

(c) the priority thereof and what are the basis of prioritizing equipment in the armed forces (guns, submarines, helicopters, etc.)?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) The position of service-wise requirement projected *vis-a-vis* allocation in BE 2014-15 for modernization of Armed Forces is as under:-

(Rupees in crore)		
Service	Projection	Allocation
Army	33,167.15	20,935.41
Navy*	26,238.08	22,394.23
Air Force	59,606.89	31,818.39
TOTAL	1,19,012.12	75,148.03

* Including Jt. Staff.

(b) and (c) The Government constantly reviews the security scenario and accordingly decides to induct appropriate defence weapons / equipment. Modernisation of Defence Forces is a continuous process based on threat perception, operational challenges, technological changes and available resources. The process is based on a 15 year Long Term Integrated Perspective Plan (LTIPP), five year Services Capital Acquisition Plan (SCAP) and Annual Acquisition Plan (AAP). Procurement of equipment and weapon systems is carried out as per the AAP in accordance with the Defence Procurement Procedure.

Bottlenecks in developing ARMIS

978. SHRIMATI RENUKA CHOWDHURY: Will the Minister of DEFENCE be pleased to state:

(a) whether India has been attempting to build its own Airborne Reconnaissance Multisensor Imagery Intelligence Systems (ARMIS) for over a decade;

(b) if so, the bottlenecks in developing the ARMIS; and

(c) the time by which indigenous production of ARMIS is likely to start?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) Defence Research and Development Organisation (DRDO) has developed Unmanned Airborne Reconnaissance Vehicle, Nishant with imagery payload, which has already undergone

Limited Series Production (LSP). Another Unmanned Airborne Reconnaissance Vehicle, Medium Altitude Long Endurance (MALE) Rustom-I has also been developed by DRDO and being evaluated by the user. It has gimballed payload for imagery reconnaissance and target tracking capability in day and night. DRDO has again undertaken a project to develop its advanced version as Rustom-II with Electronic Intelligence (ELINT), Communication Intelligence (COMINT), Medium and Long Range Electro-optic Payloads and Synthetic Aperture Radar (SAR).

(b) Major bottlenecks were identification of Production Agency cum Development Partner and getting environmental Clearance for Aeronautical Test Range (ATR) for testing of developed vehicles.

(c) After the trials of the Sensor payloads on unmanned platform with proven performance, indigenous production of the System is likely to commence in 2016.

FDI in defence sector

979. SHRI P. BHATTACHARYA:

SHRI HUSAIN DALWAI:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government has decided to raise limit of foreign direct investment (FDI) in the sensitive defence sector;

(b) if so, the details identified for FDI in the defence sector in the country;

(c) whether any blue print has been drawn in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (RAOINDERJIT SINGH): (a) to (d) In May 2001, the Defence Industry sector, which was hitherto reserved for the public sector, was opened up to 100% for Indian private sector participation with FDI permissible up to 26%, both subject to licensing. *Vide* Press Note No. 7 (2014 Series), Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry has raised the FDI limit in Defence Sector up to 49% through FIPB route and above 49% through Cabinet Committee on Security (CCS) on case-to-case basis, wherever it is likely to result in access to modern and state-of-the-art technology in the country. FDI limit of 49% is composite and includes all point of foreign investments *i.e.* Foreign Direct Investment (FDI), Foreign Institutional Investors (FII), Foreign Portfolio Investment (FPI), Non Resident Investments (NRIs), Foreign Venture Capital Investor (FVCI) and Qualified Foreign Investors (QFI).