

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
LOK SABHA

UNSTARRED QUESTION NO.2665  
TO BE ANSWERED ON THE 17<sup>TH</sup> MARCH, 2017

MODERNIZATION OF ARMED FORCES

2665. SHRI KESINENI NANI:

Will the Minister of DEFENCE be pleased to state:

- (a) the details of budget estimates, revised estimates, and actual expenditure on modernization of armed forces during the last three years;
- (b) whether there has been an underutilization of the allocated funds for modernization of armed forces during the said year;
- (c) if so, the details thereof and the reasons behind the under utilization of funds;
- (d) the percentage of funds allocated for modernization of armed forces spent on buying indigenous equipment; and
- (e) the steps taken by the Government to reduce the dependence on imported equipment for modernization of armed forces?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

रक्षा राज्य मंत्री

(डा. सुभाष भामरे)

**(a) to (e): A statement is attached.**

\*\*\*\*\*

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA UNSTARRED QUESTION NO. 2665 FOR ANSWER ON 17.03.2017**

**(a) to (c):** the details of budget estimates, revised estimates, actual expenditure and underutilization of funds on modernization of armed forces during the last three years are as follows:-

(₹ in crore )

Year	Budget Estimates	Revised Estimates	Actual Expenditure	Savings
2013-14	73,444.59	66,406.41	66,850.30	--
2014-15	75,148.03	66,151.73	65,862.38	289.35
2015-16	77,406.69	65,400.00	62,235.54	3,164.46

No amount remained unspent during year 2013-14, while only a minor sum of ₹ 289.35 crore remained unspent during 2014-15 as a cumulative effect of small savings under various heads of account. During 2015-16 savings have occurred due to various reasons including slow progress in UAV Heron contracts/ major shipbuilding contracts, slow progress of strategic forces command and signal intelligence projects, non conclusion of submarine projects etc.

**(d)** The details related to the percentage of funds allocated for modernization of armed forces spent on buying indigenous equipment are as follows:

(₹ in crore )

Year	Actual	Amount spent on buying of indigenous equipment	Percentage
2013-14	66,850.30	31,768.19	47.53%
2014-15	65,582.34	40,589.98	61.89%
2015-16	61,761.80	39,339.68	63.70%

**(e)** Modernization of Armed Forces is a continuous process based on threat perceptions, operational challenges and technological changes to keep the Armed Forces in a state of readiness to meet various security challenges. This is achieved through induction of new equipment and technological upgradation of capabilities. The equipment and capabilities to be acquired for the Armed Forces are identified through a comprehensive planning process and after deliberations at various levels.

Government is pursuing several measures to realize progressively higher levels of indigenization and self-reliance in defence sector. To this end, the Defence Procurement Procedure 2016 (DPP 2016) has provisions which accord higher priority to procurement from Indian vendors. Notwithstanding this, import of defence equipment may be necessitated to meet operational requirements and when indigenous equipment is not available.

\*\*\*\*\*