

(d) There is no plan for resettlement of ESM on Defence Land. However, there are two policies involving Defence land for the welfare of ESM viz.

- (i) Use of temporarily surplus Defence Lands for agricultural / horticultural purposes and
- (ii) Leasing of Defence Land for retail outlets.

However, welfare of ESM is a continuous process and all eligible ESM are provided the entitled facilities. All efforts are made on an on-going basis by the Department of Ex-servicemen Welfare to address the concerns of ESM.

FDI in defence production

170. SHRI TARUN VIJAY: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is contemplating to open defence production sector for FDI; and

(b) whether the technology transfer condition would also be applied to such proposals?

THE MINISTER OF DEFENCE (SHRI ARUN JAITLEY): (a) and (b) 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.

Domestic production of defence equipment

171. DR. BHALCHANDRA MUNGEKAR: Will the Minister of DEFENCE be pleased to state:

(a) the proportion of expenditure incurred on import of defence equipment to the total expenditure on defence equipment of India as on 31 March, 2014;

(b) what are the factors that constrain the increase in domestic production of defence equipment of the country; and

(c) the steps, the Ministry proposes to undertake to increase the domestic production of defence equipment?

THE MINISTER OF DEFENCE (SHRI ARUN JAITLEY): (a) to (c) The proportion of expenditure in respect of orders placed on foreign vendors to the total expenditure on defence equipment for Capital Acquisition during the financial year 2013-14 is 42.7% for three services.