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# INDIA DEFENSE & SECURITY

## The Insider View

A members only  
exclusive Newsletter



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G. MOHAN KUMAR  
(Former Defence Secretary)

## PART A

## Top Line

## DefExpo 2022

DefExpo 2022 was scheduled to be held from 10-14 March at Ahmedabad, Gujarat. However, just six days before the commencement, the Indian government postponed the event citing logistics problems due to the Russia-Ukraine conflict. This was unexpected by the awaiting participants. A possible cause opined by some experts was lack of adequate participation from some countries due to the ongoing conflict. Others contemplated pressure from QUAD and European Union members to limit Russian participation in view of the sanctions and other punitive measures. Incidentally, the counting of votes for five state assemblies was also to commence on 10th March and the political leadership generally remains committed during the counting and subsequent days. It appears that dates and timings of the exhibition were clashing with the election schedule and the sudden change in international scenario further complicated the situation.

Submarine Project  
Delays

The multi-billion-dollar project for development of six conventional diesel-electric submarines under the project named P-75(I) has been struggling in its progress. This is the first program being undertaken under the Strategic Partnership (SP) model of Defence Acquisition Procedures (DAP-2020). The request for proposal (RFP) was issued by the Ministry of Defence in July 2021. As the majority of foreign companies had found it difficult to establish partnership with the Indian companies, the MoD had extended the proposals submission date from to June 2022. It may take more than two years for the MoD to sign a contract with the shortlisted SP, if everything goes as per the plans. Mazagon Dock Shipbuilder and Larsen and Toubro are the nominated Indian partners who have to choose appropriate foreign partners amongst the shortlisted companies - Naval Group, TKMS, JSC ROE, Daewoo Shipbuilding and Marine Engineering and Navantia.

Procurement of  
Light Tanks

The Indian Army has been trying to procure light tanks for deployment in the mountainous region in the Northern and North-Eastern parts of India. The current stand-off with China on the Indo-China borders further strengthened the need for such tanks. Therefore, the MoD gave in-principle approval for indigenous design and development of light tanks for mountain warfare. Light tanks have also been included in the list of the first four projects which were accorded 'Approval In-Principle (AIP)' for design & development under the Make-I category of DAP 2020. The government

provides majority of the funding for development of projects under Make I category. Indian companies are engaging with suitable foreign technology partners for collaboration to develop the light tanks. The Russians had earlier offered its Sprut light tanks to the Indian Army which suited the Army's requirements. Indian company Larsen and Toubro has collaborated with South Korea's Hanwha Defence and have been shaping opportunities for jointly producing a light tank. They have already partnered to produce the K-9 Vajra-T self-propelled howitzer, a variant of the K-9 Thunder for the Indian Army. BAE Systems is also exploring the possibility of offering a suitable solution to meet the Army's requirements. Earlier, an RFI for the procurement of 350 lightweight tanks was issued. This is a good opportunity for Indian companies and potential foreign technology partners to develop suitable solutions to generate business opportunities for the Indian and global market.

## Theatre Commands

The progress on formation of Theatre Commands have slowed down in the absence of Chief of Defence Staff (CDS). Though the internal discussions have been progressing gradually to analyse the implications of the restructuring of the commands and execution modalities, however the thrust has slowed down. The existing 17 operational commands are proposed to be restructured into three Army Theatre Commands, one Maritime Theatre Command (MTC) and one Air Defense Command (ADC). The Army and Navy have been in favour of theaterisation and support the idea however, the Air Force has been a little apprehensive on splitting the assets. The theatre commands are being set up under the larger mandate of ensuring synergy among the tri-services to deal with security challenges efficiently. Though the Department of Military Affairs (DMA) continues to push for quick transition, the case is likely to be expedited after new CDS takes over the assignment.

## Russian Orders Cancellation

There have been discussions on the potential cancellation of various ongoing deals with Russia such as MiG-29, SU-30 fighter jets, Ka-226T utility helicopters, ATGMs and some other products. The focus on indigenisation and the possible adverse impact of sanctions against Russia seem to be the main reasons for cancellations. The Inter-Governmental Agreement (IGA) for at least 200 Ka-226T twin engine utility helicopters was signed in 2015. In 2020, the Defence Acquisition Council approved procurement of 21 MiG-29s and 12 SU-30s along with upgradation of 59 existing MiG-29s.

