



Major Defence Procurement Approval | Jammu & Kashmir | 07 Sep 2024

Why in News?

Recently, [India's Defence Council](#) approved military hardware procurement worth **Rs 1.45 lakh crore**, emphasizing indigenous suppliers for modernizing the forces.

Key Points

- **Indigenous Procurement Focus:** 99% of the funds will be spent on indigenous suppliers.
- **Major Approvals:**
 - 1,770 Future-Ready Combat Vehicles (FRCVs) for the [Indian Army](#)
 - Construction of seven additional [Project-17B](#) stealth frigates for the navy.
 - Acquisition of 26 [Rafale-M](#) fighters for [INS Vikrant](#)
- **Additional Procurements:**
 - Air defence fire control radars.
 - Equipment for cross-country mobility, such as forward repair team (tracked) vehicles.
 - Upgraded capabilities for the [Indian Coast Guard](#), including Dornier-228 aircraft and next-generation patrol vessels.
- **Procurement Categories:**
 - [Indian-IDD](#) (Indigenously Designed, Developed, and Manufactured)
 - **Buy (Indian):** Includes products with 50% or 60% indigenous content, depending on design and development.
- **Self-Reliance Measures:**
 - Phased bans on imports of weapons and subsystems.
 - Increased [FDI](#) limit from 49% to 74%.
 - Separate budget allocation for locally made hardware.
- **2024-25 Defence Budget:**
 - Total allocation of Rs 6.22 lakh crore.
 - [Capital expenditure](#) of Rs 1.72 lakh crore, with Rs 1.05 lakh crore earmarked for domestic procurement.

Defence Acquisition Council

- The DAC is the highest decision-making body in the **Defence Ministry** for deciding on new policies and capital acquisitions for the three services (**Army, Navy and Air Force**) and the **Indian Coast Guard**.
- The Minister of Defence is the Chairman of the Council.
- It was formed, after the Group of Ministers recommendations on 'Reforming the National Security System', in 2001, post Kargil War (1999).