

Defence & Aerospace

Quarterly Newsletter
April - June 2026

Summary

The April–June 2026 quarter witnessed continued momentum in India's defence and aerospace sector, driven by record growth in indigenous production and exports, sustained capital procurement, and expanding international defence partnerships. During the quarter, the Ministry of Defence ("**MoD**") announced record defence exports of ₹38,424 crore and defence production of ₹1.78 lakh crore for FY 2025–26, underscoring the continued progress of the Government's Aatmanirbhar Bharat initiative. Procurement activity remained robust with contracts awarded for mountain radars for the Indian Air Force ("**IAF**"), indigenous marine gas turbine generators for the Indian Navy, and continued emphasis on domestic unmanned aerial systems. India also strengthened defence cooperation with South Korea, Australia, Germany and the United Arab Emirates through ministerial engagements, bilateral agreements and industry collaborations. In addition, partnerships involving leading Indian defence manufacturers and global aerospace companies continued to reinforce India's position as an emerging hub for defence manufacturing and maintenance, repair and overhaul ("**MRO**") services.

(i) Record Defence Exports in FY 2025–26

India's defence exports reached an all-time high of ₹38,424 crore during FY 2025–26, representing a year-on-year increase of approximately 62.7% over the previous financial year. Defence Public Sector

Undertakings ("DPSUs") accounted for exports worth ₹21,071 crore, recording a significant increase over FY 2024-25, while private sector entities contributed ₹17,353 crore. India now exports defence equipment and components to more than 80 countries, with the number of authorised exporters increasing from 128 to 145 during the year. The continued growth reflects the Government's policy emphasis on indigenous manufacturing, export promotion and defence industrial self-reliance under the Aatmanirbhar Bharat initiative..[\[1\]](#)

(ii) Defence Production Reaches an All-Time High in FY 2025-26

India's annual defence production reached a record ₹1.78 lakh crore during FY 2025-26, reflecting continued expansion of domestic manufacturing capabilities. The figure represents an increase of approximately 15.6% over FY 2024-25 and more than doubles production levels recorded five years ago. DPSUs and other public sector enterprises accounted for nearly 76% of total production, while the private sector contributed approximately 24%, its highest share to date. The increased participation of private industry, together with sustained policy support for indigenous procurement, has played a significant role in strengthening India's domestic defence manufacturing ecosystem and supporting the growth in defence exports..[\[2\]](#)

(iii) Ministry of Defence Reports Full Utilisation of Capital Budget for FY 2025-26

The Ministry of Defence announced that it had fully utilised its revised capital outlay of approximately ₹1.86 lakh crore for Defence Services during FY 2025-26. This marks the second consecutive financial year in which the Ministry achieved complete utilisation of its capital acquisition budget. Overall expenditure across the Ministry, including defence pensions and civil expenditure, amounted to approximately 99.6% of the final budget allocation, reflecting continued emphasis on timely execution of procurement programmes and efficient budgetary management..[\[3\]](#)

(iv) First Large-Scale Solar Power Project Approved on Defence Land

The MoD has approved the establishment of India's first large-scale 250 MW Solar Power Project with an integrated Battery Energy Storage System ("BESS") on approximately 850 acres of vacant defence land in

Sitapur, Uttar Pradesh. The project, to be implemented by NTPC Limited in coordination with the Army Headquarters and the Directorate General Defence Estates, is aimed at strengthening long-term energy security for defence establishments while reducing dependence on conventional grid power and lowering electricity procurement costs. The initiative reflects the Government's commitment to integrating clean energy with national security objectives and is expected to serve as a benchmark for future renewable energy projects on defence land..

