In keeping with the Hon’ble Finance Minister’s interim budget speech, a Task Force was constituted by the Ministry of Defence (“MoD”) for ‘Strategic implementation of Artificial Intelligence (“AI”) for National Security and Defence’. The Task Force has submitted its recommendations on the basis of which the MoD has issued an order implementing these numerous recommendations. A summary of this order has been given here below:

**Summary**

a. **Establishment of a High Level Defence AI Council (“DAIC”)** – DAIC shall be constituted to enable and effect development of operating framework, policy level changes and structural support. This council will consist of India’s Defence Minister, the 3 Chiefs of defence services, the Defence Secretary and eminent representatives from the industry and academia amongst others.

b. **Integrate AI into India’s Defence Strategy** – All the 3 defence services i.e. Army, Navy, Air Force as well as the Coast Guard, DRDO, DPSUs etc. shall integrate AI into their strategies. The intent is for AI to serve as a “force multiplier”, enhancing India’s defence capabilities and operations.

c. **Capacity Building within Defence** – Defence organisations need to foster learning and create / a wealth of knowledge on contemporary research and developments in AI. They would also need to contribute significantly in terms of research articles, data, patents, knowhow, trade secrets and licensing of these Intellectual Properties. In order to enhance their knowledge, AI training courses are to be introduced in all defence training centres and institutes and AI training of defence personnel will be provided.

d. **Budgetary Allocation** – A sum of INR 100 crores shall be allocated to the MoD each year for the next 5 years for implementation of recommendations given by AI Task Force including taking up AI projects, setting up AI related infrastructure, clearing & preparing AI related data, capacity building, etc.

e. **Establishment of a Defence AI Project Agency (“DAIPA”)** – The agency, chaired by the Secretary of Defence Production, shall lay down standards for technology development and delivery process for AI projects, establish the Standard Operating Procedure for these projects, formulate policy for IPR, provide for selection of strategic partners etc.

In a first, vide this order, the MoD has decided that the use of Artificial Intelligence is the need of the hour for India’s defence services and has provided for the establishment of two separate councils (DAIC and DAIPA) to supervise the implementation and integration of AI. It has foreseen the development of AI as crucial for India to take the next step towards its goal of becoming a superpower.

**ELP COMMENTS**

Traditionally, India’s majority share of the defence budget has been devoted to the salaries and pensions of its numerous officers, and that has been often a subject of criticism. With this policy, MoD hopes to make AI the key for the future of its various defence services and organisations and work within budgetary constraints. AI would not just help upgrade the Armed Force’s war-fight capabilities, but will also help in automation of a number of functions that are currently labour intensive and could help to reduce India’s ever-growing manpower costs. The creation of an eminent council (DAIC) chaired by the Defence Minister of our country shows the level of importance that AI is intended to be given over the coming years.

Since India is just beginning its journey on integrating AI into our defence forces, the MoD has in the right spirit ordered for the introduction of AI training courses and AI training of the defence personnel, keeping in mind the need of our country to adapt to the modernisation process. By providing for a specific budgetary allocation, the MoD is envisaging a strategic and realistic integration of AI into the country thereby revolutionising our work force and technical systems. However, for one of the world’s largest forces, INR 100 crores per year is an understated assumption. If real benefits need to be accrued, this budget will have to be increased significantly over next couple of years once the overall roadmap for implementation of AI strategies is finalised.

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