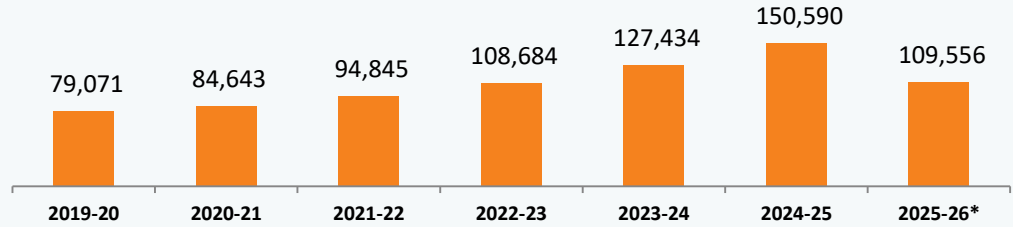


DEFENCE MANUFACTURING



MARKET SIZE

Defence Production in India (Rs. Crore)

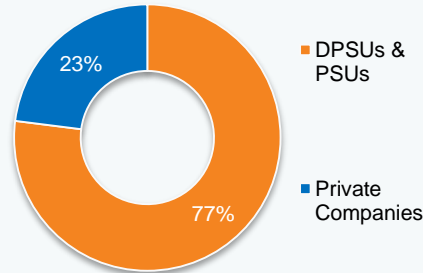


Source: Ministry of Defence
2025-26* till December 2025

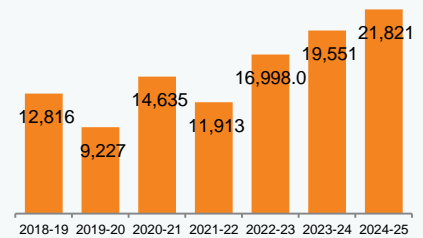


SECTOR COMPOSITION

Defence Production in India by Sector in FY25 (%)

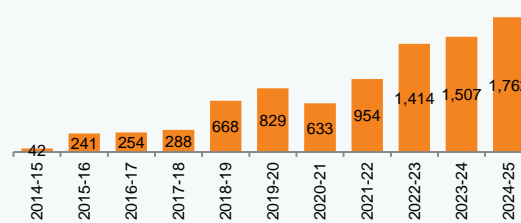


Value of Production by Defence PSUs (Rs. Crore)

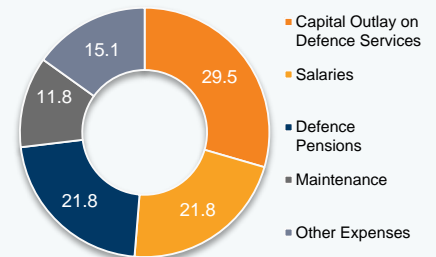


KEY TRENDS

No. of Defence Authorisations



Breakdown of fund allocation in Defence Industry as per the Budget FY27 (%)



GOVERNMENT INITIATIVES

Increased Cooperation with Vietnam on Surveillance and Shipbuilding Technology



रक्षा मंत्रालय
MINISTRY OF DEFENCE

Defence Production and Export Promotion Policy 2020

Defence Park in Kerala to Promote MSMEs and Boost 'Make in India' Initiative

ADVANTAGE INDIA

- **Growing demand:** Till March 2025, a total of 700 industrial licenses were issued to 436 companies operating in the defence sector. Annual defence production reached a record Rs. 1,50,590 crore (US\$ 17.57 billion) in FY25, up 18% from Rs. 1,27,000 crore (US\$ 14.28 billion) in FY24 and 90% from FY20. India's defence exports have witnessed a remarkable surge, growing from Rs. 686 crore (US\$ 81.1 million) in FY14 to Rs. 23,622 crore (US\$ 2.8 billion) in FY25, marking a 34% increase.
- **Competitive advantage:** India intends to deploy a constellation of 52 satellites over the next five years to enhance space-based surveillance for the Army, Navy, and Air Force, facilitating enemy tracking, border monitoring, and improved real-time operational coordination.
- **Government support:** The Union Budget for FY27 envisaged an outlay of Rs. 7,84,678 crore (US\$ 88.7 billion). The allocation towards the Defence Ministry is the highest across all ministries and accounts for 14.7% of the total expenditure of the central government.
- **Opportunities:** As of February 2026, approximately 676 start-ups, MSMEs, and individual innovators have joined the defence innovation ecosystem since the inception of iDEX in 2018.