? India’s Defence Indigenisation Push Deepens with Sixth Positive Indigenisation List and Expanding Domestic Manufacturing Ecosystem

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Recent Developments:

- On **18 August 2026**, the **Department of Defence Production (DDP)** under the Ministry of Defence notified the **Sixth Positive Indigenisation List (PIL)** comprising **405 strategically important items** with an estimated business potential of **?3,070 crore**.
- The list includes **Line Replaceable Units (LRUs), sub-systems, sub-assemblies, spares, components and raw materials** required for major defence platforms and systems.
- The notified items cover **Advanced Light Helicopter, Light Utility Helicopter, Su-30MKI, Light Combat Aircraft, AL-31FP engine, T-72, T-90, BMP-II, warships, missile systems, radars, sonars, fire-control systems and satellite communication systems**.
- The sixth PIL includes **16 items of the Indian Coast Guard and 389 items of Defence Public Sector Undertakings**, with each item carrying an indicative timeline for indigenous development.
- Once an item is successfully indigenised, its procurement will be undertaken from **Indian industry**, creating assured demand for domestic manufacturers.
- The development complements the broader transformation of India’s defence sector, with defence production reaching a record **?1.78 lakh crore in FY 2025–26**, representing **15.6% growth** over the previous year.
- India’s defence exports also reached a record **?38,424 crore in FY 2025–26**, with Indian defence products being exported to **more than 80 countries**.

Positive Indigenisation Lists: Concept and Significance:

Meaning and Institutional Framework:

- A **Positive Indigenisation List** identifies defence equipment, components and other items that are required to be manufactured domestically within specified timelines.
- The initiative was introduced under the **Aatmanirbhar Bharat** framework to progressively reduce dependence on imported defence equipment and components.
- The lists are intended to create a predictable domestic market by assuring that successfully indigenised items will subsequently be procured from **Indian industry**.
- The **SRIJAN Defence Portal**, launched in **August 2020**, provides a digital platform through which Defence Public Sector Undertakings and Service Headquarters offer imported items to Indian industry, including **MSMEs and start-ups**, for indigenous development.
- By **June 2026**, more than **33,000 defence items** had been offered through the SRIJAN Portal for indigenisation, including **5,012 items** notified under the first five DDP Positive Indigenisation Lists. More than **15,700 defence items** had been successfully indigenised during the previous five years.

Strategic Logic:

- PILs shift defence procurement from a predominantly **buyer-oriented model towards a domestic design, development and manufacturing ecosystem**.
- They provide Indian firms with assured demand, encourage investment in production capacity and reduce the risks associated with uncertain defence markets.
- The approach is particularly important for **critical components and subsystems**, because dependence on imported components can continue even when complete platforms are assembled domestically.

India's Defence Production Transformation:

Production and Industrial Participation:

- India's defence production increased from **?46,429 crore in FY 2014–15 to ?1.78 lakh crore in FY 2025–26**, demonstrating a substantial expansion of domestic manufacturing capacity.
- Defence Public Sector Undertakings and other public-sector entities contributed approximately **76%** of production in FY 2025–26, while the private sector contributed **24%**, its highest-ever share.
- The private sector's increasing participation is significant because a competitive defence ecosystem requires **MSMEs, start-ups, large private firms, DPSUs, research institutions and academia** to operate as an integrated supply chain.
- The Government has set a target of **?3 lakh crore annual defence production and ?50,000 crore defence exports by 2029**.

Defence Exports:

- Defence exports increased from **?686 crore in FY 2013–14 to ?38,424 crore in FY 2025–26**, representing a more than **56-fold increase**.
- Indian defence products are now exported to **more than 80 countries**, indicating growing international acceptance of domestic defence manufacturing capabilities.
- Rising exports can generate economies of scale, support continuous production and improve the commercial viability of indigenous defence technologies.

