

**DEFENCE  
EXPORTS  
ARE TAKING  
OFF**



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INDUSTRIAL GROWTH**



**NOVEMBER - 2025**



## DEFENCE EXPORTS ARE TAKING OFF & THEY'RE ABOUT TO REDEFINE INDIA'S INDUSTRIAL GROWTH

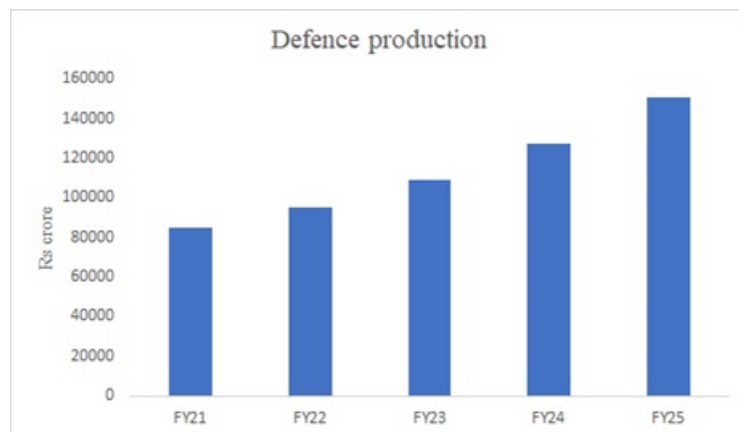
Indian defence industry is undergoing a strategic transformation, fuelled by policy reforms, technological ambition, and the Atmanirbhar Bharat push. The defence industry comprises several key market segments, with military fixed-wing aircraft, naval vessels and surface combatants, and missiles and missile defence systems representing the top three. Other prominent segments include military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles. The defence industry plays a vital role in India's economy and is poised for accelerated growth, driven by rising national security concerns. With rising private sector participation, growing exports, and a focus on advanced technologies, the industry is fast becoming a key driver of national security, innovation, and global competitiveness. India is positioning itself as a global hub for defence manufacturing, contributing to national security, creating job opportunities, and fostering technological innovation.





## RIISING DEFENCE PRODUCTION

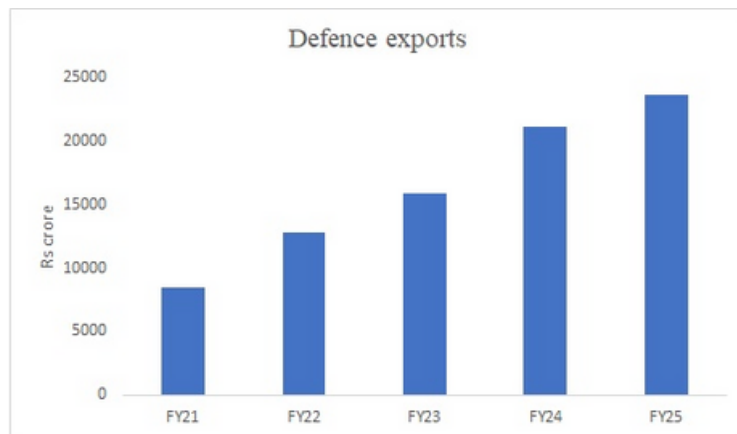
The defence production of India has soared to an all-time high of Rs 1,50,590 crore in the financial year 2024-25 (FY25). The milestone represents a robust 18.68% growth over the previous financial year's production of Rs 1,26,887 crore, and a staggering 90.45% increase since FY20, when the production was Rs 79,071 crore. Defence Public Sector Undertakings (DPSUs) and other PSUs accounted for approximately 77% of total production, while the private sector contributed 23% in FY25. The share of the private sector, which increased from 21% in FY24 to 23% in FY25, reflects the sector's growing role in the defence ecosystem of the country. Both public and private segments of the industry have demonstrated consistent year-on-year growth, attributed to far-reaching policy reforms, enhanced ease of doing business, and a strategic focus on indigenisation over the past decade. The overall production of DPSUs and private sector has increased by 16% and 28% respectively in FY25. This record-setting achievement underscores the growing momentum of the Government's push to self-reliance in defence manufacturing under the Aatmanirbhar Bharat initiative. The emphasis to reduce the dependency on imports and create a defence industrial complex that not only caters to India's needs but also strengthens the potential of exports has shown positive results.





