

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:1432  
ANSWERED ON:03.12.2012  
POLICY OF DEFENCE OFFSET  
Adhi Sankar Shri

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

- (a) whether the Ministry has set up Defence Offset Monitoring Wing (DOMW) to monitor and audit about Rs.8,300 crore worth of offset per year;
- (b) if so, the details thereof;
- (c) whether this policy mandates that foreign arm vendors who win the contracts must invest 30 percent of the contract value to build the defence industry; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE (SHRI JITENDRA SINGH) MINISTRY OF DEFENCE

(a) to (d): The Ministry has setup a "Defence Offsets Management Wing" (DOMW) under the Department of Defence Production in August 2012 and has entrusted it with the following responsibilities:-

- (a) Formulation of Defence Offset Guidelines;
- (b) Monitoring the discharge of offset obligations, including audit and review of progress reports received from vendor;
- (c) Participation in Technical and Commercial evaluation of offset proposals as members of TOEC and CNC;
- (d) Implementation of Offset banking guidelines;
- (e) Administration of penalties under offset contracts in consultation with Acquisition Wing;
- (f) Assisting vendors in interacting with Indian Industry; and
- (g) Other responsibilities assigned under offset guidelines or entrusted by the Government.

Monitoring and discharge of offsets is required to be undertaken in accordance with the relevant offset guidelines and signed offset contract. Therefore it may not be possible to put an exact financial figure. Revised Defence Offset Guidelines (Appendix 'D' to Chapter-I of Defence Procurement Procedure-2011) are enclosed.