

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE
LOK SABHA
UNSTARRED QUESTION NO.619
TO BE ANSWERED ON 16th SEPTEMBER, 2020

MODERNISATION OF ARMED FORCES

619. SHRI DHAIRYASHEEL SAMBHAJIRAO MANE:
DR. SHRIKANT EKNATH SHINDE:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:
SHRI UNMESH BHAIYYASAHEB PATIL:
SHRI HEMANT SRIRAM PATIL:

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

- (a) the details of budget estimates, revised estimates and actual expenditure on modernisation of armed forces during the last five years and the current year;
- (b) the details of investment made in the production of military equipment during the last three years and the current year and the Defence agreements signed for procurement of Defence equipment during the said period;
- (c) whether the Government has any proposal to allow the private sector to play a major role in the production of weapon system for the armed forces and if so, the details thereof and the percentage of funds allocated for procurement of indigenous equipments; and
- (d) the steps taken by the Government for modernisation of armed forces to improve weaponry like tanks and missiles and to reduce the dependence on import along with the contribution to the Defence sector under -Make in Indiaø for the purpose?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI SHRIPAD NAIK)

(a) to (d): A statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 619 FOR ANSWER ON 16.09.2020 REGARDING 'MODERNISATION OF ARMED FORCES'.

(a) The details of Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure (Actuals) on the modernization(Capital Acquisition) of Armed Forces, under Defence Services Estimates (DSE), for the last five years and the current year are as under:-

(Rs. in Crore)

Year	Budget Estimates	Revised Estimates	Expenditure (Actuals)
2015-16	77,406.69	65,400.00	62,235.54
2016-17	69,898.51	62,619.36	69,280.16
2017-18	69,473.41	68,965.24	72,732.20
2018-19	74,115.99	73,836.43	75,892.85
2019-20	80,959.08	89,836.16	91,128.74*
2020-21	90,047.80	--	31747.06#

*Figure is provisional pending finalization of Appropriation Accounts.

Figure is upto 31st July 2020.

(b) to (d): In May 2001, the Defence Industry sector, which was hitherto reserved for the public sector, was opened up to 100% for Indian private sector participation, with Foreign Direct Investment(FDI) up to 26% both subject to licensing. Further, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry has notified revised FDI policy under which FDI is allowed under automatic route upto 49% and beyond 49% through Government route wherever it is likely to result in access to modern technology or for other reasons to be recorded.

During the last three financial year (2017-18 to 2019-20) and current year (upto July, 2020), 183 capital contracts have been signed with Indian vendors and foreign vendors for procurement of defence equipment for Armed Forces.

Under 'Atmanirbhar Bharat' campaign of Govt of India, Ministry of Defence (MoD) has prepared a list of 101 items for which there would be an embargo on the import beyond the timeline indicated against them. This would offer a great opportunity to the Indian defence industry to manufacture these items using their own design and development capabilities to meet the requirements of the Armed Forces in the coming years. This list includes some high technology weapon system like artillery guns, assault rifles, corvettes, sonar systems, transport aircrafts, light combat helicopters (LCHs), radars and many other items to fulfil the needs of our Defence Services.

Since the launch of 'Make in India' in September 2014, several measures have been taken by the Government to promote indigenous design, development and manufacture of defence & aerospace equipment in the country under 'Make in India' by harnessing the capabilities of the public and private sector.

: 2 :

Government has notified the Strategic Partnership (SP) Model which envisages establishment of long term Strategic Partnership with Indian entities through a transparent and comparative process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chain.

Government is taking measures for modernization of the Armed Forces, through procurement of new equipment and upgrading of existing equipment so as to ensure that the Armed Forces are equipped to meet the entire spectrum of security challenges. The modernization projects are progressed as per the approved Capital Acquisition Plans and in terms of the extant Defence Procurement Procedure (DPP).
