 'Top Three' economies within few years.

— Rajnath Singh (@rajnathsingh) February 1, 2023

By creating jobs through investments in infrastructure projects paired with increased spending on agriculture, housing, healthcare and manufacturing sectors will help create more opportunities for everyone and help in driving economic growth further ahead!

— Rajnath Singh (@rajnathsingh) February 1, 2023

The increase in Income Tax exemption limit to Rs 7 lakhs and several other tax related reforms will provide a huge relief to middle class including salaried individuals and retired people. I congratulate the FM and thank Pradhanmantri ji for taking this people friendly decision.

— Rajnath Singh (@rajnathsingh) February 1, 2023

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