

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3131
ANSWERED ON:27.07.2009
SURRENDER OF FUNDS
Sule Supriya

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has surrendered huge amount of funds, allocated for defence procurement during the last financial year;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken/proposed to be taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF DEFENCE (SHRI A.K. ANTONY)

- (a) During the last financial year an amount of Rs.2063.84 crores was proposed to be reduced by the Ministry of Defence at the Revised Estimate stage from the allocation under the Capital head from which bulk of the Capital procurement is funded. However, Ministry of Finance reduced the allocation by Rs.7007 crores.
- (b) The primary reason of reduction in allocation for Defence procurement at the Revised Estimates stage was non-fructification of certain schemes and slippage in delivery schedule of already contracted schemes/projects.
- (c) In order to expedite and plan an even expenditure pattern during the financial year, the Defence Procurement Procedure has been revised and up-dated to ensure and optimize even utilization of allocation during the financial year.