

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1079

ANSWERED ON:29.04.2016

Defence Procurement Procedure

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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has finalised a new Defence Procurement Procedure (DPP) to promote indigenization and self-reliance in defence sector;
- (b) if so, the salient features thereof;
- (c) the details of the Indigenously Designed, Developed and Manufactured (IDDM) category and its role in prioritizing domestic defence industries;
- (d) whether the new DPP has enlarged the role of private sector and micro, small and medium industries in defence sector, if so, the details thereof; and
- (e) whether the Government has received any complaints regarding the implementation of the said DPP, if so, the details thereof and the action taken by the Government thereon?

Answer

MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR)

(a) to (e): The new Defence Procurement Procedure (DPP) 2016 containing the Preamble and 5 Chapters has been put on Ministry of Defence website on 28.03.2016. The new DPP focuses on a boost to the 'Make in India' - initiative of the Government of India, through Indigenous design, development and manufacturing of defence equipment, platforms & systems. The 'Make' procedure has been simplified to ensure increased participation of the Indian industry. Enhancing the role of MSMEs in defence sector, and cutting down permissible timeframes for various procurement activities, are the other defining features of DPP-2016.

The new category viz. Buy (Indian-IDDM) refers to the procurement of products from an Indian vendors meeting one of the two conditions: (i) products that have been indigenously designed, developed and manufactured with a minimum of 40% Indigenous Content (IC) on cost basis of the total contract value; or (ii) products having 60% IC on cost basis of the total contract value, which may not have been designed and developed indigenously. This category has been accorded the highest priority, to boost the indigenous defence industry. Ministry of Defence has not received any complaints with regard to implementation of the new DPP-2016.