## Additional News

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- The MoD issued an Implementation of Framework for Field Evaluation Trials of the defence equipment. A group of tests have been identified for acceptance of certification in trials.
- The officials of Electronics & Information Technology informed that 5G network is in its final stages of development in India.
- The Government of India approved a budget of around \$3.8 billion for the police modernisation scheme for five years for the period 2022 to 2026.
- India displayed its indigenously developed TEJAS light combat aircraft (LCA) during the Singapore Air Show 2022.
- Indian Space & Research Organisation (ISRO) successfully launched the Earth Observation Satellite-04 onboard its Polar Satellite Launch Vehicle (PSLV). This has the potential to provide necessary surveillance to help in strengthening border security.
- The number of space based Start-Up companies increased to more than 100 in 2022.
- The Indian Navy successfully conducted the Presidential Fleet Review (PRF) in which more than 50 floating assets including a couple of submarines and 50 aircrafts participated.
- Trade between India and the US in goods and services set a new record as trade figures jumped a whopping 45% to a historic high of \$113 billion, from the \$78 billion recorded at the end of 2020.
- China expressed concern over India's decision to ban 54 Chinese apps over security reasons and the Indian tax authorities conducting raids at multiple premises of a leading telecom company.
- India and France have agreed on a Roadmap on Blue Economy and Ocean Governance with the aim to contribute to scientific knowledge and ocean conservation and ensure that the ocean remains a global common based on the rule of law.
- The MoD has initiated the process of obtaining approval of Cabinet Committee of Security for the design and development of the Advanced Medium Combat Aircraft (AMCA).
- India and France plan to collaborate for developing a 125KN engine for Advanced Medium Combat Aircraft Mk II. The engine will power the Mk2 — the AMCA's second version — with the first version powered by a GE414 engine.
- Airbus and Tata Advanced Systems Limited (TASL) are likely to manufacture C-295 aircraft at the Dholera Special Investment Region in Gujarat.

## PART B

## Appointments

Vice Admiral **Sanjay Mahindru**, assumed charge as Deputy Chief of the Naval. He was commissioned into the Indian Navy on 01 Jan 85 and is a Submarine and Navigation Specialist. He has held a variety of Command and Staff appointments both ashore and afloat. He commanded INS Shalki, a Type 1500 Shishumar Class submarine, Cadets Training Ship INS Krishna, and Destroyer INS Rajput. He has also commanded INS Satavahana the Navy's Submarine Training Establishment where he set up the School for Advanced Underwater Warfare. In his staff tenures he served in the Directorate of Submarine Operations and Directorate of Nuclear Submarine Acquisition at Naval HQs.

As Vice Admiral in 2019, he held the challenging and coveted appointment of Deputy C-in-C of the Strategic Forces Command prior to taking over the present appointment as Deputy Chief of Naval Staff. Since he is the submariner he will take keen interest in execution of P-75 I submarine development program under Strategic Partnership model.

Former Vice Chief of Naval Staff, Vice Admiral **G Ashok Kumar** has been appointed as the first National Maritime Security Coordinator in the National Security Council Secretariat (NSCS). VADM Kumar was commissioned into the executive branch of the Indian Navy in 1982 and he specialises in Navigation and Direction. He has been the Defence Advisor at the High Commission of India in Singapore and attended Expeditionary Operations Course at Quantico, Virginia, USA. He has good experience of various challenging staff and command assignments during his distinguished career in the Navy. In the current position, he would be instrumental in formulating policies and resolving issues related to national maritime security.

**Deputy Chief  
of Naval Staff  
(DCNS)**

**National  
Maritime Security  
Coordinator  
(NMSC)**



After the unfortunate demise of General Rawat, the position of Chief of Defence Staff (CDS) has remained vacant. The government has been considering various options keeping in the mind the suitability of the potential candidates and the impact of nomination on the chain of command. Lt Gen Manoj Pande has taken over as Vice Chief of Army Staff and his is likely to be nominated as next Chief of Army Staff, after Gen Naravane relinquishes command. Majority of the experts anticipate Gen Naravane to be the next CDS and the formal nomination may be announced during the month of April.

