

# Daily Defence Current Affairs

## 02 February 2026

### Global Defence Majors Hail Rs 7.85 Lakh Crore Defence Budget

- Global and domestic defence giants on Sunday welcomed India's whopping defence outlay of Rs 7.85 lakh crore, saying it is in line with geo-strategic realities and will boost the combat prowess of the military.
- The nearly 22 per cent hike in capital budget combined with the government's decision to scrap basic customs duty on components and parts for production of civilian and other aircraft is being seen by industry as a major move.
- The government set aside Rs 7,84,678 crore as defence outlay for 2026-27 as against last year's allocation of Rs 6.81 lakh crore
- Out of the total allocation, Rs 2,19,306 crore has been earmarked for capital expenditure to the armed forces that largely includes purchasing new weapons, aircraft, warships and other military hardware. The capital outlay is 21.84 per cent more than the budget estimates of 2025-26.
- The capital outlay for defence services for the coming fiscal is almost 22% higher than what it was in the budget estimates ( ₹1.8 lakh crore) for the financial year 2025-26, and 17.61% more than the revised estimates ( ₹1.86 lakh crore), the budget documents show. This means India spent an additional ₹6,454 crore on new military hardware this year, mostly related to Operation Sindoora.
- The overall defence spending is 15.18% more than that in the budget estimates ( ₹6.81 lakh crore) for the financial year 2025-26, and 7.12% higher than the revised estimates ( ₹7.32 lakh crore).
- The most important aspect of the budget, he said, is its thrust on the modernisation of our three services. "As a result of this increase, our military capability will become even more powerful. The budget strengthens the balance between security, development, and self-reliance," he added.

- The allocation for 2026-27 includes a revenue expenditure of ₹3.65 lakh crore, a pension outlay of ₹1.71 lakh crore and an allocation of ₹28,554 crore for civil organisations under the defence ministry. It accounts for 1.99% of the country's projected gross domestic product (GDP) for 2026-27.
- A significant portion of the capital expenditure -- almost ₹63,734 crore -- has been earmarked for aircraft and aeroengines at a time when the Indian Air Force is looking at buying 114 French-origin Rafale jets to bolster its combat fleet. Jet engines for the light combat aircraft (LCA Mk-1A) will also contribute to the outgo.
- The budget has earmarked ₹1.39 lakh crore for buying weapons and equipment from domestic sources to boost self-reliance in the defence manufacturing sector, up from ₹1.11 lakh crore in 2025-26. The allocation for the Agnipath scheme under the revenue head has increased from 9,414 crore to ₹15,173 crore. The allocation for the Defence Research and Development Organisation (DRDO) has been increased from ₹26,816 crore to ₹29,100 crore, with ₹17,250 crore earmarked for capital expenditure.



## MHA Gets Rs 2.55 Lakh Crore in Budget

- The Union Budget 2026-27 on Sunday allocated over Rs 2.55 lakh crore to the Ministry of Home Affairs, reflecting an increase of around 9.44 per cent from the budget estimates of over Rs 2.33 lakh crore provided to it in 2025-26.
- The majority of the funds in the Budget announced by Finance Minister Nirmala Sitharaman for the ministry amount to Rs 1.73 lakh crore, with around 68 per cent allocated under the head 'Police'. This includes funding for the Intelligence Bureau, Central armed police forces like CRPF, BSF, ITBP and CISF, Border

development programs and funds for the police forces in Delhi and Jammu and Kashmir, among other areas.

- The Union Budget 2025-26 had allocated over Rs 2.33 lakh crore (BE) to the ministry helmed by Union Home Minister Amit Shah.
- The Intelligence Bureau (IB), responsible for internal intelligence, has been allocated Rs 6,782.43 crore in 2026-27, reflecting a massive 63 per cent increase compared to the Rs 4,159.1 crore it received in the last budget, according to the revised estimates.
- "This provision is for meeting the administrative expenses of the Intelligence Bureau, which ensures national security by collecting and analysing information on internal threats, terrorist activities and potential security risks," the Budget document said.
- Among the paramilitary forces, the Indo-Tibetan Border Police (ITBP), which guards the icy Himalayan border with China, received Rs 11,324.08 crore, marking the highest increase of approximately 14.7 per cent over the revised estimates of the last budget, where it received Rs 9,868.85 crore.
- The funds include Rs 225.80 crore under the capital section meant for the procurement of machinery, equipment and motor vehicles.
- The Central Reserve Police Force (CRPF) received Rs 38,517.9 crore, an increase of 3.39 per cent from the revised estimate of Rs 37,251.48 crore in 2025-26. The Border Security Force (BSF) was allocated Rs 29,567.64 crore, showing a negligible change from the previous budget.
- The Sashastra Seema Bal (SSB) was allocated Rs 10,984.51 crore, the CISF received Rs 15973.85 crore, and the Assam Rifles was allocated Rs 8,796.68 crore, also showing nominal increments from the Revised Estimates of the last budget.
- Additionally, Rs 95 crore has been allocated to the BSF Air Wing for aircraft, river boats, and helibases.
- The CRPF, the largest among the CAPFs, is primarily deployed for internal security duties, anti-terrorist operations in Jammu and Kashmir, and combating Naxalism in central and eastern India, as well as insurgency in the northeast. The

