

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1977
ANSWERED ON:22.11.2010
DEFENCE PROCUREMENT POLICY
Pal Shri Jagdambika

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to review Defence Procurement Policy (DPP), 2008;
- (b) if so, the reasons for such frequent reviews of DPP and the time by which DPP-2010 is likely to be finalised;
- (c) whether the foreign arm suppliers have expressed reservation and raised objection through letters regarding offset clause and other provisions in the DPP;
- (d) if so, the details thereof;
- (e) whether the government has finalized its view on these issues; and
- (f) if so, the details thereof?

Answer

MINISTER OF DEFENCE (SHRI A.K. ANTONY)

(a) & (b): Defence Procurement Policy-2008 (DPP-2008) came into effect from 1st September, 2008. There is a provision for periodic review of this procedure. DPP-2008 was last reviewed in 2009 and certain amendments were promulgated which became effective from 1st November, 2009. Review of DPP is an on going process undertaken with the objective of reducing delays and ensuring greater transparency in the procurement process.

(c) to (f): Foreign arms suppliers seek clarifications from time to time regarding offsets clauses and other provisions in the DPP. This is an on going process and clarifications are provided to the vendors as required.