

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:4967

ANSWERED ON:24.04.2003

UNSPENT AMOUNT

GADDE RAMAMOHAN;M.V.V.S MURTHI;NEDURUMALLI JANARDHANA REDDY;RENUKA CHOWDHURY;SULTAN
SALAHUDDIN OWAISI;T.M. SELVAGANAPATHI;VSM (RETD.) COL. CHOUDHARY

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government have taken note of regular unspent budgetary allocations under grants/appropriation relating to Ministry of Defence;
- (b) whether it is a fact that unspent funds under grants/appropriation have increase from Rs. 449.59 crore during 1996-97 to Rs. 8,797.62 crores during 2000-2001;
- (c) whether unspent amount in grants for Ministry of Defence during 2000-2001 work out to 14.6 percent and 30% during the year 2002-2003 of budgetary allocation which indicates poor financial management;
- (d) if so, the reasons therefor; and
- (e) the action taken/proposed to be taken to avoid projection of inflated demands in future and proper management of allocated grants?

Answer

MINISTER OF STATE FOR DEFENCE PRODUCTION & SUPPLIES (PROF. CHAMAN LAL GUPTA)

(a) & (b): Yes, Sir.

(c) The unspent amount in the grants for the Ministry of Defence during 2000-2001 work out to 14.6% of the budgetary allocation. However, Annual Accounts for the year 2002-2003 have not yet been closed.

(d) The detailed reasons for variation between the budgetary allocations and the actual expenditure have been given in the Appropriation Accounts (Defence Services) for respective years presented to the Parliament.

(e) All efforts are being made to ensure realistic projection of funds. In order to fully utilize the allocated grants, the progress of Defence expenditure and status of various procurement proposals is kept under constant review and follow up action, as necessary, is taken. A new procurement Organisation has also been established to deal with acquisitions on capital account for the Defence Services.