**Potential  
Candidates for  
Chief of Defence  
Staff (CDS)**

## Additional Appointments

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- Lt Gen Manoj Pande took over charge as Vice Chief of Army Staff on 01st February.
- Air Marshal Sreekumar Prabhakaran assumed command of the Delhi based Western Air Command (WAC) on 01st March.
- Air Marshal B Chandra Sekhar, AVSM took over as Commandant, Air Force Academy.
- Air Marshal K Anantharaman, VSM Assumes the Appointment of Air Officer-in-Charge Administration (AOA).

## PART C

## Policy Updates

## Policies to Promote Indigenization

India has been formulating various policies to promote indigenization and encouraging the local industry to take the lead in the development and production of various solutions to meet the customer requirements. Recently, India issued a notification to ban import of drones in a bid to boost local manufacturing. The policies are also being fine-tuned to execute the development of products/ solutions under Make I and Make II category. The MoD issued a list of 18 items for which Approval In-Principle (AIP) was accorded for development through the indigenous route. The policy has been issued for the creation of a monitoring mechanism under DG Acquisition with representatives from all the three services to monitor the utilization of budget earmarked for the Indian industry. Reforms are also being made to reform the Quality & Assurance process to enable the industry to execute the development smoothly. Special provisions are being made for start-ups and innovators to encourage them to undertake R&D work. The policy on the formation and functioning of Special Purpose Vehicles (SPVs) is also in works.

## Emergency Landing Strips

Strategic planners at the MoD and service HQs have been exploring various options on the utilization of existing infrastructure for active military operations. Certain portions of national highways are planned to be converted into airstrips to facilitate landing of aircrafts during emergency situations and disaster management. India has identified 28 locations on key and strategic operational national highways to build landing strips for fixed-wing aircraft. These strips will be developed in the border states such as Rajasthan, Gujarat, West Bengal, Tamil Nadu, Andhra Pradesh, Haryana, Punjab, Jammu and Kashmir, and Assam. The development of infrastructure is being planned in consultations with the MoD. One of such landing strips was inaugurated by Prime Minister Modi recently. The planning for such activities commenced in 2017 and the Indian Air Force conducted the first landings on the Lucknow-Agra Expressway that year to prove the concept.



## Indian Space Policy - 2022

The Department of Space circulated the draft Indian Space Policy-2022, which aims to provide a dynamic framework to unleash the next generation reforms engaging Government entities, space industry, start-ups and academia to achieve greater social, economic and technological progress for the country and humanity. The government vision focuses on using the space as a driver of technology development and derived benefits in allied areas. This will aim at promoting greater use of space-based data, tools, techniques and applications to contribute to the key drivers for economic development of the nation and welfare of the citizens. As the objective is to create and sustain the space programme including space-based applications, space systems, ground infrastructure, orbital resources and launch capabilities, there is huge scope for the industry to stay aligned with the policy to grow new business opportunities. The Department of Space would help in promoting greater industry participation in the value chain of space economy in order to develop robust, innovative and competitive space ecosystem. The policy also highlights the need to pursue and encourage sustained research and development in space domain. The government would ensure a responsive and stable regulatory framework for space activities.

## Arms Production

The Ministry of Home Affairs issued fresh rules to allow arms manufacturers to enhance the production. The new rules were notified by the MHA through a gazette notification. The manufacturers who have been issued the licence in Form VII under these rules shall be permitted to have enhanced annual production of firearms or ammunition or calibre-wise revision of the licensed capacity. This will help the industry to increase the scale of production and plan expansions by investing additional funds.

## PART D

## Tenders

## Air Defense Guns

An RFP was issued in Oct 2021 for procurement of 220 Air Defence Guns and Ammunition under Buy and Make (Indian) Category. As there have been limited availability of suitable solutions to meet the specified requirements, Indian companies were finding it difficult to make the necessary arrangements with the technology partners to submit proposals. Therefore, the dates of the submission have been extended multiple times as per the request of some companies.

