



UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

DAILY CURRENT AFFAIRS

# India's Defence Production Hits Record ₹1.78 Lakh Crore in FY26

17 June 2026

SECURITY & DEFENCE

ECONOMY

GS3

GS2

CURATED & WRITTEN BY



**Bharat Choudhary**

UPSC Educator & Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)

ALSO FROM THE CREATOR

**BharatNotes**

Free UPSC notes, MCQs, PYQ analysis. **100% Free.**

[bharatnotes.com](http://bharatnotes.com) →

ADVERTISE

**Advertise with Ujiyari**

Reach thousands of UPSC aspirants daily.

[epicbharat@gmail.com](mailto:epicbharat@gmail.com)



# India's Defence Production Hits Record ₹1.78 Lakh Crore in FY26

17 June 2026 · 4 min read ·

 Source: [ujjyari.com](https://ujjyari.com) — researched, fact-checked & UPSC-mapped

 ✓ Every fact web-verified against primary sources (<https://ujjyari.com/how-we-verify/>)

## WHY IN NEWS

*On June 17, 2026, Defence Minister Rajnath Singh announced that India's defence production reached a record ₹1.78 lakh crore in the financial year 2025-26, a milestone in the country's drive towards self-reliance in defence manufacturing.*

India's defence sector has transformed from a heavy import-dependent posture to one of the fastest-growing manufacturing ecosystems in the country. The FY26 figure represents a year-on-year growth of 15.6% and a rise of more than 110% since FY21. This article unpacks the numbers, the policy architecture behind them, the public-private balance, and what they mean for India's [strategic autonomy](https://ujjyari.com/terms/strategic-autonomy/) (<https://ujjyari.com/terms/strategic-autonomy/>).

## THE HEADLINE NUMBERS

The total value of defence production in FY26 crossed ₹1.78 lakh crore, against a base of ₹84,643 crore in FY21. The growth trajectory (<https://ujjyari.com/vocab/trajectory/>) has been steep and consistent.

INDICATOR	VALUE (FY26)
Total defence production	₹1.78 lakh crore
Year-on-year growth	15.6%
Growth since FY21	Over 110%
FY21 base figure	₹84,643 crore
Defence exports	₹38,424 crore (record)
DPSU and PSU share	About 76%
Private sector share	About 24% (around ₹42,000 crore)

The private sector's contribution of roughly ₹42,000 crore signals the deepening participation of Indian industry, including micro, small and medium enterprises that feed the supply chain.

### Why the Public-Private Split Matters

Defence Public Sector Undertakings (DPSUs) such as Hindustan Aeronautics Limited, Bharat Electronics Limited, Bharat Dynamics Limited and the new defence PSUs carved out of the erstwhile (<https://ujijari.com/vocab/erstwhile/>) Ordnance Factory Board remain the backbone, accounting for about 76% of output. The private sector's 24% share, while smaller, has grown rapidly and is concentrated in high-value segments such as armoured vehicles, ammunition, electronics and components.

### POLICY ARCHITECTURE DRIVING THE SURGE

The record figure is the cumulative result of a decade of structural reforms.

### Positive Indigenisation Lists

The Ministry of Defence has notified successive positive indigenisation (<https://ujijari.com/vocab/indigenisation/>) lists for both defence services and DPSUs. These lists bar the import of specified items beyond set timelines, forcing domestic sourcing and creating assured demand for Indian manufacturers.

### Defence Acquisition Procedure (DAP) 2020

The DAP 2020 introduced the Buy (Indian-Indigenously Designed, Developed and Manufactured) category as the most preferred procurement route, prioritising indigenous design over mere assembly.

## Capital Budget Earmarking

A significant share of the defence capital procurement budget is reserved for purchases from domestic industry, with a carved-out portion specifically for the private sector. This guaranteed demand reduces investment risk for manufacturers.

## Defence Industrial Corridors

Two defence industrial corridors, in Uttar Pradesh and Tamil Nadu, anchor regional manufacturing clusters, attract investment and concentrate the supply chain.

