

Centre signs 70 defence contracts during last fiscal

written by iasexam.com | 17/09/2020



A total of 70 defence contracts were signed during the last financial year, while 16 deals have been inked this fiscal till July, Minister of State for Defence Shripad Naik said in the Parliament.

A total of 38 defence contracts were signed with Indian vendors while 32 contracts were inked with foreign vendors in the last financial year, Naik said in a written reply to BJP MP Colonel Rajyavardhan Singh Rathore in the Lok Sabha.

Key Highlights

- The minister also said that during the current financial year up to July, a total of 10 contracts have been signed with Indian vendors and six with foreign vendors.
- These contracts are for capital procurement of defence equipment for the armed forces.
- Out of the total 48 capital acquisition contracts signed with Indian vendors from April 2019 to July 2020, 18 contracts have been signed with defence public sector undertakings (PSUs), Ordnance Factory Board, Defence Research and Development Organisation (DRDO), Indian Space Research Organisation (ISRO) while 30 contracts have been signed with Indian private vendors.

- Last year maximum expenditure was incurred under Capital Acquisition (Modernisation) of Armed Forces under Defence Service Estimates (DSE) and it stood at Rs 91,128.74 crore.
- In the 2018-2019 financial year, it was Rs 75,892.85 crore and in 2017-2018 it was Rs 72,732.20 crore. In 2016-2017, it was Rs 69,280.16 crore and in 2015-2016, it was Rs 62,235.54 crore.
- While evaluating competitive bids for defence contracts between defence PSUs and private sector entities, no advantage is given to defence PSUs. The competitive bids are evaluated based on the request for proposal terms and conditions, the minister said.

SOURCE: *The Indian Express*