[4]

[\[1\]Defence-exports-skyrocket-to-record-in-Financial-Year-2025-26.pdf](#)

[\[2\]Defence-production-soars-Financial-Year-2025-26.pdf](#)

[\[3\]https://mod.gov.in/sites/default/files/PR-on-Defence-Budget.pdf](https://mod.gov.in/sites/default/files/PR-on-Defence-Budget.pdf)

[\[4\]first-large-scale-solar-power-project-defence-land-Sitapur-up_o.pdf](#)

Procurements

(i) BEL Awarded ₹1,950 Crore Contract for Mountain Radars:

The Ministry of Defence executed a capital acquisition contract valued at approximately ₹1,950 crore with Bharat Electronics Limited ("**BEL**") for the procurement of two mountain radars, together with associated equipment and infrastructure, for the IAF. The procurement is intended to strengthen the IAF's surveillance capabilities in high-altitude terrain while furthering the Government's objective of increasing indigenous defence procurement under the Aatmanirbhar Bharat initiative.[\[5\]](#)

(ii) Bharat Forge Awarded Contract for Marine Gas Turbine Generators:

The MoD entered into a contract with Bharat Forge Limited for the procurement of 12 indigenous 1.25 MW marine gas turbine generator sets for the Indian Navy at a value of approximately ₹425 crore. The generators are required to contain a minimum indigenous content of 60% and are expected to support the Navy's ongoing efforts to enhance self-reliance in critical marine propulsion and auxiliary systems.[\[6\]](#)

(iii) BEL Awarded ₹1,476 Crore Contract for Ground-Based Mobile Electronic Systems:

The Ministry of Defence entered into a contract with BEL for the procurement of five Ground-Based Mobile Electronic Systems ("**GBMES**") for the Indian Army at a value of approximately ₹1,476 crore. Awarded under the Buy (Indian–Indigenously Designed, Developed and Manufactured) category, the systems incorporate a minimum indigenous content of 72% and are intended to strengthen the Army's electronic warfare capabilities while supporting the Government's objective of increasing domestic defence manufacturing[7]

Key Industry Collaborations

(i) India–South Korea Expand Defence Cooperation: Defence Minister Shri Rajnath Singh held bilateral discussions with the Republic of Korea's Minister of National Defence, Mr. Ahn Gyu-back, in Seoul during May 2026. The two countries signed Memoranda of Understanding covering defence, cyber cooperation, military education and training, and United Nations peacekeeping operations. In addition, Indian defence manufacturer Larsen & Toubro ("**L&T**") entered into agreements with Hanwha Co. Ltd., reflecting continued efforts to strengthen bilateral defence industrial collaboration and technology partnerships.[8]

(ii) India–Germany Agree on Defence Industrial Cooperation

Roadmap: During Defence Minister Shri Rajnath Singh's official visit to Germany in April 2026, India and Germany agreed upon a Defence Industrial Cooperation Roadmap aimed at strengthening collaboration in defence manufacturing, technology transfer, innovation and supply chain resilience. Discussions also focused on expanding cooperation between defence industries of both countries, increasing participation by German companies in India's defence manufacturing ecosystem, and supporting joint development opportunities under the Make in India initiative.[9]

(iii) India–Australia Deepen Defence Industrial and Maritime

Cooperation: During the second India–Australia Defence Ministers' Dialogue held in New Delhi on 1 June 2026, the two countries agreed to deepen defence cooperation across defence industry, maritime security and emerging technologies. The Ministers announced that India and Australia would commence work on a Memorandum of Understanding concerning the provision of defence articles and defence services, while also reaffirming their commitment to expanding

defence industrial collaboration through the Joint Working Group on Defence Industry, Research and Materiel. The Dialogue additionally reviewed progress on maritime security initiatives, interoperability, logistics cooperation and future collaboration in defence science and technology.[\[10\]](#)

(iv) India–UAE Review Strategic Defence Partnership: On June 24, 2026, the meeting held in New Delhi, was co-chaired by Joint Secretary (International Cooperation) Amitabh Prasad and UAE Staff Brigadier Jamal Ebrahim Mohamed Ebrahim Almar-Zooqi. The progress made under their strategic defence partnership framework was discussed and it was focused on expanding defence industry cooperation, fostering innovation, advanced technologies, and strengthening maritime security.[\[11\]](#)

