



Procurement Policies of Defence Equipment

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India has adequate number of armed forces personnel to safeguard its borders.

Procurement of defence equipment is undertaken from various domestic as well as foreign vendors, based on threat perception, operational challenges and technological changes and to keep the Armed Forces in a state of readiness to meet the entire spectrum of security challenges.

Capital procurement of defence equipment is carried out as per the extant defence procurement procedure. During the last three years, 96 contracts have been signed with Indian vendors and 58 with foreign vendors for capital procurement of defence equipment. The capital expenditure on purchase of defence equipment from Indian and foreign vendors is incurred from allocated Capital Budget. The Budget allocation and capital expenditure during the last five years are given below:

(Rs. in crore)

Year	Revised Estimate	Expenditure
2012-13	57395.46	58768.86
2013-14	66406.41	66850.30
2014-15	66151.73	65862.38
2015-16	65400.00	62235.54
2016-17	62619.36	68252.87

Government is pursuing initiatives to achieve higher levels of indigenisation and self-reliance in the defence sector by harnessing the capabilities of the public and private sector industries in the country. These measures include according priority and preference to procurement from Indian vendors and liberalized licensing regime.

Government has also promulgated the policy on Strategic Partnership in the Defence Sector which is intended to institutionalise a transparent and objective mechanism to encourage broader participation of the private sector in manufacture of major defence platforms and equipment.

This information was given by Raksha Raksha Rajya Mantri Dr Subhash Bhamre in a written reply to Dr. Sanjay Sinh in Rajya Sabha today.

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