

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1882
ANSWERED ON:26.03.2012
DEFENCE OFFSET POLICY
Dhruvanarayana Shri R.

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has recently made amendments to the defence offset policy;
- (b) if so, the details thereof; and
- (c) the key features of the new policy?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) to (c): The Defence Procurement Procedure (DPP) – 2011 was promulgated w.e.f. 1st January, 2011 wherein the scope of Offset Policy was expanded to include "civil aerospace", "internal security" and "training" within the ambit of eligible products and services for discharge of offset obligations. The list of Civil Aerospace Products was clarified and revised in May, 2011. In November, 2011, Tier-1 sub-vendors were allowed to discharge offset obligations to the extent of their work share (by value) on behalf of the main/prime vendor. These amendments provide greater flexibility and a wider range of offset opportunities to vendors participating in defence procurements and will encourage building up of indigenous manufacturing capability in crucial areas.