

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:230

ANSWERED ON:05.08.2013

FDI IN DEFENCE SECTOR

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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to fix a permanent cap on Foreign Direct Investment (FDI) in Defence sector;
- (b) if so, the details thereof; and
- (c) the extent to which the rise in FDI is likely to benefit the Defence sector?

Answer

MINISTER OF STATE IN THE (SHRI JITENDRA SINGH) MINISTRY OF DEFENCE

(a) & (b): FDI upto 26% FDI is permissible in the defence sector, subject to licensing. However, wherever FDI beyond 26% is likely to result in access to modern and state-of-the-art technology into the country, decisions can be taken to allow higher FDI on a case-to-case basis with approval of the Cabinet Committee on Security.

(c) It is difficult to assess at this stage the likely benefit to the Defence Sector.