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Defence Minister Clears Transfer of All DRDO Conventional Missile Technologies to Indian Industry

25 August 2026

SECURITY & DEFENCE

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Defence Minister Clears Transfer of All DRDO Conventional Missile Technologies to Indian Industry

25 August 2026 · 5 min read ·

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*Defence Minister Rajnath Singh approved the transfer of DRDO-developed technologies for **all conventional missile systems** to Indian defence industry for production within the country, in a decision reported on August 25, 2026. The Ministry of Defence framed the move as expanding domestic production capacity and reducing dependence on imported military equipment.*

WHAT WAS APPROVED

The approval covers the transfer of technology for conventional missile systems across the operational spectrum, from short-range air defence systems to those striking targets hundreds of kilometres away. The categories involved include:

- Air defence missiles
- Air-to-air missiles
- Anti-armour and anti-tank missiles
- Battlefield strike systems
- Anti-ship missiles

The word **conventional** is doing important work here. It distinguishes these systems from India's strategic, nuclear-capable arsenal, which is operated under the **Strategic Forces Command** and is not part of any industry transfer arrangement.

WHY TRANSFER OF TECHNOLOGY MATTERS

DRDO's traditional model was to develop a system and then nominate a production agency, usually a Defence Public Sector Undertaking or the erstwhile Ordnance Factory Board. The Transfer of Technology (ToT) route changes who manufactures, and at what scale.

The Licensing Mechanism

DRDO transfers technology through a **Licensing Agreement for Transfer of Technology (LAToT)** signed with the recipient firm. In recent years DRDO has moved to a **zero-cost ToT policy** for many systems, waiving licence fees to encourage private industry to enter defence manufacturing, and it has also moved away from single-vendor nomination toward multiple production partners for the same system.

The structural argument for broad ToT is capacity, not cost:

CONSTRAINT UNDER THE OLD MODEL	WHAT BROAD TOT ADDRESSES
Single production agency caps output rate	Multiple licensees can produce in parallel
Surge demand in conflict cannot be met	Distributed capacity allows ramp-up
DRDO tied up in production support	Laboratories freed to focus on next-generation R&D
Narrow supplier base	Deeper private-sector component ecosystem

THE INSTITUTIONAL BACKGROUND

DRDO

The **Defence Research and Development Organisation** was established in **1958**, is headquartered in **New Delhi**, and functions under the **Department of Defence Research and Development, Ministry of Defence**. Its motto is “**Balasya Mulam Vigyanam**”, meaning “the strength of the nation lies in science”.

The Integrated Guided Missile Development Programme

India’s missile capability traces to the **Integrated Guided Missile Development Programme (IGMDP)**, launched in **1983** under the leadership of **Dr A. P. J. Abdul Kalam**. It covered five systems:

SYSTEM	TYPE
Prithvi	Surface-to-surface, short range
Agni	Surface-to-surface, medium to intercontinental range
Trishul	Short-range surface-to-air
Akash	Medium-range surface-to-air
Nag	Third-generation anti-tank guided missile

The IGMDP was formally closed in **2008**, having met its core objectives, with individual programmes continuing separately. **BrahMos**, the **supersonic** cruise missile, sits outside the IGMDP as an India-Russia joint venture established in **1998**.

POLICY CONTEXT: THE SELF-RELIANCE ARCHITECTURE

This decision sits within a wider policy structure that aspirants should be able to name:

- **Positive Indigenisation Lists**, which bar the import of specified items after set deadlines
- **Defence Acquisition Procedure (DAP) 2020**, which prioritises the Buy (Indian-IDDM) category, meaning Indigenously Designed, Developed and Manufactured
- **Defence Industrial Corridors** in Uttar Pradesh and Tamil Nadu
- **Innovations for Defence Excellence (iDEX)**, which funds startups and MSMEs
- **SRIJAN portal**, listing items offered for indigenisation
- Raising of the **FDI cap in defence to 74 per cent** through the automatic route

CRITICAL ANALYSIS

The genuine gain. Missile production is the segment where India's import dependence has been most operationally consequential. Broad ToT converts a demonstrated design capability into a distributed industrial capacity, which is the difference between having a system and being able to field it in quantity.

The honest caution. India's recurring weakness has not been design but the transition from prototype to series production. Transfer of technology on paper does not by itself create quality-assured manufacturing: it requires certification capacity, test infrastructure, specialised materials supply chains and, above all, a firm and predictable order pipeline. Private firms will not invest in dedicated missile production lines on the strength of a licence alone.

The absorption question. ToT delivers manufacturing know-how, not necessarily design know-why. Unless recipient firms are drawn into the design and development stage, the outcome is licensed assembly rather than genuine technological depth.

UPSC RELEVANCE

GS Paper 3 (Security and Technology): Indigenisation of technology and developing new technology; achievements of Indians in science and technology; defence and internal security.

Prelims focus: DRDO's founding year and motto; IGMDP's launch year, leader and five systems; BrahMos as an India-Russia joint venture; the meaning of Buy (Indian-IDDM).

Mains angle: Argue that self-reliance in defence is best measured not by the number of systems designed but by **sustainable production rate and supply-chain depth**. Use this decision as the illustration of a shift from design-led to capacity-led indigenisation.

★ FACTS CORNER — KNOWLEDGEPEDIA

THE DECISION:

Approved by Defence Minister Rajnath Singh, reported August 25, 2026

Covers DRDO-developed technologies for all conventional missile systems

Excludes strategic nuclear-capable systems, which are under the Strategic Forces Command

DRDO:

Established: 1958; Headquarters: New Delhi

Parent body: Department of Defence Research and Development, Ministry of Defence

Motto: “Balasya Mulam Vigyanam” (the strength of the nation lies in science)

Technology transfer instrument: Licensing Agreement for Transfer of Technology (LAToT)

IGMDP:

Launched: 1983; Led by: Dr A. P. J. Abdul Kalam; Formally closed: 2008

Five systems: Prithvi, Agni, Trishul, Akash, Nag

BrahMos is outside IGMDP: India-Russia joint venture established 1998

SELF-RELIANCE POLICY ARCHITECTURE:

Defence Acquisition Procedure (DAP) 2020; highest priority category Buy (Indian-IDDM)

Positive Indigenisation Lists; SRIJAN portal; iDEX for startups and MSMEs

Defence Industrial Corridors: Uttar Pradesh and Tamil Nadu

FDI in defence: up to 74 per cent through the automatic route

Sources: Business Standard, Ministry of Defence, DRDO

Source: Defence Minister Clears Transfer of All DRDO Conventional Missile Technologies to Indian Industry —
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