

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

STARRED QUESTION NO:315  
ANSWERED ON:03.09.2012  
MODERNISATION PLAN OF ARMED FORCES  
Hussain Shri Syed Shahnawaz;Reddy Shri Modugula Venugopala

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government has prepared 5-year and 15-year plans for modernization of the three Services of the armed forces;
- (b) if so, the details thereof including the proposals during Twelfth Five Year Plan for the Services;
- (c) the percentage of the defence expenditure spent on modernization of the three forces and procurement of defence equipment during the Eleventh Five Year Plan, Service-wise
- (d) whether the allocated funds have been optimally utilized and if so, the details thereof;
- (e) the measures proposed to be taken to equip the forces including the Air Force with State-of-the-art equipment; and
- (f) the steps being taken to make the procurement procedure transparent?

**Answer**

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

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 315 FOR ANSWER ON 3.9.2012

Modernization of the Armed Forces is a continuous process based on threat perception, operational challenges, technological changes and available resources. The process is based on a 15 year Long Term Integrated Perspective Plan (LTIPP), five year Services Capital Acquisition Plan (SCAP) and Annual Acquisition Plan (AAP). The LTIPP 2012-2027 and Twelfth Five Year Plan 2012-2017 for the Armed Forces have been approved by Defence Acquisition Council. Details of 12th Five Year Plan for the Armed Forces can not be divulged on grounds of National Security.

Expenditure on modernization of Armed Forces through capital acquisition as percentage of total defence expenditure during the years 2007-2008 to 2011-2012 was as below:

Year	2007-08	2008-09	2009-10	2010-11	2011-12
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Army	7.30%	4.71%	5.75%	4.68%	3.10%
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Navy	9.17%	7.73%	8.93%	10.45%	10.47%
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Air Force	13.79%	13.71%	12.30%	14.39%	15.89%
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Joint Staff	0.17%	0.11%	0.12%	0.12%	0.21%
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Total: 30.43% 26.26% 27.10% 29.64% 29.67%

Funds have been optimally utilized to equip the Armed Forces including the Air Force with state-of-the art equipment. The budget estimates (BE), revised estimates (RE) and the actual expenditure on Capital acquisition for modernization of Armed Forces (Army, Navy, Air Force and Joint Staff) was as under:

(Rs. in crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure
2007-2008	32826.80	28110.0	27903.42
2008-2009	37482.77	30614.64	30000.42
2009-2010	40367.72	35146.88	38427.00
2010-2011	43799.21	44440.63	45686.77
2011-2012	52998.02	47409.45	50723.97

This is based on funds provided by Ministry of Finance in RE in 2011-2012 in the Capital segment of Defence Services estimates. However, additional allocation of Rs.2585 crore has been made for other capital requirements of Army including supply of capital equipment from ordnance factories.

The Defence Procurement Procedure (DPP) seeks to achieve the highest degree of probity, public accountability and transparency in operations. In order to promote transparency, the issue of Request for Information (RFI) has been made mandatory to provide advance information and encourage a wider Vendor base. Besides, signing of Pre contract Integrity Pact in procurement cases of the estimated value exceeding Rs.100 crore is mandatory as per the procedure.