BSF is responsible for guarding over 6,000 km of borders with Pakistan and Bangladesh, and conducting internal security functions.

- The SSB secures the borders with Nepal and Bhutan, while the Assam Rifles protects India's border with Myanmar. The CISF is tasked with safeguarding vital installations such as nuclear plants, airports, and metro networks.
- The Delhi Police received Rs 12,503.65 crore, a nominal increase of around 0.78 per cent from Rs 12,405.70 crore in 2025-26.



## India and Arab Foreign Ministers Agree To Strengthen Joint Efforts

- The Indian and Arab Foreign Ministers on Saturday reviewed their mutual support in combating terrorism in all its forms, expressed appreciation for the initiatives undertaken by a number of Arab States in the areas of counter terrorism and transnational crime, and reaffirmed the principle of zero tolerance toward terrorism, which continues to constitute one of the most serious threats to international peace and security.
- 2. Recalling the deep historical and civilizational ties between the Arab world and India, rooted in shared heritage and robust diaspora connections, the two sides welcomed growing political, security, economic, developmental, cultural and people-to-people exchanges between India and the Arab States.
- This strong foundation paves the way for closer and mutually beneficial engagement between the two sides across a wide range of sectors such as energy including new & renewable energy, education, trade & investment,

research & innovation, healthcare, digital technologies, agriculture, space, startup, tourism etc.

- The two sides reaffirmed their commitment to safeguard international peace and security. They discussed a wide range of regional and global issues of mutual concern including the question of Palestine, support for multilateralism and respect for the sovereignty of states, counterterrorism efforts, and reforms of United Nations Security Council. The two sides emphasized the importance of international relations being founded on respect for the Charter of the United Nations, particularly the principles of sovereignty, territorial integrity, and non-interference in internal affairs.
- They expressed satisfaction on the progress made in the implementation of the Executive Program for 2016-17 including (i) 3rd Senior Official Meeting held virtually on 12 January 2021 (ii) 6th Arab-Indian Partnership Conference held in New Delhi in July 2023 (iii) 1st India-Arab University Presidents Conference held in India in February 2025 (iv) 2nd Arab-India Energy Forum (AIEF) in January 2026 in India
- The two sides emphasized the immense potential for wider bilateral cooperation across various sectors aimed at forging mutual beneficial partnerships and achieving shared goals of peace and prosperity for the people of the Arab world and India. They affirmed the commitment to implement the Executive Program of the Forum for the years 2026-2028, in order to further strengthen cooperation in different fields, including holding:
  - (i) 5th Senior Officials Meeting in one of the Arab States in 2027;
  - (ii) 2nd Arab-India University President's Conference in Ajman, UAE in February 2026;
  - (iii) 7th Arab-India Partnership Conference in 2026 in one of the Arab States;
  - (iv) 1st India-Arab Startup Conclave in India in 2027;
  - (v) The 3rd session of the India-Arab Cultural festival in India in 2026;
  - (vi) 3rd Arab-India Foreign Ministers' Meeting in one of the Arab States in 2028;
  - (vii) 1st Arab-India Health Partnership Conference in 2026 in one of the Arab States;

- (viii) 1st meeting of India-Arab Space Cooperation Working Group in 2027 in India;
- (ix) 3rd Arab-India Energy Forum in 2027 in one of the Arab States;
- (x) 1st India-Arab Agriculture & Food Security Partnership Conference in India in 2027;
- (xi) 1st India-Arab Tourism Working Group Meeting in 2026 in India; and
- (xii) 1st India-Arab Counter Terrorism Working Group Meeting in 2026 in India.



