

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE  
LOK SABHA

STARRED QUESTION NO.10

TO BE ANSWERED ON THE 18<sup>TH</sup> JULY, 2018

MILITARY EXPENSES

\*10. SHRI SUSHIL KUMAR SINGH:  
PROF. SAUGATA ROY:

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

- (a) whether the military expenses have gone up five times in the country in the last four years due to procurement of arms and ammunition, rifles, tanks etc. from foreign countries and if so, the details thereof;
- (b) the total amount spent on purchase of arms / weapons / fighters / ammunition from foreign countries during the above period;
- (c) whether the details of purchase made for the Army in the last four years have been released in a recent report of the Ministry of defence and if so, the details thereof;
- (d) whether the Government maintains transparency in defence dealings and if so, the details thereof along with the most favoured country of India for purchase of arms; and
- (e) the effective steps taken by the Ministry of Defence and the Government for not purchasing defence equipment from foreign countries so far?

A N S W E R

MINISTER OF DEFENCE

(SMT. NIRMALA SITHARAMAN)

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

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 10 FOR ANSWER ON 18.07.2018**

**(a) to (c):** Procurement of defence equipment is undertaken from various domestic as well as foreign vendors, based on operational requirements of the Army, the availability or capacity to produce the equipment in India and abroad and to keep the Army in a state of readiness to meet the entire spectrum of security challenges.

The details of capital and revenue expenditure in respect of procurement from India and abroad for Army are given below:-

(Rs. in Crore)

| Year    | Foreign procurement | Indigenous procurement |
|---------|---------------------|------------------------|
| 2013-14 | 1747.42             | 19984.37               |
| 2014-15 | 3804.49             | 16778.08               |
| 2015-16 | 3150.41             | 19133.03               |
| 2016-17 | 5508.35             | 24786.75               |

The data on capital expenditure on procurement from abroad for the Army is given in the 42<sup>nd</sup> Report of Standing Committee of Defence.

(d) Capital procurement of defence equipment is undertaken in accordance with the extant Defence Procurement Procedure (DPP) which incorporates provisions to ensure the highest degree of probity, public accountability, impartiality and transparency in the procurement process. It envisages signing of an Integrity Pact between Government and bidders for all capital procurement / schemes of Rs.20 crore and above, as against earlier requirement for such a Pact for schemes of over Rs.100 crore. No specific country is favoured in defence procurement.

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(e) Government is pursuing initiatives to achieve higher levels of indigenization and self-reliance in the defence sector by harnessing the capabilities of the public and private sector industries in the countries. These measures include according priority and preference to procurement from Indian vendors and liberalization of the licensing regime. DPP accords the highest priority to Buy Indian (Designed, Developed and Manufactured) (IDDM). The 'Make' procedure has been simplified with provisions for earmarking projects not exceeding development cost of Rs.10 crores (government funded) and Rs.3 crores (Industry funded) for MSMEs; and with provisions for involving private industry as production agencies and technology transfer partners. The simplified Make-II procedure has been notified for Industry funded development projects. Government has also finalized the policy on Strategic Partnership in the Defence Sector which is intended to institutionalise a transparent, objective and functional mechanism to encourage broader participation of the private sector in manufacture of major defence platforms and equipment.

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