

Disinvestment of SAIL

*37. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is considering disinvestment in the Steel Authority of India Ltd. (SAIL); and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) Yes, Sir.

(b) The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 19th July, 2012 approved the sale of 10.82% equity of SAIL out of the Government of India's holding of 85.82% through offer for Sales of Shares through stock exchange mechanism as per SEBI Rules and Regulations. Accordingly, first tranche of disinvestment of 5.82% was completed in March, 2013. The remaining 5% disinvestment is tentatively scheduled for completion in the current financial year.

FDI in defence sector

*38. SHRI K.N. BALAGOPAL : Will the Minister of DEFENCE be pleased to state:

(a) whether Government has decided to allow 100 per cent FDI in defence sector instead of adopting a policy of mastering technologies through indigenous efforts; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF DEFENCE (SHRI ARUN JAITLEY): (a) As per the current FDI Policy, upto 26% FDI is permissible in the Defence Sector subject to licensing through Government route. However, wherever FDI beyond 26% is likely to result in access to modern and state-of-the-art technology in the country, decisions can be taken to allow higher FDI on a case-to-case basis with the approval of Cabinet Committee on Security.

(b) The Defence Production Policy, 2011 aims at achieving substantive self-reliance in the design, development and production of equipment / weapon systems / platforms required for defence in as early a time frame as possible; by creating conditions conducive for the private industry to take an active role in this endeavour; by enhancing potential of SMEs in indigenization and broadening the defence R&D base of the country. In order to encourage the indigenous efforts for developing technologies and products required for defence, the Defence Procurement Procedure has been amended giving preference to Buy (Indian) category of capital acquisitions.