



Summary

This quarter witnessed significant regulatory initiatives and major procurement decisions to strengthen India's aerospace and defence sector. The Ministry of Defence advanced reforms through new digital platforms and updated procurement frameworks with the release of the Defence Procurement Manual, 2025 to enhance ease of doing business and indigenisation. On the procurement front, multiple high-value capital acquisition proposals across the Army, Navy, and Air Force received approvals. In parallel, India deepened international defence cooperation through strategic dialogues and industry partnerships.

Regulatory Overview

(i) Revised Defence Procurement Manual (DPM) 2025^[1]

The DPM 2025 was released in October 2025 and is applicable to all RFPs issued from 1 November 2025. The DPM 2025 is issued in two volumes and aims to enhance efficiency, operational readiness in defence procurement. The new manual aims to facilitate revenue procurement amounting to approx. Rs 1 lakh crore annually by the three Services and other establishments under the Ministry of Defence. DPM 2025 streamlines defence procurement by expediting decision making process and by removing procedural delays and avoiding unnecessary

penalties. It also introduces new chapters on self-reliance, ICT procurement and Consultancy and Non-Consultancy Services.

DPM 2025 improves procurement predictability for industry by reducing procedural concerns and softening penalty regimes particularly for indigenous suppliers.

(ii) Revamped Defence Exim Portal^[2]

The Exim portal has been revamped to support end-to-end application processing, automated company verification, simplified registration, OGEL filing, real-time tracking, and secure payment integration. Built in line with updated SOPs and compliance features under the Security Manual for Licensed Defence Industries (SMLDI), it enhances transparency, efficiency and regulatory adherence.

Faster processing and greater transparency are expected to improve India's defence export competitiveness and provide exporters with clearer regulatory timelines aiding contract execution.

(iii) State Policy Compendium for Aerospace & Defence Sector^[3]

The Department of Defence Production has prepared a comprehensive Compendium covering all States and Union Territories to support India's objective of becoming a globally competitive and self-reliant Aerospace and Defence manufacturing hub. It consolidates state-level regulatory and policy frameworks relating to A&D, industry, MSMEs, startups, R&D, exports, logistics, along with fiscal incentives, infrastructure support and ease of doing business measures.

The State Policy Compendium enables informed location and investment decisions by offering a consolidated view of incentives, infrastructure and regulatory support across States and UTs.

(iv) Draft Civil Drone (Promotion and Regulation) Bill, 2025

The Civil Drone (Promotion and Regulation) Bill, 2025 is a draft legislative framework released by the Ministry of Civil Aviation (MoCA) in September 2025 for public consultation. It is intended to replace the existing drone regulatory regime (Drone Rules 2021 and subsequent amendments) with a comprehensive statute governing the use, manufacture, import/export, operation and safety of Unmanned Aircraft Systems in India.

While the Draft Drone Bill provides long-term regulatory certainty, the proposed compliance and penalty framework marks a shift towards tighter oversight.

(v) Srijan DEEP: Defence Establishment and Entrepreneurs Platformn[\[4\]](#)

The MoD initiated centralized digital portal to map and showcase the capabilities of Indian defence industries, enabling easier identification of domestic manufacturers, MSMEs, startups, suppliers, and potential collaborators. The aim is for the portal to serve as digital directory for Industry associations to enable them to easily identify potential partners and collaborators. It streamlines decision-making by reducing paperwork, improving supply-chain visibility, enabling resource pooling during emergencies, and aligning industry capabilities with DPSU and defence requirements through a unique reference number-based tracking system.

Srijan DEEP strengthens supply-chain visibility and domestic sourcing by making Indian defence capabilities more discoverable to DPSUs and defence establishments.

[1]<https://mod.gov.in/dod/index.php/en/defence-procurement--manual>

[2]<https://defenceexim.gov.in/>

[3]<https://www.ddpmod.gov.in/sites/default/files/d8f95a6d756e27ec960defcbb9dd4b8e2b21456a57b9913f95b8b3f8a9a1d80a/2096df5b9667fb99dfc0263aa80f3758c123e4833c97c46bfb65c15bacaea09a.pdf>

[4]<https://srijandefence.gov.in/SrijanDeep>

Procurements

(i) Significant capital approvals:

The DAC approved multiple high-value capital acquisition proposals this quarter. In October 2025, Acceptance of Necessity (**AoNs**) were accorded for the procurement of Nag Missile System (Tracked) Mk-II, Ground Based Mobile ELINT System, and High Mobility Vehicles with Material Handling Crane, 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.[\[5\]](#)

In December 2025, AoNs were accorded for the procurement of 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; Bollard Pull Tugs, High Frequency Software Defined Radios Manpack and for leasing High Altitude Long Range Remotely Piloted Aircraft System; Automatic Take-off Landing Recording System, Astra Mk-II Missiles, Full Mission Simulator and SPICE-1000 Long Range Guidance Kits.[\[6\]](#)

With new AoNs signalling future procurements, industry players should map upcoming requirements, align capabilities and proactively build partnerships to secure a share of forthcoming opportunities.

Key Industry Collaborations

(i) **India – US Collaboration:** The 12th meeting of ASEAN Defence Ministers' Meeting Plus took place in Kuala Lumpur, where India and the U.S, the two leaders, appreciated the continuing momentum in the bilateral defence cooperation and reaffirmed their commitment to further build upon the mutually beneficial partnership across all its pillars. After the meeting, both leaders signed the 'framework for the US-India major defence partnership' which will usher a new era

in an already strong defence partnership. The 2025 framework marks a new chapter to further transform the partnership over the next 10 years.[\[7\]](#)

(ii) **India – Indonesia Collaboration:** At the 3rd India-Indonesia defence ministers dialogue (in November), India and Indonesia reaffirmed their strategic partnership and commitment to deepen defence cooperation. Key outcomes of the meeting include Strategic Outlook on Indo-Pacific Peace and Security, Defence Cooperation and Industry Collaboration, Military-to-Military Engagements, Maritime Security and Multilateral Cooperation.[\[8\]](#)

(iii) **India – Russia Collaboration:** At the 22nd session of the India-Russia Inter-Governmental Commission on Military & Military Technical Cooperation (in December), India and Russia reaffirmed the relationship based on trust, common principles and mutual respect. India highlighted its commitment to capacity building of the indigenous defence industry under the vision of *Aatmanirbhar Bharat* and stressed new opportunities for collaboration in niche technologies. The Russian side emphasised deepening strategic cooperation and reiterated the readiness of the Russian defence industry to support India's self-reliance in defence production[\[9\]](#)

Bilateral cooperation opens commercial pathways for the industry.

(iv) Multiple MoUs / contracts / partnerships were signed between Indian OEMs/ governments and foreign defence companies to expand local manufacturing footprints, technology transfer and supplier development, like

- a. **India Optel Limited and Safran Electronics & Defense** on the local manufacture of SIGMA 30N inertial navigation systems and CM3-MR direct firing sights in India.[\[10\]](#)
- b. **Mazagon Dock Shipbuilders Limited and Naval Group (France)** extended their MoU on joint development, local capability building and export of evolved conventional submarine platforms.[\[11\]](#)
- c. **Bharat Electronics Limited and Safran Electronics & Defence** signed a cooperation agreement to establish a joint venture for producing HAMMER smart air-to-ground weapons in India, strengthening defence manufacturing and technology transfer.[\[12\]](#)
- d. **Support and maintenance agreements for MH-60R naval helicopters** with U.S. counterparts, valued at USD 894 million thereby enhancing sustainment of key naval aviation assets.[\[13\]](#)

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- [5]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2181814>
- [6]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2209422>
- [7]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2184622>
- [8]<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2195269>
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- [10]<https://www.iadb.in/2025/12/23/iol-safran-sign-production-transfer-pact-for-sigma-30n-cm3%E2%80%91mr-boosting-make-in-india-defence-indigenisation/>
- [11]<https://economictimes.indiatimes.com/news/defence/naval-group-mazagon-dock-shipbuilders-extend-mou-to-strengthen-submarine-export-cooperation/articleshow/124734346.cms?from=mdr>
- [12]<https://www.reuters.com/world/india/indias-bel-frances-safran-produce-air-to-ground-weapons-india-2025-11-24/>
- [13]<https://www.reuters.com/world/india/india-signs-helicopter-support-agreements-worth-894-million-with-us-2025-11-28/>
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Dua Associates is a full practice national law firm. It has a leading defence and aerospace practice serving clients for two decades with sector-specific know-how and experienced legal practitioners for advice on regulatory, transactional and complex, multi-jurisdictional matters emanating out of defence contracts.

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