

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA

UNSTARRED QUESTION NO.1335
TO BE ANSWERED ON THE 25TH JULY, 2018

ALLOCATION OF BUDGET

1335. SHRI RAMESWAR TELI:

Will the Minister of DEFENCE be pleased to state:

- (a) the details of allocation of budget and actual expenditure incurred on modernisation of armed forces during the last three years and the current year;
- (b) whether the Government has any proposal to allow the private sector to play a major role in the production of weapons for the armed forces;
- (c) if so, the details thereof; and
- (d) the steps taken by the Government for the modernisation of armed forces in view of constant military threats by our neighbours?

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 (d): Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 1335 FOR ANSWER ON 25.7.2018

(a) Budget Allocation and Expenditure incurred under modernization (Capital Acquisition) Head under Defence Services Estimates (DSE) for the last three years and the current year is tabulated below:-

(Rs. in crore)

Year	Budget Estimate	Revised Estimate	Modified Appropriation	Expenditure
2015-16	77,406.69	65400.00	61,699.39	62,635.54
2016-17#	69,898.51	62,619.36	64,853.86	69,280.16
2017-18*	69,473.41	68,965.24	68,980.89	72,732.28\$
2018-19	74,115.99	--	--	--

(# figure excludes MF, ECHS, DGQA, NCC, RR, DGOF and R&D)

(* figure excludes MF and ECHS)

(\$ provisional figures)

(b) & (c): Since the opening up of Defence industry sector in May 2001 for 100% manufacturing by Indian private sector including Foreign Direct Investment (FDI) up to admissible cap both subject to licensing, Department of Industrial Policy & Promotion (DIPP) has issued 379 licenses to 230 Indian Companies till June, 2018. Further, 70 license companies covering 114 licenses have reported commencement of production in the same period.

During the last three financial years and current year (upto June, 2018), 168 contracts have been signed (106 with Indian vendors and 62 with Foreign vendors) for capital procurement of Defence equipment for Armed Forces such as Tanks, Rifles, Rockets, Ships, Frigates, Aircraft, Radars, Missiles, Artillery Guns, Ballistic Helmets, Helicopters, Electronic Fuzes, Simulators, Bullet Proof Jackets and Ammunition.

(d) Government is taking measures for modernization of the Armed Forces, through procurement of new equipment and upgrading of existing equipment and systems. The modernization projects are being progressed as per the approved Capital Acquisition Plans and in terms of the extant Defence Procurement Procedure.
