

(b) if so, whether Government is considering any proposal to bring HAL directly under the IAF's control considering that the IAF is the main customer of HAL?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI INDERJIT SINGH ROA): (a) IAF procures majority of its aircrafts and helicopters from HAL. HAL is supporting IAF, through design and development, manufacture, repair and overhaul, spares support, upgrade and life extension. However, there are issues regarding delays in projects execution, service ability etc. due to various reasons. These are being addressed by having structured meetings involving all stakeholders including representatives from IAF and HAL.

(b) No such proposal at present is under the consideration of the Government.

#### **FDIs in defence items**

3578. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of DEFENCE be pleased to state:

(a) whether Government has taken a decision to do away with the three years lock-in period in allowing FDIs in defence items; and

(b) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI ARUN JAITLEY): (a) and (b) The current FDI policy for Defence Sector includes the condition that there would be a three-year lock-in period for transfer of equity from one non-resident investor to another non-resident investor (including NRTs and erstwhile OCBs with 60% or more NIR stake) and such transfer would be subject to prior approval of the Government.

In the Union Budget 2014-15, it has been announced that the composite cap of foreign exchange is being raised to 49% with full Indian management and control through the FIPB Route for defence sector. The details and the conditions of the announced policy in the Union Budget 2014-15 are being worked out and are yet to be notified.

#### **Delays in acquisition of LUHs**

3579. DR. KANWAR DEEP SINGH: Will the Minister of DEFENCE be pleased to state:

(a) by how much time has the acquisition of Light Utility Helicopter (LUH) been delayed for the Indian Army;

(b) the reasons therefor; and

(c) whether it is a fact that due to these delays in acquisition of the LUHs, the Army is forced to operate Dhruv Advanced Light Helicopters (ALHs) to maintain their formation in the Himalayas, which has been cited as the cause for their accidents?