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# Delegation of Financial Powers to DRDO (DFP-2026)

30 June 2026

**Source:** News on Air

## Context

Defence Minister **Shri Rajnath Singh** on **Monday, 29 June 2026** released the **"Delegation of Financial Powers to DRDO (DFP-2026)"** in **New Delhi** — a **major reform** to enhance **efficiency, accountability, and timely execution** of strategic R&D projects. The revised framework provides:

- **Dedicated financial provisions** for **trial campaigns, testing and evaluation activities**.
- **Authorises sanctioning of pre-project R&D initiatives**.
- **Segregates financial powers** for **grants-in-aid related to Extra-Mural Research (EMR) Projects** and **Defence Innovation Accelerator-Centres of Excellence (DIA-CoE)** under separate schedules.

The framework will **enable faster production and induction of systems, platforms and technologies** developed by DRDO into the **Armed Forces**, while strengthening collaboration with **industry and academia** — reinforcing the **Aatmanirbhar Bharat** vision. Alongside DFP-2026, the Minister also released the **Delegation of Financial Powers to Defence Services (DFPDS-2026)** to expedite **defence procurement** across the Armed Forces. The event was attended by **CDS General NS Raja Subramani**, **Defence Secretary + DRDO Chairman Shri Rajesh Kumar Singh**, **Secretary (Defence Production) Shri Sanjeev Kumar**, and **CGDA Shri Anugraha Narayana Das**.

### What are the key features of DFP-2026?

| Feature | Detail |
|---|---|
| **Trial + Testing Provisions** | **Dedicated financial provisions** for **trial campaigns, testing and evaluation** activities |
| **Pre-Project R&D** | Authorises **sanctioning of pre-project R&D initiatives** |
| **EMR Grants** | **Segregated** under separate schedule — **Extra-Mural Research (EMR)** Projects |
| **DIA-CoE Grants** | **Segregated** under separate schedule — **Defence Innovation Accelerator-Centres of Excellence (DIA-CoE)** |
| **Functional Empowerment** | Enhanced at **various levels** within Department of Defence R&D |
| **Safeguards** | Powers subject to **(a) availability of funds** + **(b) compliance with existing rules/regulations** |

### What is DRDO?

- **Full Form**: **Defence Research and Development Organisation**.
- **Established**: **1958**.
- **Under**: **Department of Defence R&D (DDR&D), Ministry of Defence**.
- **HQ**: **DRDO Bhawan, New Delhi**.
- **Chairman**: **Shri Rajesh Kumar Singh** (also Defence Secretary).
- **Network**: **50+ labs/establishments** across India.
- **Notable Projects**: **BrahMos, Agni, Prithvi, Akash, Astra, Tejas (LCA), Arjun MBT, Pinaka MBRL, INS Arihant, Nag, ABHYAS, Rustom**.

### What is Extra-Mural Research (EMR)?

- DRDO **grants-in-aid for external research partners** — universities, IITs, NITs, research institutions.
- Aims to leverage **academia talent** for defence R&D.
- Now under a **separate schedule** in DFP-2026 for clearer financial governance.

### What is the Defence Innovation Accelerator-Centres of Excellence (DIA-CoE)?

- DRDO-supported **Centres of Excellence** at premier academic institutions.
- Anchors **iDEX (Innovations for Defence Excellence)** ecosystem.
- Now under a **separate schedule** in DFP-2026 for streamlined grant management.

### What is iDEX?

- **Innovations for Defence Excellence** — launched **April 2018**.
- Under **Department of Defence Production (DDP)**.
- **Engages startups, MSMEs, academia, R&D bodies, innovators** for defence innovation.
- Implements **Defence India Startup Challenge (DISC)** initiatives.

### Practice MCQs

**Q1. With reference to the Delegation of Financial Powers to DRDO (DFP-2026), consider the following statements:**

1. DFP-2026 was released by Defence Minister Shri Rajnath Singh on 29 June 2026 in New Delhi.
2. The framework aims to enhance efficiency, accountability, and timely execution of strategic defence R&D projects.
3. It provides dedicated financial provisions for trial campaigns, testing and evaluation activities, and authorises sanctioning of pre-project R&D initiatives.
4. DFP-2026 was released by the Reserve Bank of India.

How many of the above statements are correct?

(a) Only one (b) Only two (c) **Only three** (d) All four (e) None

(Statement 4 is wrong; **DFP-2026 was released by the Defence Minister, not the RBI**.)

**Q2. With reference to the key features of DFP-2026, consider the following statements:**

1. The framework segregates financial powers for grants-in-aid related to Extra-Mural Research (EMR) Projects under a separate schedule.
2. It segregates financial powers for Defence Innovation Accelerator-Centres of Excellence (DIA-CoE) under a separate schedule.
3. All financial powers are subject to (a) availability of funds and (b) compliance with existing rules/regulations.
4. The framework eliminates all internal approval hierarchies and grants unrestricted financial autonomy.

How many of the above statements are correct?

(a) Only one (b) Only two (c) **Only three** (d) All four (e) None

(Statement 4 is wrong; **the framework retains internal approval hierarchies and is subject to availability of funds + compliance with rules** — it does NOT grant unrestricted financial autonomy.)

**Q3. With reference to DRDO, consider the following statements:**

1. DRDO was established in 1958 and is headquartered at DRDO Bhawan, New Delhi.
2. DRDO functions under the Department of Defence Research and Development (DDR&D), Ministry of Defence.

3. Notable DRDO projects include BrahMos, Agni, Prithvi, Akash, Tejas (LCA), Arjun MBT, and Pinaka MBRL.
4. The current DRDO Chairman is also the Defence Secretary, Shri Rajesh Kumar Singh.

How many of the above statements are correct?

(a) Only one (b) Only two (c) Only three (d) **All four** (e) None

(All four statements are correct.)

**Answer Key**

1. (c) — Statement 4 wrong: Released by Defence Minister, not RBI.
2. (c) — Statement 4 wrong: Powers subject to funds + rules; no unrestricted autonomy.
3. **(d) All four** — all statements correct.

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