## Gravity Industries Showcases Jet Suit

- In January 2026, Salisbury-based Gravity Industries staged a striking demonstration for the Indian Army, showcasing the revolutionary potential of its Jet Suit in urban combat scenarios.
- The event, held at a secure military facility near Bangalore, highlighted how soldiers could swiftly access rooftops and elevated positions, transforming tactical approaches to high-ground dominance.
- Founder Richard M Browning, a former Royal Marine Reservist and aviation enthusiast, personally donned the Jet Suit to lead the exercises. Clad in the sleek, armoured exoskeleton powered by miniature jet turbines, he rocketed upwards from ground level, reaching a simulated three-storey rooftop in mere seconds.

- Spectators, including senior Indian Army officers, watched in awe as Browning hovered effortlessly, demonstrating stability and precision control.
- The Jet Suit, weighing around 27 kilograms when fully fuelled, harnesses five gas turbine engines—two on the arms and one on the back—to generate over 1,000 horsepower. This allows a wearer to achieve vertical take-offs, agile manoeuvres, and sustained flight at speeds up to 85 kilometres per hour.
- During the demo, Browning executed rapid ascents, lateral dodges, and controlled descents, simulating assaults on urban structures where ladders or ropes prove cumbersome.
- Indian Army personnel noted the suit's applicability in counter-terrorism operations, particularly in densely packed cities like Mumbai or Delhi. Traditional methods to clear rooftops—such as climbing gear or helicopter insertions—often expose troops to enemy fire. The Jet Suit offers a low-signature alternative, enabling individual soldiers to bypass obstacles and gain vantage points silently and swiftly.
- Browning emphasised the suit's modularity during briefings. Arm-mounted thrusters provide intuitive control akin to extending one's limbs, while the backpack unit supplies kerosene-based fuel for up to eight minutes of flight per tank.



## Odisha Unlocks ₹17,250 Crores Defence-Aero Mega Hub

- Odisha's government has greenlit a monumental defence manufacturing initiative, granting approval to Kalyani Strategic Systems Limited (KSSL), a flagship of the Kalyani Group, to establish an integrated auto, aero, and defence components manufacturing complex in Dhenkanal district.

- This mega project, sprawling across 1,100 acres, represents an investment of ₹17,250 crores, equivalent to approximately \$1.8 billion, marking one of the largest private-sector defence ventures in eastern India.
- The facility aims to produce a wide array of critical components, including airframes, undercarriages, landing gear systems, actuators, and engine casings for both military aircraft and helicopters. It will also manufacture aero-structures for fighter jets and unmanned aerial vehicles (UAVs), positioning Odisha as a key hub in India's push for indigenous defence production under the Atmanirbhar Bharat initiative.
- Kalyani Group's involvement underscores its growing prowess in defence manufacturing. Led by Baba Kalyani, the conglomerate already supplies artillery systems like the Ultra-Light Howitzer and Bharat Shakti multi-calibre weapon platform to the Indian armed forces.
- This Dhenkanal complex will integrate advanced technologies such as composites, precision machining, and additive manufacturing, enhancing capabilities in aerospace and automotive sectors.
- Dhenkanal, strategically located with excellent connectivity via National Highway 55 and proximity to Paradip Port, offers ideal logistics for raw material imports and finished goods exports. The site's selection aligns with Odisha's industrial policy, which incentivises mega projects through land allocation, power subsidies, and capital grants, fostering rapid development in underdeveloped regions.
- The project's scale promises transformative economic impact. It is projected to generate over 10,000 direct and indirect jobs, prioritising local youth through skill development programmes in welding, CNC machining, and quality assurance. This influx of employment will uplift ancillary industries, from metal fabrication to electronics assembly, boosting the district's GDP significantly.
- Odisha's emergence as a defence manufacturing powerhouse builds on recent successes. The state already hosts facilities like the Indian Navy's warship repair unit in Paradip and HAL's Su-30MKI overhaul base in Sunabeda. This Kalyani venture complements these, creating a defence corridor that could attract further investments from global players like Lockheed Martin or Boeing.

