

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3385**  
TO BE ANSWERED ON 05<sup>th</sup> August, 2022

**DEFENCE OFFSET OBLIGATIONS**

3385. KUNWAR DANISH ALI:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government is aware that over the last fifteen years a large number of foreign companies have not fully implemented their defence offset obligations within the original deadline set for their implementation in India;
- (b) if so, the total value of defence offset commitment that had to be implemented over the last fifteen years;
- (c) the percentage of the total defence offset commitment made during the said period that has been implemented so far;
- (d) the names of all the companies that have missed the first deadline set for the implementation of their defence offset commitment;
- (e) the steps taken by the Government to seek compliance from the companies that have missed the original deadline to fully implement their defence offset commitment; and
- (f) the steps taken by the Government to ensure that foreign companies do not default or delay implementation of their defence offset commitment in the future?

A N S W E R

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

- (a): Yes, Sir.
- (b): US \$ 6.83 Billion till 01.08.2022
- (c): During the last 15 years, offset claims worth 82.13% of the total offset commitment as mentioned in reply to part (b) have been submitted till 01.08.2022.
- (d): Total 15 companies have missed the first deadline set for implementation of their defence offset commitment. Further details being strategic and sensitive in nature, cannot be disclosed.
- (e): For unfulfilled offset obligations, penalty as applicable has been imposed on the defaulting vendors as per the governing Defence Offset Guidelines.

Further, in genuine cases, re-phasing of offset obligations has been allowed to enable vendors to discharge the pending offset obligations.

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(f): The following steps have been taken by the Ministry to prevent default or delay in implementation of offset commitments by vendors:

- (i) For any shortfall against the committed offset obligations, penalty is imposed as per the applicable Defence Offset Guidelines.
- (ii) In genuine cases, re-phasing of the offset obligation may be allowed subject to certain stipulations for discharging additional offset obligations by the vendor.

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