

HAL, private firms to compete for fighter jet prototype contract

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In a move that could end state-run Hindustan Aeronautics Limited's (HAL's) monopoly in building fighter jets, the Ministry of Defence (MoD) on Tuesday said the country's private and public defence companies would get equal opportunity and compete to develop the prototype of the indigenous fifth-generation stealth fighter, dubbed the Advanced Medium Combat Aircraft (Amca).

This follows the execution

model approved for the Amca programme by Defence Minister Rajnath Singh on Tuesday. The programme will be implemented by design agency Aeronautical Development Agency (ADA) through industry partnership.

Describing the approval of the execution model as a significant push towards enhancing the country's indigenous defence capabilities and fostering a robust aerospace industrial eco-

system, the MoD said the approach would provide "equal opportunities to the private and public sectors on

a competitive basis". Private and public defence players can bid to participate in the Amca development programme independently, as a joint venture (JV), or as consortia. The bidders should be Indian companies compliant with the laws and regulations of the country, the ministry added.

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1st flight of Amca prototype expected by 2028-end

“This is an important step towards harnessing indigenous expertise, capability, and capacity to develop the Amca prototype, which will be a major milestone towards aatmanirbharta in the aerospace sector,” said the MoD. The ADA will shortly issue an expression of interest for the development phase of the fifth-generation, medium-weight fighter aircraft, which has been designed to perform both air-to-air and air-to-surface combat, it added.

The first flight of the Amca prototype is expected by end-2028, a defence source told *Business Standard*.

This execution model marks a shift from longstanding convention, under which HAL was the default domestic production agency for combat aircraft, making it the only Indian entity to manufacture such platforms in the country so far, according to a defence industry insider who did not wish to be named. “Now, it will have to bid alongside private firms to secure the contract. This will foster competition and offer private players a unique opportunity,” the per-

son said, adding private defence majors like Kalyani Group, L&T, Tata Group, and Adani Group would be interested in securing the contract to build the prototype.

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“Even if the winning entity is a JV or consortium involving HAL and one or more private players, the latter will play a far larger role in building combat aircraft than they have before,” explained the source quoted earlier. So far, private players have only built components and parts for programmes like the Light Combat Aircraft Tejas in a tieup with HAL.

“If the private sector secures the contract to build the Amca prototype, it could open the door to contracts matching the scale of those so far awarded only to public-sector entities like HAL,” said another industry source.