

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:467
ANSWERED ON:21.11.2002
PRIVATE SECTOR PARTICIPATION IN DEFENCE SECTOR
ANANTA NAYAK

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government have invited private sector participation in Defence projects;
- (b) if so, the norms prescribed therefor; and
- (c) the response thereto?

Answer

MINISTER OF DEFENCE (SHRI GEORGE FERNANDES)

(a) & (b): The Defence Industry Sector was opened in May 2001 for participation by Indian Private Sector upto 100% equity, with Foreign Direct Investment (FDI), component of it being permissible upto 26%, both being subject to licensing permission. This includes all types of defence equipment. Detailed guidelines were issued by the Department of Industrial Policy & Promotion (DIPP) after consultation with the Ministry of Defence and Industry Associations, for consideration of applications for grant of license in January 2002.

(c) Till date, 10 applications have been received through DIPP for manufacture of various types of defence equipment, out of which recommendation on 6 applications have been conveyed to DIPP.