

optimally except where certain procurement cases could not be materialized in stipulated time or where the committed payments could not be released due to delay and non-delivery of all the concerned equipments as per schedule.

Funds spent on procurement of weapons

(Rs. in crore)

Year	Expenditure
2002-2003	12929.80
2003-2004	14484.56
2004-2005	26968.11
2005-2006	25471.51
2006-2007	26898.43
2007-2008	27740.57
2008-2009	29896.15
2009-2010	38305.27
2010-2011	45511.96
2011-2012	50362.50
TOTAL	298568.86

Army medals for soldiers beheaded by Pakistan army

1755. DR. BHARATKUMAR RAUT: Will the Minister of DEFENCE be pleased to state:

(a) whether Government has announced to consider to award Army Medals on Republic Day to two soldiers who were killed in the barbaric attack by the Pakistani Army near LoC in first week of January, 2013;

(b) the reasons that Government has not come to any decision in this regard; and

(c) whether Government has any plan to honour those soldiers by awarding Army Medals and give away the medals to their family members in public ceremony?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) Every year gallantry awards are announced on the eve of Republic Day and Independence Day to recognize the gallant acts performed by the individuals beyond call of their duty. As per existing procedure, a case for award is initiated by the Unit and forwarded to Service HQrs duly recommended by the Commanders in chain for consideration by their Honours and Awards Committee. If the case is found fit, the same is forwarded to Ministry of Defence for further consideration by the Government. As on date, no citations/recommendations pertaining to the specific incident have been received.

Encouraging private sector for production of defence equipments

1756. SHRI AMBETH RAJAN: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is of the view that dependence on foreign companies to procure equipment/material for the defence requirement of the country paves way for one after another kickbacks in deals/ scam like the recent one in VVIP chopper deal worth Rs. 36,000 crore;

(b) whether Government is contemplating to encourage private sector within the country to avoid such type of scam; and

(c) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) All Capital procurements are done as per Defence Procurement Procedure (DPP). Procurement is sourced from both domestic and foreign sources depending on threat perception, operational challenges, technological changes and available resources.

(b) and (c) With a view to achieve greater self reliance in Defence production, the Defence Industry was opened up for Indian Private Sector participation in May, 2001 with FDI permissible upto 26%, subject to licensing. The 'Make' Procedure was promulgated in 2006 to encourage indigenous development. Government included a categorisation 'BUY & MAKE (Indian)' in the Defence Procurement Procedure in November, 2009 to encourage indigenous production. There is also provision for 30% offset obligation in all Capital Acquisitions categorized as Buy (Global) or Buy and Make with Transfer of Technology (ToT) where the estimated cost of the acquisition proposal is Rs. 300 crore or more. Further, Government has announced the Defence Production Policy in January, 2011 and Joint Venture Policy for DPSUs in February, 2012. Government is in the final stage of amending the Defence Procurement Procedure.