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## INDUSTRIAL BOOST

3 interlinked projects to be set up at an investment of ₹17,250 crore; expected to generate around 12,000 jobs

Kalyani Steels Ltd will establish an integrated advanced speciality steel project at Dhenkanal's Gajamara, with a capacity of 7 lakh tonnes per annum (TPA), and titanium alloy of 10,000 TPA



Bharat Forge Ltd will establish a casting, forging and precision machining facility to manufacture

## REVIEW QUESTIONS

1. What is the total defence allocation for India in the Union Budget 2026–27?

- A. ₹6.81 lakh crore
- B. ₹7.32 lakh crore
- C. ₹7.85 lakh crore
- D. ₹8.10 lakh crore

Answer: C. ₹7.85 lakh crore

2. The defence outlay for 2026–27 shows an overall increase of approximately:

- A. 8%
- B. 10%
- C. 12%
- D. 15%

Answer: D. 15%

3. How much amount has been earmarked for capital expenditure for the armed forces in 2026–27?

- A. ₹1.86 lakh crore
- B. ₹1.80 lakh crore

- C. ₹2.19 lakh crore
- D. ₹2.55 lakh crore

**Answer: C. ₹2.19 lakh crore**

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**4. The increase in capital outlay over Budget Estimates 2025–26 is approximately:**

- A. 10%
- B. 15%
- C. 18%
- D. 21.84%

**Answer: D. 21.84%**

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**5. Which operation accounted for a major portion of additional defence hardware spending?**

- A. Operation Vijay
- B. Operation Sindoor
- C. Operation Rakshak
- D. Operation Trinetra

**Answer: B. Operation Sindoor**

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**6. Defence expenditure in 2026–27 accounts for what percentage of India's projected GDP?**

- A. 1.65%
- B. 1.80%
- C. 1.99%
- D. 2.25%

**Answer: C. 1.99%**

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**7. A significant portion of capital expenditure has been allocated to which sector?**

- A. Submarines and destroyers
- B. Cyber warfare systems
- C. Aircraft and aero-engines
- D. Missile defence shields

**Answer: C. Aircraft and aero-engines**

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**8. The Indian Air Force is considering procurement of how many Rafale fighter jets?**

- A. 90
- B. 100
- C. 114
- D. 126

**Answer: C. 114**

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**9. How much has been earmarked for domestic defence procurement in 2026–27?**

- A. ₹1.11 lakh crore
- B. ₹1.25 lakh crore
- C. ₹1.39 lakh crore
- D. ₹1.50 lakh crore

**Answer: C. ₹1.39 lakh crore**

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**10. Which organisation's budget was increased to ₹29,100 crore?**

- A. ISRO
- B. DRDO
- C. HAL
- D. BEL

**Answer: B. DRDO**

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**11. What is the allocation for the Ministry of Home Affairs (MHA) in Budget 2026–27?**

- A. ₹2.33 lakh crore
- B. ₹2.45 lakh crore
- C. ₹2.55 lakh crore
- D. ₹2.75 lakh crore

**Answer: C. ₹2.55 lakh crore**

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**12. Nearly what percentage of the MHA budget is allocated under the 'Police' head?**

- A. 55%
- B. 60%
- C. 68%
- D. 75%

**Answer: C. 68%**

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**13. Which agency saw a 63% increase in allocation in Budget 2026–27?**

- A. CRPF
- B. BSF
- C. Intelligence Bureau
- D. CISF

**Answer: C. Intelligence Bureau**

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**14. Which Central Armed Police Force guards India's border with China?**

- A. BSF 
- B. CRPF
- C. ITBP
- D. SSB

**Answer: C. ITBP**

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**15. Which force is responsible for guarding borders with Pakistan and Bangladesh?**

- A. ITBP
- B. BSF
- C. Assam Rifles
- D. SSB

**Answer: B. BSF**

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**16. India and Arab nations reaffirmed zero tolerance towards which threat?**

- A. Climate change
- B. Piracy

- C. Terrorism
- D. Cybercrime

**Answer: C. Terrorism**

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**17. The Executive Program for India–Arab cooperation will cover which years?**

- A. 2025–27
- B. 2026–28
- C. 2027–29
- D. 2026–30

**Answer: B. 2026–28**

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**18. Which company showcased a Jet Suit to the Indian Army?**

- A. Lockheed Martin
- B. Boeing
- C. Gravity Industries
- D. BAE Systems

**Answer: C. Gravity Industries**



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**19. The Jet Suit demonstrated for the Indian Army can reach speeds up to:**

- A. 60 km/h
- B. 70 km/h
- C. 85 km/h
- D. 100 km/h

**Answer: C. 85 km/h**

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**20. The ₹17,250 crore defence-aero manufacturing hub has been approved in which state?**

- A. Andhra Pradesh
- B. Maharashtra
- C. Karnataka
- D. Odisha

Answer: D. Odisha

