

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO.535**  
TO BE ANSWERED ON 16<sup>th</sup> SEPTEMBER, 2020

**DEFENCE CAPITAL PROCUREMENT**

535. COL. RAJYAVARDHAN RATHORE:

Will the Minister of DEFENCE be pleased to state:

- (a) the quantum of capital orders placed to Indian and Foreign vendors under Defence capital procurement in FY 2019-20 and FY 2020-21;
- (b) the quantum of orders placed on DPSUs and Private Industry respectively, amongst the orders placed on Indian Companies;
- (c) the break-up of funds used for committed liabilities and placement of new contracts under Capital procurement budget in the last five years, and whether the defence capital budget is sufficient to meet the requirement;
- (d) if so, the details thereof; and
- (e) whether the Government is undertaking initiatives to bring parity while evaluating competitive bids for defence contracts between DPSUs and private sector entities, given that the government has historically invested in DPSUs and Ordnance Factories (OFs) as seen in the past decades and if so, the details thereof?

**A N S W E R**

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI SHRIPAD NAIK)

- (a) During last financial year (2019-20), 38 contracts have been signed with Indian vendors and 32 contracts have been signed with Foreign vendors. During current Financial Year 2020-21 (Upto July, 2020), 10 contracts have been signed with Indian vendors and 6 contracts have been signed with Foreign vendors for capital procurement of defence equipment for Armed Forces.
- (b) Out of the total of 48 capital acquisition contracts signed with Indian vendors from April 2019 to July 2020, 18 contracts have been signed with DPSUs/PSUs/OFB/DRDO/ISRO and 30 contracts have been signed with Indian Private vendors.

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(c) & (d): All efforts are made to optimally use budgeted funds for meeting committed liabilities relating to already concluded capital acquisition contracts and for new schemes contracted during the year.

The details of expenditure incurred under Capital Acquisition (Modernisation) of Armed Forces, under Defence Service Estimates (DSE), for the last five years is as under:-

Year	Actual Expenditure (Rs. in Crore)
2015-16	62,235.54
2016-17	69,280.16
2017-18	72,732.20
2018-19	75,892.85
2019-20	91,128.74

(e) While evaluating competitive bids for Defence contracts between DPSUs and Private Sector entities, no advantage is given to DPSUs. The competitive bids are evaluated based on the RFP terms and conditions.

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