

# Quest into defence engineering offsets

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**BANGALORE:** Engineering services company Quest Global has spun off a new subsidiary that will exclusively tap the defence offsets business.

It has roped in Ashok Baweja, former HAL Chairman, to head the new entity, Quest Global Defence Engineering Services, based in Bangalore. It will do mechanical engineering and documentation work similar to that of Quest but against which offset cred-

its are to be generated.

Companies supplying military hardware, fighter planes, helicopters and others that exceed Rs. 300 crore have to plough back business of at least 30 per cent of the deal value into Indian industry; the counter-benefit or 'offset' could be products, spares, research or others as the Defence Procurement Policy specifies periodically.

The company will complement the parent's ongoing work and wants to be a pre-

ferred partner for defence and aerospace offsets.

"There are plenty of opportunities, big and small, in this segment" worth several hundred crores of rupees, Mr. Baweja told *The Hindu*. "There are large offset obligations (coming up) for several programmes (of the Armed Forces). They have to be done by an Indian company. Quest Defence Engineering will specifically focus on OEMs (original equipment manufacturers) from overseas who

have bid into India and have offset obligations."

Research firm Deloitte recently estimated in its Aerospace & Defence Outlook 2013 that the offsets business could surpass \$10 billion this year.

The two-month-old company, with a workforce of 40 from both Quest and outside, has its own facility near Marathahalli.

The 4,200-member Quest Global was co-founded by Ajit Prabhu, Chairman and CEO.