

FY24 defence output grows 17% to record high of ₹1.27 trn

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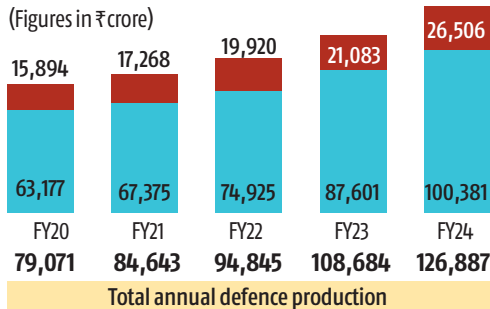
India's annual defence production hit a record high of almost ₹1.27 trillion in 2023-24 (FY24), up 16.7 per cent over the previous year's figure of about ₹1.09 trillion, the Ministry of Defence (MoD) said in an official statement on Friday.

Announced weeks before the Union Budget for FY25, the record production figure — based on data received from all defence public-sector undertakings (DPSUs), other PSUs manufacturing defence items, and private companies — also means the country's

VALUE RISES OVER 60% SINCE FY20

■ DPSUs/PSUs production ■ Private-sector production

(Figures in ₹crore)



DPSU: Defence public-sector undertaking; PSU: Public-sector undertaking
Source: MoD

defence ecosystem has covered over 40 per cent distance to the Centre's ambitious annual defence production target of

₹3 trillion by FY29. The value of defence production has grown over 60 per cent in the past five years (since FY20), the

ministry said. "MoD has achieved highest ever growth in indigenous defence production in value terms during FY24 on the back of successful implementation of policies and the government initiatives focusing on achieving *aatmanirbharta* (self-reliance)," said the MoD statement.

Acknowledging the achievement, Defence Minister Rajnath Singh said in a post on social-media platform X that the 'Make in India' programme was crossing new milestones year after year under the leadership of Prime Minister Narendra Modi.

DefMin credits policy reforms, ease of business for output boost

He added the government was committed to creating a “more conducive regime” for developing India as a “leading global defence manufacturing hub”.

The statement further noted that DPSUs and other PSUs accounted for 79.2 per cent of the value of production in FY24, while the private sector’s share was 20.8 per cent. “The data shows that in terms of absolute value, both DPSUs/PSUs and the private sector have recorded steady growth in defence production.”

The ministry credited policy reforms, ease of doing business, and other government initiatives focused on self-reliance in the past 10 years for this achievement.

Rising defence exports have also contributed “tremendously” to growth in indigenous defence production, said the ministry, adding that outbound defence

equipment shipments touched a record high of ₹21,083 crore in FY24, reflecting a growth rate of 32.5 per cent over the previous year’s figure of ₹15,920 crore.

In February, Singh had said India’s annual defence production was expected to touch ₹3 trillion by FY29, while military hardware exports could reach ₹50,000 crore. With the FY29 production target in mind, members of the private defence industry have highlighted steps the Centre could take to sustain the current momentum in defence production.

Noting that the highest ever defence production figures in FY24 were an indication of the Indian defence industry’s coming of age, Rajinder Singh Bhatia, president of the Society of Indian Defence Manufacturers, and chairman (Defence Business) at Kalyani Group, said: “This

growth momentum can be sustained by a greater push to exports and cutting short the domestic acquisition cycle.”

Anil G Verma, executive director and chief executive officer, Godrej & Boyce, said: “With the defence sector projected to grow at a 13 per cent compound annual rate from FY23 to FY30 and the government’s strong push for indigenisation, we are expecting an increase in the defence allocation in Budget for FY25.”

“We anticipate increased funding for research and development, armed forces modernisation, and support for the domestic defence manufacturing ecosystem. The Budget is likely to introduce incentives for domestic manufacturers, potentially including tax benefits or subsidies, to boost the ‘Make in India’ initiative and private sector participation,” Verma added.