

evolving security challenges. It would not be in the interest of national security to give details of fighter squadron strength of the IAF.

**Impact of FDI on defence preparedness**

1441. DR. R. LAKSHMANAN : Will the Minister of DEFENCE be pleased to state :

(a) whether Government is of the view that permitting Foreign Direct Investment (FDI) in defence sector, which is permissible upto 26 per cent till now, has undermined the security preparedness of the country, if so, the details thereof;

(b) whether Government has prepared any comprehensive plan to indigenize the defence equipments production; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI JITENDRA SINGH) : (a) No, Sir.

(b) and (c) In order to strengthen the indigenisation of defence production, the Government has formulated a Defence Production Policy which came into effect from January, 2011.

In pursuance to implementation of Defence Production Policy, the revised Defence Procurement Procedure, *inter-alia*, provides for the following:

- (i) Preference to 'Buy (Indian)', 'Buy and Make (Indian)' and 'Make' categories over 'Buy (Global)' or 'Buy and Make' categories of Capital Acquisition cases.
- (ii) The procedure for 'Buy and Make (Indian)' category introduced in 2009, has been further simplified in order to make the category more attractive for Indian Defence Industry.
- (iii) A clear definition of indigenous content has been provided which would not only bring more clarity on the indigenous content required for different categorization, but also enhance the indigenization of defence products in India.
- (iv) In 'Buy (Global)' cases, it will now be possible for the vendor to give Maintenance ToT to an Indian entity.