

## New Defence Procurement Manual (DPM)

*Prelims: Current events of national and international importance | Defence*

### Why in news?

*The Defence Minister approved the Defence Procurement Manual (DPM) 2025, the document governing defence revenue procurements.*

- **DPM, 2025** - It lays down the **guiding principles and provisions for all revenue procurements** in the Defence Ministry valued around Rs.1 lakh crore for the current fiscal.
- **Aim -**
  - To streamline, simplify and rationalize the revenue procurement process for the armed forces.
  - Achieving self-reliance in fulfilling the needs of the armed forces under the revenue head (operations and sustenance segment).
- DPM was last promulgated in **2009**, updated after 16 years.
- **Changes from the Previous Manual**
  - **Dispensing with NOCs** - The requirement for a No Objection Certificate (NOC) from Public Sector Undertakings (PSUs) for open tenders has been removed to create a more competitive environment.
  - **Government Support** -The government will now provide more direct support to industry, including technical assistance and equipment sharing to facilitate prototype development.
- **Key Provisions -**
- **Focus on Modern Warfare** - The manual incorporates the latest technological advancements and addresses the operational needs of modern warfare.
- **Support for Industry** - It provides industry-friendly provisions, including assured orders for up to 5 years, technical handholding, equipment sharing, and a reduction in penalties for delays, especially in R&D.
- **Promoting Indigenization** - Supports the "Aatmanirbhar Bharat" (self-reliant India) initiative by encouraging R&D and collaboration with institutions like IITs and IISc for indigenization.
- **Ease of Doing Business** -It removes redundant approvals and ensures transparent, competitive bidding, creating a level playing field for all

suppliers.

- **Timely Payments** - The manual emphasizes ensuring timely payment to vendors, which helps with managing working capital.
- **Incentivizing the suppliers** - By relaxing the Liquidity Damages (LD) provision - not to levy LD during the development phase, but levied in the post development phase ***(Minimum LD of 0.1% and maximum LD 5%)***.

## References

1. [Indian Express | New Defence Procurement Manual](#)
2. [The Hindu | Defence Ministry unveils new framework](#)