(v) Boeing Defence India and GMR Aero Technic Partner for P-8I MRO: Boeing Defence India Private Limited ("BDIPL") and GMR Aero Technic entered into an agreement for the performance of Phase 56 heavy maintenance checks on the Indian Navy's P-8I maritime patrol aircraft. The maintenance activities will be undertaken at GMR's MRO facility in Hyderabad and are expected to enhance indigenous MRO capabilities while supporting India's objective of becoming a regional defence aviation maintenance hub.[\[12\]](#)

(vi) Multiple MoUs / contracts / partnerships were signed between Indian OEMs and foreign defence companies to expand local manufacturing footprints, technology transfer and supplier development, including:

- 1. Bharat Forge and Embraer Strengthen Aerospace Supply Chain Collaboration:** Embraer and Bharat Forge Limited entered into a supply agreement under which Bharat Forge will manufacture and supply forged raw materials for Embraer's aerospace programmes. The agreement represents Embraer's first forged raw material sourcing arrangement with an Indian supplier and is expected to strengthen India's integration into global aerospace supply chains while supporting the development of domestic aerospace manufacturing capabilities.[\[13\]](#)
- 2. Safran and SatSure Collaborate on Geospatial Intelligence Solutions:** Safran Electronics & Defense and Indian geospatial

analytics company SatSure signed a Memorandum of Understanding to collaborate on geospatial intelligence ("GEOINT") solutions for the Indian market. The collaboration seeks to combine Safran's defence technologies with SatSure's geospatial analytics capabilities to support applications across defence, security and critical infrastructure.^[14]

^[5]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2247262>

^[6]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2275277>

^[7]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2258013>

^[8][RM-holds-bilateral-talks-with-Minister-of-National-Defence.pdf](#)

^[9]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2254600>

^[10]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2267486>

^[11][India, UAE review strategic defence partnership amid talks over BrahMos missile sale - The Hindu](#)

^[12][GMR Aero Technic & Boeing Defence India Sign Landmark Agreement For P-8I Phase 56 Heavy Maintenance - Indian Aerospace and Defence Bulletin - News for aerospace and defence in India](#)

^[13]https://www.bharatforge.com/assets/pdf/press-release/Press-Release-Bhrrat-Forge_Embraer-11th-May-2026.pdf

A Glimpse into the Future

Ran Samwad 2026 Focuses on Multi-Domain Warfare Preparedness:

The Ministry of Defence concluded the two-day Ran Samwad 2026 seminar in Bengaluru, centred on the theme "Multi-Domain Operations (MDO): An Imperative for Addressing Conventional and Irregular Threats." The seminar brought together senior officers from the three Services to deliberate on doctrinal adaptation, joint planning, intelligence integration, and operational concepts required for future conflicts. In his closing address, the Chief of Defence Staff, General Anil Chauhan, underscored the need for seamless tri-service integration and faster decision-making in an AI-driven battlespace, highlighting the shift from inter-service coordination to true integration across physical, cyber, electromagnetic, and cognitive domains. The seminar concluded with a collaborative roadmap aimed at enhancing the Armed Forces' preparedness for future multi-domain conflicts and achieving greater operational effectiveness.^[15]

[\[14\]https://www.safran-group.com/pressroom/safran-and-satsure-forge-strategic-partnership-advance-geospatial-intelligence-geoint-indian-market-2026-06-18](https://www.safran-group.com/pressroom/safran-and-satsure-forge-strategic-partnership-advance-geospatial-intelligence-geoint-indian-market-2026-06-18)

[\[15\]https://www.pib.gov.in/PressReleasePage.aspx?PRID=2250982](https://www.pib.gov.in/PressReleasePage.aspx?PRID=2250982)

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Dua Associates is a full-service national law firm. It has a leading defence and aerospace practice serving clients for two decades with sector-specific know-how and experienced legal practitioners for advice on regulatory, transactional and complex, multi-jurisdictional matters emanating out of defence contracts.

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