

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:3704  
ANSWERED ON:10.09.2007  
FDI IN DEFENCE PSU  
Sen Smt. Minati

**Will the Minister of DEFENCE be pleased to state:**

- (a) whether the Government has permitted 50 percent Foreign Direct Investment (FDI) in Defence Public Sector Undertaking (PSU) as per the recommendation of Kelkar Committee;
- (b) if so, whether the Central Industrial Trade Union (CITU) alongwith Central Trade Unions, Defence Employees Federations, DPSU unions demanded scrapping of Kelkar Committee`s recommendations; and
- (c) if so, the reaction of the Government thereto?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF STATE DEFENCE PRODUCTION (RAO INDERJIT SINGH)

- (a) No, Sir. Neither the Government has permitted 50% FDI in Defence Public Sector Undertakings (DPSUs) nor has the Kelkar Committee made such a recommendation.
- (b)&(c): The Defence Employees` Federations had demanded scrapping of some of the Kelkar Committee`s recommendations. Government as a policy has no proposal to increase the limit of FDI in the Defence sector beyond 26%.