

Contracts and AON's

DAC clears proposals worth Rs 2.38 lakh crore

The Defence Acquisition Council (DAC), chaired by Raksha Mantri Mr. Rajnath Singh on 27 March 2026, granted Acceptance of Necessity (AoN) for various proposals worth an estimated cost of about Rs 2.38 lakh crore. For the Indian Army, approval was accorded for the Air Defence Tracked System, armour piercing tank ammunition, High Capacity Radio Relay, Dhanush Gun System and Runway Independent Aerial Surveillance System.

The Air Defence Tracked System will provide real time Air Defence Control and Reporting capability, while the High Capacity Radio Relay will provide reliable and fail proof communication. The Dhanush Gun System will enhance the artillery's capabilities to engage targets at longer ranges in all terrains with enhanced lethality and accuracy. The Runway Independent Aerial Surveillance System will provide surveillance capabilities to the Army units, with the armour piercing tank ammunition enhancing the lethality of anti-tank ammunition.

For the Indian Air Force, proposals were cleared for the procurement of Medium Transport Aircraft, S-400 long range surface-to-air missile system, Remotely Piloted Strike Aircraft and overhaul of Su-30 aero engine aggregates. The induction of Medium Transport Aircraft by replacing the transport fleet of An-32 and Il-76 will meet the strategic, tactical and operational airlift requirements of the Services.

The S-400 system will counter enemy long range air vectors targeting vital areas, while the Remotely Piloted Strike Aircraft will enable undertaking offensive counter and coordinated air operations, also providing stealth intelligence, surveillance and reconnaissance activities. The overhaul of Su-30 aero engine and its aggregates will increase the service life of the aircraft and fulfil the operational requirement of the Indian Air Force.

For the Indian Coast Guard, AoN was accorded for Heavy Duty Air Cushion Vehicles. These vehicles will be used for multipurpose maritime coastal operational roles, including high speed coastal patrolling, reconnaissance, search and rescue operations, rendering assistance to ships and carrying personnel and stores including logistics.

In the Financial Year 2025-26, AoN for 55 proposals amounting to Rs 6.73 lakh crore was accorded by the DAC. Moreover, capital procurement contracts were signed for 503 proposals amounting to Rs 2.28 lakh crore in the current fiscal year. Both the quantum of AoN given and capital contracts signed, so far, have been the highest in any given Financial Year.

Contracts for Tunguska & Inspection (Depot Level) of P8I

The Ministry of Defence signed contracts, worth a total of Rs 858 crore, for the procurement of Tunguska air defence missile system and Inspection (Depot Level) of P8I long-range maritime reconnaissance aircraft. The contracts were inked at Kartavya Bhawan-2, New Delhi on 27 March 2026.

The contract for the procurement of Tunguska Air Defence Missile Systems, valued at Rs 445 crore, for the Indian Army, was signed with JSC Rosoboronexport, Russia in the presence of Defence Secretary Mr. Rajesh Kumar Singh. These missiles will enhance India's multilayered air defence capabilities against aerial threats including aircraft drones and cruise missiles. The agreement will further strengthen the Indo-Russian strategic defence partnership.

The contract for the Inspection (Depot Level) of P8I long-range maritime reconnaissance aircraft for Indian Navy under Buy Indian category with 100% Indigenous Content, valued at Rs 413 crore, was signed with Boeing India Defence Private Ltd, a wholly owned Indian subsidiary of Boeing, in the presence of senior officials of the Ministry of Defence. This contract will ensure Depot level maintenance of P8I fleet at in-country MRO (Maintenance, Repair and Overhaul) facility, which is in line with Government of India's commitment to Aatmanirbhar Bharat and Make-in-India.



MoD & BEL contract for Mountain Radars for IAF

Ministry of Defence (MoD) signed a capital acquisition contract with Bharat Electronics Limited (BEL) for the procurement of two Mountain Radars, including associated equipment and required infrastructure for the Indian Air Force, at a cost of around Rs 1,950 crore. The contract,