

## **Budget 2013: Defence Ministry opposes Finance Ministry's decision to reduce budget**

The Defence Ministry has opposed a decision of the Finance Ministry to reduce its budget by Rs 10,000 crore saying this move may affect its plans for procuring critical equipment for the three Services.

The Defence Ministry has asked the Finance Ministry to take back its decision to cut Rs 10,000 crore from its allocated budget of around Rs 1.93 lakh crore citing the impact it can have on the modernisation plans of the Armed Forces, sources said here.

Financial Adviser (Defence Services) Priti Mohanty has also held a meeting with Secretary (Expenditure) in Finance Ministry R S Gujaral to put across the requirements of the Defence Ministry and also why the budget cut should not be implemented, they said.

Last month, the government had imposed a five per cent cut in the Rs 1.93 lakh crore defence budget in view of economic slowdown.

After the budget cut, several key acquisition plans of the three forces including the procurement of 126 combat aircraft for the IAF are expected to be pushed for the next fiscal.

In view of the cost-cutting measures, defence forces have been asked by the ministry to concentrate on prioritising their procurements.

Under the Rs 1.93 lakh crore budget, Rs 1,13,829 crore is for revenue expenditure including salaries and pensions and Rs 79,579 crore was allocated for modernising the Armed Forces by acquiring new assets.

*(Economic Times)*