## SURGING DEFENCE EXPORTS FROM INDIA

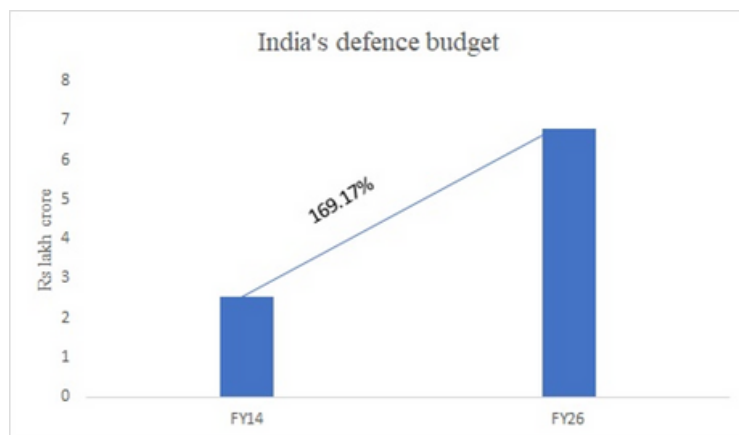
Defence exports from India have surged to a record high of Rs 23,622 crore in FY25. A growth of Rs 2,539 crore or 12.04% has been registered in FY25 over the defence exports of FY24, which were Rs 21,083 crore. The defence Public Sector Undertakings have shown a significant increase of 42.85% in their exports in FY25 reflecting the growing acceptability of Indian products in the global market and the ability of the Indian defence industry to be a part of the global supply chain. The private sector and DPSUs have contributed Rs 15,233 crore and Rs 8,389 crore respectively in defence exports of FY25. In a major boost to defence exports, wide range of items from ammunition, arms, sub-systems/systems and parts & components have been exported to around 80 countries in FY25. The Department of Defence Production has a dedicated portal for application and processing of export authorisation requests, and 1,762 export authorisation were issued in FY25 compared to 1,507 in the preceding financial year, registering a growth of 16.92%.





## INDIA'S DEFENCE BUDGET

India's defence budget has seen a steady rise, growing from Rs 2.53 lakh crore in FY14 to Rs 6.81 lakh crore in FY26. This sharp increase reflects India's commitment to strengthening its military foundations. Behind these numbers lies a broader vision: to build a strong, secure and self-sufficient nation. The development of indigenous platforms, new-age technologies, and defence corridors shows how serious the government is about long-term preparedness. Record-breaking production, a surge in exports, targeted investments, and landmark defence contracts, each point to a defence ecosystem on the rise. India is not just modernising its forces; it is shaping a new future where strength and self-reliance go hand in hand.





## RECORD DEFENCE CONTRACTS IN FY25

The ministry of defence has signed 193 contracts worth Rs 2,09,050 crore in FY25 - the highest ever in a single financial year. Of these, 177 contracts were awarded to the domestic industry, amounting to Rs 1,68,922 crore. This shows a clear shift towards prioritising Indian manufacturers and strengthening the defence ecosystem within the country. The focus on indigenous procurement has also boosted job creation and technological advancement.





## NARI SHAKTI IN INDIAN DEFENCE INDUSTRY

Women have taken centre stage in India's defence forces over the last eleven years. In 2014, there were just around 3,000 women officers across the services. Presently, that number has grown to over 11,000, reflecting a clear shift in policy and mindset. The government has opened new doors for women in uniform. Permanent Commission has been granted to 507 women officers, allowing them to pursue long-term careers and take on leadership roles. This move has reshaped opportunities for women across ranks and branches. The National Defence Academy (NDA) has undergone a historic transformation by inducting female cadets, starting with the first batch of 17 in August 2022 as part of the 148th NDA course. Since then, 126 female cadets have joined across four batches, up to the 153rd course. On May 30, 2025, a landmark moment was marked when these 17 female cadets were among the 336 cadets who graduated from the 148th Course - Spring Term 2025. This shift reflects the broader integration of women across defence domains, from combat support to piloting fighter jets, underscoring the belief that strength and service transcend gender.

### INDIA'S DEFENCE EXPORTS LIKELY TO RISE AFTER OPERATION SINDOOR

After Operation Sindoor, there are expectations that defence exports will increase because they have just been tested. Other countries will show a lot of interest in buying them. The real-world performance of Indian weapons has generated trust and enthusiasm among international buyers, providing a substantial push to India's export potential. India already exports defence equipment to several countries. However, with this recent validation through field use, there is expectation that more nations to express interest, including those that have not previously engaged with Indian defence manufacturers. Operation Sindoor has served as a strategic demonstration of India's self-reliance in defence.



