

Year-end review 2025

Major Defence Acquisition Council approvals



The Defence Acquisition Council (DAC), under the chairmanship of Raksha Mantri Mr. Rajnath Singh, approved capital acquisition proposals worth a total cost of over Rs 3.84 lakh crore since January 2025, to enhance the country's defence readiness, with focus on modernisation through indigenisation.

- On July 3, 2025, DAC accorded Acceptance of Necessity (AoNs) for 10 capital acquisition proposals amounting to approx. Rs 1.05 lakh crore through indigenous sourcing. These were accorded for procurement of Armoured Recovery Vehicles, Electronic Warfare System, Integrated Common Inventory Management System for the Tri-Services and Surface-to-Air Missiles. These procurements will provide higher mobility, effective air defence, better supply chain management and augment the operational preparedness of the Armed Forces. AoNs were also accorded for procurement of Moored Mines, Mine Counter Measure Vessels, Super Rapid Gun Mount and Submersible Autonomous Vessels. These procurements will enable mitigation of potential risks posed to the Naval and Merchant Vessels. To provide further impetus to indigenous design and development, AoNs were accorded under the Buy (Indian-Indigenously Designed Developed and Manufactured) category.
- On December 29, 2025, DAC cleared capital acquisition proposals worth about Rs 79,000 crore to enhance the capabilities of the Armed Forces. These include Loiter Munition System for Artillery Regiments, Low Level Light Weight Radars, Long Range Guided Rocket Ammunition for Pinaka Multiple Launch Rocket System & Integrated Drone Detection & Interdiction System Mk-II for Indian Army; Bollard Pull Tugs, High Frequency Software Defined Radios Manpack and for leasing High Altitude Long Range Remotely Piloted Aircraft System for the Indian Navy; and Automatic Take-off Landing Recording System, Astra Mk-II Missiles, Full Mission Simulator and Spice-1000 Long Range Guidance Kits for the Indian Air Force.
- On October 23, 2025, DAC approved various proposals amounting to a total of about Rs 79,000 crore. These include Nag Missile System (Tracked) Mk-II, Ground Based Mobile ELINT System, and High Mobility Vehicles with Material Handling Crane for Indian Army; Landing Platform Docks, 30mm Naval Surface Gun, Advanced Light Weight Torpedoes; Electro

Optical Infra-Red Search and Track System, and Smart Ammunition for 76mm Super Rapid Gun Mount for Indian Navy; and Collaborative Long Range Target Saturation/Destruction System and other proposals for the Indian Air Force.

- On August 5, 2025, DAC cleared various proposals amounting to a total cost of about Rs 67,000 crore. These include Thermal Imager-based Driver Night Sight for BMP for the Indian Army; Compact Autonomous Surface Craft, BrahMos Fire Control System & Launchers and Upgradation of Barak-1 Point Defence Missile System of the Indian Navy; Mountain Radars and upgradation of Saksham/Spyder Weapon System for the Indian Air Force; Medium Altitude Long Endurance Remotely Piloted Aircraft for the three Services; and sustenance of C-17 and C-130J fleets and comprehensive annual maintenance contract of S-400 Long Range Air Defence Missile System.
- On March 20, 2025, DAC gave nod to eight capital acquisition proposals amounting to over Rs 54,000 crore. These include 1350 HP Engine to upgrade the present 1000 HP Engine for the T-90 Tanks of the Indian Army; Varunastra Torpedoes (Combat) for the Indian Navy; Airborne Early Warning & Control (AEW&C) Aircraft Systems for the Indian Air Force; and guidelines for reducing the timelines at various stages of the Capital Acquisition Process to make it faster, more effective & efficient as part of 'Year of Reforms'.

Major Contracts/Agreements

- LCA Mk.1A:** Ministry of Defence signed a contract with HAL for procurement of 97 Light Combat Aircraft (LCA) Mk.1A, including 68 fighters and 29 twin seaters, along with associated equipment, for the Indian Air Force, at a cost of over Rs 62,370 crore (excluding taxes), on September 25, 2025. The delivery of these aircraft would commence during 2027-28 and be completed over a period of six years. The aircraft will have an indigenous content of over 64%, with 67 additional items incorporated, over and above the previous LCA Mk.1A contract signed in January 2021. The integration of advanced indigenously developed systems such as the Uttam Active Electronically Scanned Array (AES) Radar, Swayam Raksha Kavach, and control surface actuators will further strengthen the Aatmanirbharta initiatives. HAL entered into an agreement with General Electric Company, USA, on November 7, 2025 for the supply of 113 F404-GE-IN20 engines and support package for the execution of 97 LCA Mk.1A programme. The engine deliveries would be from 2027 to 2032.
- Rafale-M:** In April 2025, the Governments of India and France signed an Inter-Governmental Agreement (IGA) for the procurement of 26 Rafale Aircraft (22 Single-Seater and four Twin-Seater) for the Indian Navy. It includes Training, Simulator, Associated Equipment, Weapons and Performance Based Logistics. It also includes additional equipment for