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India's Defence Exports Hit Record ₹38,424 Crore in FY 2025-26

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SECURITY & DEFENCE**ECONOMY**

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India's Defence Exports Hit Record ₹38,424 Crore in FY 2025-26

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WHY IN NEWS

India's defence exports reached an all-time high of ₹38,424 crore in FY 2025-26, growing 62.66% over the previous year's ₹23,622 crore, the Ministry of Defence announced on April 2, 2026. The milestone underscores the success of the Aatmanirbhar Bharat defence manufacturing push.



FY 2025-26 DEFENCE EXPORT FIGURES

SEGMENT	VALUE (₹ CRORE)	SHARE	GROWTH
DPSUs (Defence PSUs)	21,071	54.84%	+151%
Private Sector	17,353	45.16%	+14%
Total	38,424	100%	+62.66%

Major Export Items

DPSUs:

- Munitions, artillery shells, and fuses (Bharat Dynamics Ltd., Ordnance Factory Board successors)
- Lightweight torpedoes (NSTL/DRDO-designed; BDL manufactured)
- Radars and electronic warfare equipment (BEL)
- Offshore patrol vessels and fast attack craft (Goa Shipyard, GRSE)

Private Sector:

- Armoured vehicles and mine-protected vehicles (Tata Advanced Systems, BEML)
- Small arms and personal protection (PLR Systems, MKU Ltd.)
- Bulletproof jackets, CBRN protection suits
- Drones/UAVs (ideaForge, Alpha Design Technologies)
- Aircraft components and MRO (Mahindra Defence, TASL)



INDIA'S DEFENCE EXPORT JOURNEY

FY	DEFENCE EXPORTS (₹ CRORE)
2016-17	~1,941
2018-19	~10,746
2020-21	~13,000
2022-23	~16,000
2023-24	~21,083
2024-25	~23,622
2025-26	38,424

The government has a target of **₹50,000 crore in defence exports by 2028-29**.

POLICY FRAMEWORK DRIVING EXPORTS

1. Defence Acquisition Procedure (DAP) 2020

- Replaced DPP 2016; emphasises “Make in India” and IDDM (Indigenously Designed, Developed, Manufactured) categories
- Higher scoring for export potential in vendor selection

2. Positive Indigenisation Lists

- 509 items across three lists cannot be imported by MoD; must be procured domestically
- Creates domestic manufacturing base that also enables exports

3. Export Promotion Initiatives by DDP

- **Department of Defence Production (DDP)** under MoD maintains a dedicated “Export Promotion Cell”
- Fast-track government-to-government (G2G) export clearances
- Defence attaché network at Indian embassies assists in export facilitation



4. Industrial Licensing Reforms

- Automatic route for FDI up to 74% in defence manufacturing; government route beyond

- DPIIT licences granted for 300+ defence manufacturing entities

KEY EXPORT DESTINATIONS

India exports to:

- **USA** (electronic warfare components, radar subsystems)
- **France** (aerospace components for Airbus through HAL)
- **Southeast Asia** (patrol vessels, helicopters)
- **Africa and West Asia** (armoured vehicles, small arms)
- **Armenia** (Pinaka multi-barrel rocket launchers — ₹2,100 crore contract)
- **Philippines** (BrahMos supersonic cruise missiles — landmark 2022 deal: \$375 million)

BrahMos as Flagship Export

- BrahMos Aerospace (DRDO + Russia's NPO Mashinostroyeniya) — supersonic cruise missile
- Philippines deal (2022): First export to Southeast Asia; \$375 million
- Range: up to 290 km (naval); Extended range up to 450 km in development
- Enquiries from: Indonesia, Vietnam, Saudi Arabia, Egypt

DPSUS: RECORD GROWTH ANALYSIS

DPSUs' 151% growth is partly attributable to:

- **Bharat Dynamics Ltd. (BDL)**: Missiles and lightweight torpedoes
- **BEML**: Speciality vehicles (metro rail coaches for export too, but primarily defence vehicles)
- **Hindustan Aeronautics Ltd. (HAL)**: ALH Dhruv helicopters, HTT-40 trainer components to friendly countries
- **Garden Reach Shipbuilders (GRSE)**: Fast Patrol Vessels to Mauritius, Sri Lanka

UPSC RELEVANCE

GS Paper 3 — Security and Economy

- Aatmanirbhar Bharat in defence: achievements and targets
- Defence exports as a component of India's trade strategy
- Role of DPSUs vs private sector in defence manufacturing
- BrahMos: significance in strategic partnerships



GS Paper 2 — IR

- Defence diplomacy: arms exports as a tool of foreign policy
- India-Philippines, India-Armenia defence ties

Mains Question

“India’s rising defence exports reflect both economic achievement and strategic intent. Critically analyse the drivers and challenges.” (250 words)

★ FACTS CORNER — KNOWLEDGEPEDIA

INDIA DEFENCE EXPORTS FY 2025-26:

Total: ₹38,424 crore (all-time high)

Growth: +62.66% vs FY24-25 (₹23,622 crore)

DPSUs: ₹21,071 crore (+151%); Private: ₹17,353 crore (+14%)

Announced: April 2, 2026 by Ministry of Defence

EXPORT TARGET: ₹50,000 CRORE BY 2028-29

FY 2016-17 BASE: ₹1,941 CRORE → 20X GROWTH IN A DECADE

KEY EXPORTS: TORPEDOES, MUNITIONS, ARMoured VEHICLES, SMALL ARMS, UAVS, RADARS

BRAHMOS:

DRDO + Russia (NPO Mashinostroyeniya); supersonic cruise missile

Philippines: \$375 million deal (2022) — first export to SE Asia

POLICY DRIVERS:

DAP 2020; Positive Indigenisation Lists (509 items in 3 lists)

DDP Export Promotion Cell; FDI: 74% auto, beyond via govt route

Sources: [Ministry of Defence](#), [PIB](#), [The Print](#)

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