

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1591
ANSWERED ON:30.11.2009
SURRENDERING OF FUNDS
Sivasami Shri C.

Will the Minister of DEFENCE be pleased to state:

- (a) the details of the funds allocated for procurement of new equipment for armed forces in the country during the last three years;
- (b) the expenditure incurred for the purpose during the said period; and
- (c) the reasons for underutilization/surrendering of these funds during the aforesaid period?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

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

(Rs. in crores)

Year	Revised Estimate	Actuals Excess(-)	Savings(+) Utilized	Percentage
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2006-2007 26774.39 26900.44 (-)126.05 100.47

2007-2008 28110.01 27903.42 (+)206.59 99.27

2008-2009 30614.64 30000.42 (+) 614.22 97.99

(c) While in 2006-2007, there was slight excess expenditure, in the two subsequent years there has been marginal under utilization, primarily on account of the complexities involved in procurement of defence equipments and slippages in delivery schedule resulting in postponement of payments, which were to be made on achievement of milestones as set out in the contracts.