## EXPORTS: FROM BUYER TO SELLER

Defence exports reached a record ₹38,424 crore in FY26. India now exports to a wide range of countries, supplying items such as the BrahMos missile (<https://ujjari.com/terms/brahmos-missile/>) system, artillery guns, patrol vessels, simulators, body armour and avionics components. The export figure is a key marker because it demonstrates that Indian products meet international quality and price benchmarks, not just domestic captive demand.

## UPSC RELEVANCE

The topic maps directly onto GS Paper 3 (indigenisation of technology, developing new technology, and security) and GS Paper 2 (government policies and interventions).

- **GS3 Security:** Self-reliance in defence reduces strategic vulnerability (<https://ujjari.com/vocab/vulnerability/>) during conflict, when import supply lines can be choked.
- **GS3 Economy:** Defence manufacturing generates high-skill employment, deepens the industrial base and improves the current account through import substitution and exports.
- **Atmanirbhar Bharat:** Defence is the flagship sector of the self-reliance mission, illustrating how assured demand plus procurement reform can crowd in private investment.
- **Mains angle:** Aspirants should be able to argue both the achievements and the gaps, such as continued dependence on imported engines, critical sub-systems and certain high-end electronics.

## Way Forward

Sustaining the momentum requires deepening the design and development ecosystem, not just assembly; strengthening the micro, small and medium enterprise tier of the supply chain; investing in defence research through reformed funding; and building export financing to compete with established global suppliers.

## FACTS CORNER

Ujjiyari Current Affairs - [ujjiyari.com](https://ujjiyari.com) - Free Daily Current Affairs for UPSC & State PCS

### ★ FACTS CORNER — KNOWLEDGEPEDIA

FY26 defence production: ₹1.78 lakh crore, up 15.6% YoY and over 110% since FY21.

FY21 base: ₹84,643 crore.

Defence exports FY26: Record ₹38,424 crore.

Share split: DPSUs and PSUs about 76%; private sector about 24% (around ₹42,000 crore).

Key enablers: Positive indigenisation lists, DAP 2020, capital budget earmarking, two defence industrial corridors (UP and Tamil Nadu).

Flagship export: BrahMos missile system, among other platforms.

Sources: *Press Information Bureau* (<https://pib.gov.in>), *The Hindu* (<https://www.thehindu.com>)

Source: India's Defence Production Hits Record ₹1.78 Lakh Crore in FY26 — [Ujjiyari.com](https://ujjiyari.com) | Free UPSC & State PCS Current Affairs

## RELATED EDITORIALS

### BUSINESS STANDARD

[The Memory-Chip Problem Feeding Into Inflation](#)

17 Jun

### INDIAN EXPRESS

[From Negative Peace to Positive Peace in Bastar](#)

16 Jun

### THE HINDU

[Towards a Fair, Efficient Insolvency Regime](#)

15 Jun

### BUSINESS STANDARD

[Defending the Rupee Without Burning Reserves](#)

15 Jun

## RELATED KEY TERMS

---

Ujjari Current Affairs · [ujjari.com](http://ujjari.com) · Free Daily Current Affairs for UPSC & State PCS

### KEY TERM

#### [ACNAS](#)

Advisory Committee on National Accounts Statistics — the expert body...

---

### KEY TERM

#### [Act East Policy](#)

India's strategic foreign policy framework prioritising active...

---

### KEY TERM

#### [Advanced Technology Vessel \(ATV\) Programme](#)

India's classified, decades-long programme to indigenously design and...

---

### KEY TERM

#### [AFSPA \(Armed Forces Special Powers Act\)](#)

A central legislation granting special powers to armed forces...

---

Ujiyari Current Affairs · [ujiyari.com](http://ujiyari.com) · **Free Daily** Current Affairs for UPSC & State PCS

CURATED &amp; WRITTEN BY

## Bharat Choudhary

UPSC Educator &amp; Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/daily/2026/06/17/india-defence-production-record-fy26/>

### ALSO FROM THE CREATOR

## BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

[Start Preparing → \[bharatnotes.com\]\(http://bharatnotes.com\)](#)

### 📌 OPPORTUNITY

## Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

**Ideal for:** Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

[✉ epicbharat@gmail.com](mailto:epicbharat@gmail.com)

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · [ujiyari.com](http://ujiyari.com) · [bharatnotes.com](http://bharatnotes.com)