

- (a) whether it is a fact that the budget allocation for Defence has been significantly reduced and is the lowest since 1962;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Government has done any study to replenish and modernise the armed forces, if so, details thereof and if not, reasons therefor; and
- (d) whether the low budget allocation will hinder the Government's efforts to modernise the armed forces, thereby causing national security concerns, if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (DR. SUBHASH RAMRAO BHAMRE): (a) and (b) No, Sir. The Budget allocation for Defence has been increasing year over year, including 2018-19, wherein the Budget Estimate (BE) allocation at ₹ 4,04,364.71 crore is ₹ 44,510.59 crore over the BE 2017-18 allocation of ₹ 3,59,854.12 crore.

(c) and (d) Modernization of Armed forces is a continuous process undertaken as per the extant Defence Procurement Procedure (DPP) to keep the Forces in a state of readiness to meet operational and security challenges.

Government is taking measures for modernization of the armed forces, through inducting of new equipment and upgrading of existing equipment and systems. The modernization projects are progressed as per approved Services Capital Acquisition Plans (SCAP) and Annual Acquisition Plans (AAP) in terms of extant Defence Procurement Procedure (DPP).

The allocated funds are optimally and fully utilized towards operational activities. However, depending on budget allocation the schemes are reprioritized to ensure that urgent and critical capabilities are acquired without any compromise to operational preparedness of Defence services.

#### **Shortage of arms in Army**

†1765. SHRI NARESH AGRAWAL: Will the Minister of DEFENCE be pleased to state:

- (a) whether it is a fact that the shortage of arms in Indian Army has not been met;
- (b) if so, the reasons therefor; and
- (c) if not, the countries with which treaties have been signed to meet the shortage of arms during the last three years and the arms received therefrom?

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† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (DR. SUBHASH RAMRAO BHAMRE): (a) to (c) The authorisation and holding of arms is as per operational requirement of the Indian Army. There is adequate stock of arms with the Army and they are well equipped for meeting any operational requirements. Further, making up of deficiencies in arms stock is a continuous process and is addressed through the ongoing procurement process.

**Transfer of technology in Rafale deal**

1766. SHRI RAVI PRAKASH VERMA:

SHRI NEERAJ SHEKHAR:

Will the Minister of DEFENCE be pleased to state:

(a) whether transfer of technology under Rafale aircraft deal would be done by France;

(b) if so, the details thereof;

(c) if not, the reasons for compromising the deal; and

(d) the cost of each aircraft as per the deal?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (DR. SUBHASH RAMRAO BHAMRE): (a) to (c) The Inter-Governmental Agreement (IGA) for supply of 36 Rafale aircraft envisages supply of aircraft in fly-away condition along with associated equipment. The earlier proposal in the procurement of 126 aircraft involved license manufacturing only and not Transfer of Technology. It was never finalised.

(d) The cost of each Rafale aircraft is approximately ₹ 670 crore at prevailing exchange rate of November, 2016; without associated equipments, weapons, India Specific Enhancements, maintenance support and services.

**Privatization of defence production**

1767. SHRI NEERAJ SHEKHAR:

SHRI RAVI PRAKASH VERMA:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government is contemplating to privatise defence production in the country;

(b) if so, the details thereof;