

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA

UNSTARRED QUESTION NO.2175
TO BE ANSWERED ON THE 28TH JULY, 2017

FUNDS FOR DEFENCE SECTOR

2175. DR. K. GOPAL:

Will the Minister of DEFENCE j{k k ea=h
be pleased to state:

- (a) whether the budgetary provision for 2017-18 as well as the dismal status of capital procurements do not reciprocate the seriousness required towards meeting defence needs and if so, the details thereof;
- (b) whether the allocation is Rs.18000 crore in the capital budget, whereas the committed liabilities itself are to the extent of Rs.22000 crore as far as the Navy is concerned and if so, the details thereof;
- (c) whether against the committed capital liability being carried forward from 2016-17 to 2017-18 amounts to Rs.23000 crore and the capital allocation made in the budget 2017-18 is Rs.25254 crore;
- (d) if so, whether Rs.4000 crore allocated in the budget for 2017-18 exclusively for new schemes would hamper the modernisation drive of the Indian Air Force; and
- (e) if so, the details thereof and the corrective measures taken by the Government in this regard?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(DR. SUBHASH BHAMRE)

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(ड० 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. 2175 FOR ANSWER ON 28.7.2017

- (a) to (e):**
- (i) Under the Capital Budget, BE 2016-17 was Rs.86340.00 crore whereas BE 2017-18 is Rs.86488.01 crore.**
 - (ii) For Navy, the allocation in BE 2017-18 under Capital Budget is Rs.18603.71 crore which includes Committed Liabilities for Capital Acquisition amounting to Rs.14004.76 crore.**
 - (iii) For Air Force, the allocation in BE 2017-18 under Capital Budget is Rs.33570.17 crore which includes Committed Liabilities for Capital Acquisition amounting to Rs. 26899.90 crore and an amount of Rs.4000.00 crore has been kept for New Schemes.**
 - (iv) The progress of capital acquisition expenditure is monitored regularly by the Acquisition Wing which is tasked with the responsibility of defence capital procurement. Acquisition Wing, being a specialist organization created on the basis of the Kargil Committee Report and recommendations of the Group of Ministers, not only monitors capital expenditure, but also looks after all capital acquisition projects from inception to finality. In addition, the Defence Procurement Board, which is chaired by defence Secretary and the Defence Acquisition Council headed by Raksha Mantri comprising of all stakeholders, monitors adherence to broad timelines in Defence Procurement. Under the Capital Acquisition, available funds are first set aside for Committed Liabilities (CL) as these payments are mandatory and hence cannot be avoided. After setting aside funds for CL, allocations are made under New Schemes (NS) depending upon available funds. It may be added that projection of requirement for NS includes several cases at varying stages of approval which may or may not reach finality. Nevertheless, all efforts are made to ensure that no 'New Scheme' approved is delayed for want of funds. Additional funds are sought, if required, at appropriate stages during the course of financial year.**