Why Defence Indigenisation Matters:

Strategic Autonomy and National Security:

- Defence indigenisation reduces dependence on foreign suppliers and strengthens India's **strategic autonomy** , particularly during wars, geopolitical crises, sanctions or disruptions in global supply chains.
- Indigenous production also reduces vulnerability to **technology denial, export restrictions and delays in the supply of critical spares**.
- Domestic control over design and production enables India to undertake upgrades according to its own operational requirements rather than depending entirely on foreign original equipment manufacturers.

Operational Readiness:

- Dependence on imported components can create prolonged procurement and maintenance cycles, particularly when suppliers face geopolitical constraints or production delays.
- Indigenous manufacturing can support **faster replenishment, maintenance, repair and overhaul**, thereby improving operational availability of military platforms.
- Domestic design also enables defence equipment to be customised for India's diverse operational environments, including **high-altitude Himalayan terrain, deserts, maritime zones and tropical conditions**.

Economic and Industrial Benefits:

- Defence indigenisation stimulates investment in **MSMEs, start-ups, private industry and specialised manufacturing clusters**.
- It creates high-skilled employment and promotes technology spillovers into civilian sectors such as **electronics, aerospace, advanced materials, robotics and telecommunications**.
- Reduced imports can lower foreign-exchange outflows, while successful exports can generate foreign-exchange earnings and strengthen India's position in global defence value chains.

Major Defence Indigenisation Reforms:

Defence Acquisition Procedure, 2020:

- The **Defence Acquisition Procedure (DAP) 2020** gives the highest procurement priority to **Buy (Indian-IDDM)**, meaning products that are indigenously designed, developed and manufactured.
- The framework seeks to increase indigenous content and encourage Indian companies to undertake domestic design and manufacturing rather than merely assembling imported systems.

Make Procedure:

- The **Make-I category** provides government funding for prototype development and can support up to **70% of development cost**, while certain projects are reserved for MSMEs.
- **Make-II** involves industry-funded development and provides relatively flexible entry conditions, allowing Indian industry and innovators to propose indigenous solutions.
- The Make framework therefore seeks to shift defence procurement towards **development-led acquisition** and indigenous technological capability.

Innovation and Technology Development:

- **Innovations for Defence Excellence (iDEX)**, launched in **2018**, supports start-ups, MSMEs, innovators and academia in developing defence and aerospace technologies.
- The **Technology Development Fund (TDF)** supports industries, particularly start-ups and MSMEs, in developing indigenous defence technologies and provides funding of up to **?10 crore** for eligible projects.
- These mechanisms are important for reducing the technology gap between traditional defence manufacturers and emerging technology enterprises.

Strategic Partnership Model:

- The **Strategic Partnership Model**, introduced in **2017**, seeks to establish long-term partnerships between Indian private companies and global Original Equipment Manufacturers.
- The model focuses on domestic manufacturing, technology transfer and development of capabilities in strategically important defence segments.

Defence Industrial Corridors:

- India has established the **Uttar Pradesh Defence Industrial Corridor and Tamil NadDefence Industrial Corridor** to create integrated manufacturing ecosystems.
- By **April 2026**, the Uttar Pradesh corridor had attracted investment commitments of **?42,057 crore**, with grounded investments of **?4,409 crore**, while the Tamil Nadcorridor had attracted investment commitments of **?32,699 crore**, with actual investments of **?6,446 crore**.
- These corridors can strengthen regional supply chains, reduce logistical costs and connect large defence manufacturers with MSMEs and specialised suppliers.

Defence Testing Infrastructure:

- The **Defence Testing Infrastructure Scheme** seeks to establish modern testing and certification facilities so that domestic manufacturers can test products without excessive dependence on foreign testing infrastructure.
- Such facilities are particularly important because reliable **testing, certification and quality assurance** are essential for both military acceptance and international exports.