## GOVERNMENT INITIATIVES AND RECENT DEVELOPMENTS

**Govt unveils new defence revenue procurement manual 2025:** The government has unveiled a new manual to simplify and rationalise the revenue procurement process for the armed forces. The Defence Procurement Manual (DPM) 2025 has come into effect from November 1, 2025. The new procurement manual will facilitate the revenue procurement amounting to approximately Rs 1 lakh crore by the three services and other establishments under Ministry of Defence (MoD). The new manual will simplify the procedures, bring uniformity in functioning and will be helpful in providing goods and services required by the armed forces for operational preparedness. It will also provide more opportunities to MSMEs and start-ups in the field of defence manufacturing and technology, ensuring fairness, transparency and accountability in procurement. The government said some key provisions in the existing DPM have been altered to expedite decision making and promote ease of doing business. It said Liquidated damages (LD), levied on delayed delivery of stores and services, have been relaxed and maximum LD to the extent of 10% will be levied only in cases of inordinate delay. This provision has further been relaxed in case of indigenisation where only 0.1% LD per week will be levied instead of 0.5% per week as applicable in other cases.

**DRDO transfers three advanced materials technologies to industry partners:** The defence ministry said the Defence Research & Development Organisation (DRDO) has transferred three advanced materials technologies to industry partners. The ministry said the technologies transferred include manufacturing of high strength radomes to BHEL, Jagdishpur, for enabling the production of high-quality radomes (protective covers for crucial missile sensors) to support key defence programmes and enhance self-reliance in missile systems. The other transferred technology is the manufacturing of DMR-1700 steel sheets and plates for defence applications to JSPL, Angul, offering an excellent combination of ultrahigh strength and high fracture toughness at room temperature. Further strengthening DRDO's collaborative ecosystem, the ministry said an MoU was also signed between Defence Metallurgical Research Laboratory (DMRL) and Aircraft Accident Investigation Bureau of the Ministry of Civil Aviation for utilising the lab's experience, facilities and capabilities to support the bureau's activities.



## GOVERNMENT INITIATIVES AND RECENT DEVELOPMENTS

### **DRDO hands over 12 licensing agreements for tech transfer to industry partners :**

The defence ministry said from electronic warfare suite to laser photoacoustic spectroscopy, the DRDO handed over 12 Licensing Agreements for Transfer of Technology (LATOTs) for eight products to industry partners. The DRDO is empowering Indian defence manufacturing for a self-reliant tomorrow. From research laboratories to real-world capabilities, the DRDO is partnering with the industry to come up with indigenised solutions for the armed forces and realise the government's vision of Make in India, Make for the World.

**India, US ink defence framework pact:** India and the US have inked a framework agreement for cooperation in the defence sector for the next 10 years. The agreement will enhance coordination, information sharing and tech cooperation and advance regional stability and deterrence. The agreement is expected to provide policy direction to the entire spectrum of the India-US defence relationship.

**India, Australia sign key defence agreements to boost strategic partnership:** India & Australia have inked key defence agreements to boost strategic partnership. Australia said the newly signed defence agreement with India as a hugely significant step in strengthening the operational partnership between the two nations' armed forces.





# OUTLOOK

Indian defence industry is likely to maintain its recent growth path in coming future, driven by high government investment, increased exports and technological innovation. India's defence manufacturing sector is rapidly emerging as a cornerstone of the country's strategic and economic ambitions. The government has prioritized this sector, reflecting its significance in national security and economic growth. With rising private sector participation, growing exports, and a focus on advanced technologies, the industry is fast becoming a key driver of national security, innovation, and global competitiveness. Further, defence industry is likely to be benefited in future as India and the US have inked a framework agreement for cooperation in the defence sector. This agreement is likely to boost both indigenous manufacturing in India and overall defense trade between the two countries, enhancing their strategic partnership. Meanwhile, India and Australia have inked key defence agreements to boost strategic partnership. Over the years, the Government of India has implemented numerous policy initiatives, with Atmanirbhar Bharat at its core, to enhance domestic defence production capabilities, encourage investments and expand exports. Besides, India's defence exports are likely to rise after Operation Sindoor. India's defence export landscape is undergoing a transformation. Operation Sindoor has not only strengthened national security but also validated the country's indigenous defence systems on a global stage.





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