



Ministry of Defence
(Acquisition Wing Secretariat)

Subject: **Amendment to Defence Procurement Procedure (DPP)-2013**

The following existing paras of DPP-2013 are amended as indicated below:-

Para and Page Nos.	For	Read
Para 8.2 of Appendix D to Chapter-I (Page 49)	“The TOEC will scrutinize the technical offset proposals (excluding proposals for Technology Acquisition by DRDO as per para 8.3) to ensure conformity with the offset guidelines. For this purpose, the vendor may be advised to undertake changes to bring his offset proposals in conformity with the offset guidelines. The TOEC will be expected to submit its report within 4-8 weeks of its constitution.”	“The TOEC will scrutinize the technical offset proposals (excluding proposals for Technology Acquisition by DRDO as per Para 8.3) to ensure conformity with the offset guidelines. For this purpose, the vendor may be advised to undertake changes to bring his offset proposals in conformity with the offset guidelines. During TOEC, the vendor is expected to provide details pertaining to IOP wise work share, specific products and supporting documents indicating eligibility of IOPs in addition to conformity with other clauses in the offset guidelines. If the vendor is unable to provide these details at the time of the TOEC, the same may be provided to DOMW either at the time of seeking offset credits or one year prior to discharge of offset obligations through that IOP. If the vendor submits the required documents at the time of seeking offset credits, DOMW will establish eligibility of IOP, product and offset discharge avenue along with other compliance issues and if, found ineligible on any count, penalty will be imposed by treating the transactions as invalid. If the vendor submits the required documents one year prior to discharge of offset obligations through a particular IOP, the final decision regarding admissibility of proposal shall be intimated by DOMW within three months of receipt of complete documents. If the proposal is found ineligible the vendor incurs the risk of re-phasing with consequent enhancement of 5 % in obligations, in case, the annual commitments change due to such ineligibility. The TOEC will be expected to submit its report within 4-8 weeks of its constitution.”



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Para 8.11 of Appendix D to Chapter I (Page 50)	“In exceptional cases, DOMW may recommend change in offset partner or offset component on being convinced that the change is necessary to enable the vendor to fulfil offset obligations. Any change in IOP/offset component of a Tier-I sub-vendor will have to be forwarded to DOMW through the main/prime vendor. The overall value of offset obligations shall, however, remain unchanged. Any change in the IOP shall be approved by the Secretary (Defence Production). Any change in the offset component will require approval of the RakshaMantri based on the recommendations of the Defence Procurement Board (DPB).”	“DOMW may recommend change in offset partner or offset component on being convinced that the change is necessary to enable the vendor to fulfil offset obligations. Any change in IOP/offset component of a Tier-1sub-vendor will have to be forwarded to DOMW through the main/prime vendor. The overall value of offset obligations shall, however, remain unchanged. Any change in the IOP and offset component shall be approved by the Secretary (Defence Production).”
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2. These amendments shall come into effect immediately and shall also be applicable to all offset contracts and on-going procurement cases, irrespective of the applicable DPP.

3. All concerned authorities may kindly note for information and compliance.

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To

CISC VCOAS VCNS VCAS DG(CG)

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ACAS(Plans)/ACNS(P&P)/Directors/Deputy Secretaries

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