

**Press Information Bureau
Government of India
Ministry of Defence**

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Funds for Defence Sector

Under the Capital Budget, BE 2016-17 was Rs.86340.00 crore whereas BE 2017-18 is Rs.86488.01 crore.

For Navy, the allocation in BE 2017-18 under Capital Budget is Rs.18603.71 crore which includes Committed Liabilities for Capital Acquisition amounting to Rs.14004.76 crore. For Air Force, the allocation in BE 2017-18 under Capital Budget is Rs.33570.17 crore which includes Committed Liabilities for Capital Acquisition amounting to Rs. 26899.90 crore and an amount of Rs.4000.00 crore has been kept for New Schemes.

The progress of capital acquisition expenditure is monitored regularly by the Acquisition Wing which is tasked with the responsibility of defence capital procurement. Acquisition Wing, being a specialist organization created on the basis of the Kargil Committee Report and recommendations of the Group of Ministers, not only monitors capital expenditure, but also looks after all capital acquisition projects from inception to finality. In addition, the Defence Procurement Board, which is chaired by defence Secretary and the Defence Acquisition Council headed by Raksha Mantri comprising of all stakeholders, monitors adherence to broad timelines in Defence Procurement. Under the Capital Acquisition, available funds are first set aside for Committed Liabilities (CL) as these payments are mandatory and hence cannot be avoided. After setting aside funds for CL, allocations are made under New Schemes (NS) depending upon available funds. It may be added that projection of requirement for NS includes several cases at varying stages of approval which may or may not reach finality. Nevertheless, all efforts are made to ensure that no 'New Scheme' approved is delayed for want of funds. Additional funds are sought, if required, at appropriate stages during the course of financial year.

This information was given by Minister of state for Defence Dr. Subhash Bhamre in a written reply to Dr. K Gopal Rathore in Lok Sabha today.

NAo/DK/Rajib