

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1363
ANSWERED ON:03.08.2006
NON -LAPSABLE DEFENCE MODERNISATION FUND
Khanduri AVSM,Maj.Gen.(Retd.) Bhuwan Chandra;Verma Shri Ravi Prakash

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has considered the desirability for setting up a Non-lapsable Defence Modernisation Fund;
- (b) if so, the details thereof; and
- (c) the time by which the final decision is likely to be taken in the matter?

Answer

MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE)

(a) to (c): The Ministry of Defence had considered the desirability of setting up a Non-lapsable Defence Modernisation Fund in the past but while formulating the modalities, it emerged that the utility of Defence Modernisation Fund in addressing the basic issue of assured availability of funds will be rather limited. Hence, it was decided not to pursue the proposal further.