

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1233
ANSWERED ON:13.07.2009
ALLOCATION OF FUNDS FOR DEFENCE PROCUREMENT
Agarwal Shri Jai Prakash

Will the Minister of DEFENCE be pleased to state:

- (a) the funds allocated for procurement of defence equipment during the last three years and the current year;
- (b) the utilization of the allocated funds during the said period;
- (c) the reasons for non-utilisation of the funds;
- (d) whether the Government proposes to streamline the expenditure for non-essential items so as to undertake other developmental activities; and
- (e) if so, the details thereof?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) & (b): The allocation of funds for procurement of defence equipments and their utilization during the last three years and the current year are as follows:

(Rs. in crores)

Year	Revised Estimates	Actuals	Savings (+)/	%age utilized	Excess (-)
2006-2007	26774.39	26900.44	(-)126.05	100.47	
2007-2008	28110.01	27903.42	(+)206.59	99.27	
2008-2009	30614.64	29994.03#	(+)620.61	97.97	
2009-2010					
(As per Demands for Grants)	40367.72				

#As accounts for 2008-2009 have not yet been closed, March (Correction)'2009 figures have been taken.

(c) While in 2006-2007, there was slight excess expenditure, in the two subsequent years there has been marginal underutilization, primarily on account of the complexities of the procedure for procurement of defence equipments.

(d) & (e): Each expenditure proposal passes through a rigorous process of scrutiny, which includes the aspect of necessity for incurring the expenditure. This obviates the possibility of any expenditure being incurred on any non-essential item.