

Defence industry calls for timebound review of acquisition rules

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New Delhi, 28 July

While the Ministry of Defence (MoD) is working to finalise a new version of the Defence Acquisition Procedure (DAP) before the end of this calendar year, it has not yet communicated a clear roadmap or timeline for the completion of the comprehensive review of the existing DAP 2020, private defence industry insiders told Business Standard.

While the industry hopes for an expeditious conclusion to the review process, major players remain cautiously optimistic given how the process is unfolding.

“Several stakeholder meetings have taken place, and discussions are ongoing. We appreciate the open-minded and pragmatic approach shown by the MoD,” an industry insider said.

Industry insiders are encouraged by what they describe as a genuine intent by the MoD to

streamline procedures and shorten procurement cycles. “There is a willingness to consider industry feedback and adopt rational suggestions, and there have been continued engagements to build consensus,” said one source.

Highlighting a key concern for both the armed forces and industry, one private sector executive stressed that whenever the draft of the revised DAP is shared with stakeholders, it must include clear measures to enforce shorter procurement — rather than simply outlining deadlines.

“While the process is underway, a clear roadmap for the completion of the review has not been communicated to the industry yet,” added the source.

Stressing the urgency of a prompt review and follow-up action, industry insiders point out that Operation Sindoor has brought five critical priorities into focus—enhanced need for self-reliance, fast-tracked acquisitions, induction



of appropriate technologies, creation of strong industry champions, and development of an ecosystem to provide surge industrial capacity. The policymakers will clearly need to think out of the box on the approach to achieving these goals, they add.

Within defence policy circles, the consensus is that funding isn't the issue — rather, the prolonged procurement timeline is, which has often forced the MoD to surrender

parts of the military modernisation budget in past years. Notably, the financial year 2024–25 marked the first time in five years that the MoD fully utilised the military modernisation budget.

The MoD's review, launched under its 'Year of Reforms' initiative, aims to streamline India's defence procurement policy, long criticised for delays and inefficiencies. Speaking at the Confederation of Indian Industry's annual

Why DAP evaluation matters

- For timely fulfilment of operational requirements and modernisation goals of the Armed Forces
- Align acquisition procedures with the Government of India policies and initiatives
- Promote *Aatmanirbharta* (self-reliance) through indigenous design and technology infusion
- Support 'Make in India' by facilitating defence manufacturing, joint ventures, and technology transfer
- Position India as a global hub for defence manufacturing and MRO (maintenance, repair & overhaul)
- Encourage design and development in public and private sectors, with emphasis on startups, innovators, and the private defence industry

business summit in New Delhi in May, Defence Secretary Rajesh Kumar Singh noted that the MoD has already shortened various procurement steps, potentially saving 69 weeks. However, he emphasised this was still inadequate.

The secretary believes the current 5 to 6-year timeline to acquire a weapon — from request for proposal to trials and cost negotiations — should ideally be reduced to two years.

On June 19, the MoD announced a comprehensive review of the DAP 2020 to “align it with existing policies and initiatives.” A committee chaired by the director general (Acquisition) was constituted to lead extensive deliberations with all stakeholders. Comprising senior MoD officials, as well as representatives from the defence industry and academia, the committee had already begun consultations by the time of the announcement and had

invited stakeholder suggestions by July 5. Former IAS officer Apurva Chandra (1980 batch), a former DG (Acquisition), who led the formulation of the DAP 2020, has been appointed Principal Adviser to the committee.

The stated aim of the DAP review is twofold.

First, to meet the operational requirements and modernisation goals of the Armed Forces in a timely manner.

Second, to align acquisition procedures with existing policies and initiatives in order to achieve *Aatmanirbharta* (self-reliance) in defence; promote 'Make in India' in defence manufacturing, particularly in the private sector; establish India as a global defence manufacturing and maintenance, repair, and overhaul hub; and promote the design and development of defence technologies, with a focus on startups and private industry.