

- (b) if so, how Government is planning to deal with the situation; and
- (c) the data regarding intrusion into Indian territory from Chinese and Pakistani sides during the period of last three years including the current year?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) to (c) There have been no instances of intrusion by troops of China or Pakistan into Indian territory.

However, as there is no commonly delineated Line of Actual Control (LAC) between India and China, there are areas along the Indo-China border where both sides have differing perception of LAC. Due to both sides undertaking patrolling upto their perception of the LAC, transgressions do occur.

Government regularly takes up any transgression along LAC with the Chinese side through established mechanisms including Flag meetings, Border Personnel meetings, meetings of Working Mechanism for Consultation and Coordination on India-China Border Affairs and diplomatic channels.

Non-fulfillment of compensation for Kargil martyrs

902. SHRI NARESH AGRAWAL: Will the Minister of DEFENCE be pleased to state:

- (a) whether it is a fact that the compensations announced by Government for Kins of Kargil martyrs have not been fulfilled even after the passage of number of years;
- (b) if so, the reasons therefor;
- (c) whether Government is not serious to the welfare of the kins of the martyrs; and
- (d) if not, the extent to which the announcements made for the kins of Kargil martyrs have been fulfilled till date and the details thereof?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) to (d) The information is being collected and will be laid on the Table of the House.

FDI in defence sectors

903. DR. SANJAY SINH:

SHRI NARESH AGRAWAL:

Will the Minister of DEFENCE be pleased to state:

- (a) whether it is a fact that Government has allowed 100 per cent FDI in the defence sector;
- (b) if so, the items in the defence sector on which this will be applicable;

(c) whether it is also a fact that the confidentiality of the defence sector will be affected after the arrival of foreign companies; and

(d) if so, the manner in which it will be dealt with and the ensuing effect of this step on domestic industries working in defence sector?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) to (d) The Government *vide* Press Note 5 (2016) dated 24.06.2016 notified review of Foreign Direct Investment (FDI) Policy on various sectors including defence. According to the revised guidelines, foreign investment up to 49% is allowed through automatic route and above 49% under Government route wherever it is likely to result in access to modern technology or for other reasons to be recorded. The foreign investment in defence sector is further subject to industrial licence under the Industries (Development & Regulation) Act, 1951.

2. The Government *vide* Press Note 3 of 2014 Series dated 26.06.2014 has notified defence products list for the purpose of issuing Industrial License for manufacture of licensable items under the Industries (Development & Regulation) Act, 1951.

3. Foreign investment in defence industry sector is subject to industrial licensing. Licensing Committee in Department of Industrial Policy and Promotion (DIPP) takes into account security clearance from the Ministry of Home Affairs and views of the Ministry of Defence. The Licensed Defence Companies are required to follow detailed security guidelines applicable to them as per security instructions/architectures prescribed in "Security Manual for Licensed Defence Industries" available at www.ddpmod.gov.in based on their categorization. The Manual provides detailed guidelines on physical security/materials security/documents security/information security etc. The companies are also subjected to external security audit by Intelligence Agencies once in two years and cyber security audit by CERT-IN empanelled auditors once every year.

4. Foreign investment above 49% is permitted in cases wherever the proposal is likely to result in access to modern technology or for other reasons to be recorded. Such proposals are considered by Foreign Investment Promotion Board (FIPB) based on the security clearance of MHA and comments of Ministry of Defence. In such cases, foreign investment is expected to bring in modern technology and production capability in the domestic defence production sector.

Production of Tejas aircraft

†904. SHRI HARIVANSH: Will the Minister of DEFENCE be pleased to state:

(a) by when the production of Tejas would be started on large scale;

†Original notice of the question was received in Hindi.