Key Challenges:

Critical Technology Dependence:

- India continues to face technological gaps in **fighter aircraft engines, advanced sensors, semiconductors, electronic warfare, cyber capabilities and specialised materials**.
- Indigenous assembly of a platform does not necessarily imply complete technological sovereignty if critical components remain dependent on foreign suppliers.
- The next phase of indigenisation must therefore focus increasingly on **design ownership, intellectual property, critical subsystems and deep-tier supply chains**.

Research and Development:

- Defence research requires long development cycles, high capital expenditure and tolerance for technological failure, making sustained public and private investment essential.
- Greater collaboration among **DRDO, universities, start-ups, MSMEs and established defence companies** is required to convert laboratory technologies into deployable military systems.
- The Government has increased defence R&D allocation substantially, while since **2022–23**, **25% of the defence R&D budget** has been opened to industry, start-ups and academia.

Private Sector Participation:

- Although private-sector participation is increasing, the sector still faces challenges relating to **procurement procedures, order visibility, testing, certification, intellectual property and access to defence infrastructure**.
- Long procurement cycles and uncertain demand can discourage private investment in specialised defence manufacturing.
- Greater predictability in procurement and faster decision-making are therefore essential for creating a competitive industrial base.

Quality and Export Competitiveness:

- Global defence markets demand stringent standards relating to **quality, reliability, cybersecurity, lifecycle support and after-sales service**.
- India must therefore move beyond import substitution towards globally competitive products capable of competing on technology, cost and reliability.

Way Forward:

From Import Substitution to Technology Sovereignty:

- India should prioritise **critical technologies** such as aero-engines, advanced propulsion, semiconductors, radar systems, electronic warfare, autonomous systems and secure communications.
- Defence R&D should increasingly follow a **mission-mode approach**, linking military requirements with universities, start-ups, private industry and DRDO laboratories.
- Government procurement should provide greater **long-term visibility of demand**, allowing firms to invest confidently in specialised production capacity.

- Defence corridors should be integrated with **testing facilities, skill centres, design laboratories, logistics networks and MSME clusters** rather than functioning merely as industrial land banks.
- India should strengthen the entire lifecycle ecosystem covering **design, production, testing, maintenance, repair, upgrade and export**, thereby reducing dependence on foreign suppliers after initial acquisition.
- Export promotion should focus on long-term customer support, financing, certification and diplomatic engagement so that Indian defence products become competitive in global markets.

Value Addition for UPSC:

Prelims Facts:

- **Sixth Positive Indigenisation List: 405 items**, notified on **18 August 2026**.
- **Estimated business potential: ?3,070 crore**.
- **Items under the sixth list: 16 Indian Coast Guard items and 389 DPSU items**.
- **Record defence production: ?1.78 lakh crore in FY 2025–26**.
- **Defence exports: ?38,424 crore in FY 2025–26**.
- **Export reach: 80+ countries**.
- **2029 targets: ?3 lakh crore defence production and ?50,000 crore defence exports**.
- **SRIJAN Portal:** Launched in **August 2020** for indigenous development of defence items.
- **iDEX:** Launched in **2018** to promote defence innovation through start-ups, MSMEs and innovators.
- **Defence Industrial Corridors: Uttar Pradesh and Tamil Nadu**.

Mains Perspective:

India’s defence indigenisation strategy represents a transition from **import dependence to capability creation**, but true self-reliance requires more than domestic assembly or production of platforms. The strategic objective should be **technology sovereignty**, particularly in critical subsystems, intellectual property, design capabilities and deep-tier supply chains. The Sixth Positive Indigenisation List can strengthen this transition by creating assured domestic demand, but its long-term success will depend on **sustained R&D, private-sector participation, testing infrastructure, skilled manpower, predictable procurement and globally competitive quality**. Thus, **Aatmanirbharta in defence should be measured not merely by the share of domestic procurement, but by India’s ability to design, develop, manufacture, maintain, upgrade and export critical defence technologies independently**.