

(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.

Production of defence equipment entails large amount of initial capital investment. At present the domestic defence research and production is largely confined to DRDO, OFB and Defence Public Sector Undertakings.

In an effort to strengthen the indigenous defence production base, the Government has announced a Defence Production Policy in January, 2011. Additionally, the Defence Procurement Procedure-2013 lays emphasis on providing the desired boost to the Indigenous Defence Industry by mandating a higher preference to the 'Buy (Indian)', 'Buy and Make (Indian)' and 'Make' categorizations in Capital Procurement.

Setting up of holding company by SBI

172. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal to float a holding company by the State Bank of India (SBI) to facilitate funding of capital required by its subsidiaries;

(b) what is the total estimated amount of capital required to meet the requirement under the Basel III capital adequacy framework for all its subsidiary banks; and

(c) the details of pattern of share-holding of the proposed subsidiary company to facilitate funding of capital for the SBI subsidiaries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) State Bank of India (SBI) has informed that there is no such proposal under process. SBI has estimated ₹ 32,831 crore as total capital requirement under the BASEL-III capital adequacy framework for all SBI subsidiary banks, during the Financial Year 2015 to financial year 2019.

CSO suggestion for bringing down retail inflation

†173. SHRI PRABHAT JHA:

SHRI VIJAY GOEL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a research paper has been prepared by the Central Statistical Organization (CSO) on the basis of analysis of the data of retail inflation on national level as well as State-wise and therein several suggestions have been given to bring down retail inflation rate;

(b) if so, the details thereof;

†Original notice of the question was received in Hindi.