## RFI for High Capacity Radio Relay (HCRR)

The MoD has issued an RFI to procure approximately 800 units of High Capacity Radio Relay (HCRR) equipment to be deployed in High Altitude Areas, mountains, plains, and deserts for setting up secure, high bandwidth, point-to-point communication links. The last date for response to RFI is 02 May 2022. A similar RFI was issued a few years back, however the case could not be progressed due to procedural delays.

## Kunkurs Contract

Bharat Dynamics Limited and the Indian Army have signed a contract for the manufacture and supply of Konkurs-M anti-tank guided missiles. The contract will be executed in three years. The Konkurs ATGMs are integrated on BMP armoured fighting vehicles and India has been using such vehicles for quite some time. The Army has been trying to upgrade the BMPs with third generation 'Fire & Forget' type of ATGMs, however they have not been successful in progressing the procurement cases. Therefore, the Army continues to procure Konkurs to fill the operational voids.

## Predator/ Sea Guardian UAVs

The MoD has been planning to acquire 30 Predator armed drones for use across services at the cost of around \$3 billion from US-based General Atomics. There were rumours that the procurement program was likely to be shelved. The news seems to be false. The MoD continues to process the case for procurement of MQ-9 UAVs.

## AEW helicopters

Ka-31 airborne early warning (AEW) helicopters are the main assets positioned in most of the destroyer class of ships and aircraft carrier for anti-submarine warfare and anti-surface warfare type of operations. Most of these helicopters have completed the useful life and some of the newer ships still don't have helicopters aboard. The Indian Navy is progressing its long pending procurement of ten Ka-31 helicopters. The Indian Navy had signed a contract for procurement of 24 quantity of MH-60R helicopters and the induction has already commenced. If Ka-31 procurement encounters obstacles in procurement, there is a chance of additional orders for MH-60R.

## New Projects

The MoD took a bold decision to promote indigenisation by approving 18 major projects for development by the domestic industry under Make I and Make II categories of DPP-2020. 14 projects will be initiated for development under 'Make-I' category by the private industry. Two projects are planned to be developed under the Special Purpose Vehicle (SPV) model - Long Range Unmanned Aerial Vehicles (UAVs) and Indian Multi-Role Helicopter (IMRH). The Indian industry will be looking for partnerships with foreign OEMs to develop such solutions.

## PART E

## Thinking Forward

## Impact of Russia-Ukraine Conflict on Indian Military Modernisation

The ongoing conflict between Russia and Ukraine has put India in an odd situation. The US and NATO countries have applied systematic sanctions on Russia to dissuade further attacks on Ukraine. Most of the countries are aligned to support NATO and United Nations to put pressure on Russia, whereas India has taken a neutral stance due to various compulsions. The Indian Military is still holding more than 70% of the equipment of Russian origin and a large number of platforms, systems and subsystems come from Ukraine too. Ukraine's defence industry and R&D setup was a significant part of the Soviet military complex. India is dependent on Russia and Ukraine for maintenance and upgradation of the existing equipment.

The IAF presently operates over 410 Soviet-era and Russian fighters that comprise a mix of imported and licence built platforms. SU-30MKIs, MiG-21 Bisons, Mig-29 are the main fighters of Russian origin. The IAF also operates Mi-17 and Mi-8 transport helicopters and Mi-35 attack helicopters. A large fleet of AN-32, IL-76, IL-78 etc. are operational while over 100 AN-32s, are awaiting an upgrade by Ukraine. The main Air Defence systems including radars and missiles are of Russian origin.

The Indian Navy also has large number of platforms, equipment and weapons of Russian origin. INS Vikramaditya, the Indian Navy's sole operational aircraft carrier, is a refurbished Soviet-era ship. Navy operates Kashin-class guided missile destroyers, Talwar-class frigates, conventional submarines and its lone nuclear-powered attack submarine is an Akula-class vessel on lease from Russia. In addition, a large fleet of ASW and AEW helicopters (Ka-28, Ka-31 etc.), sensors, weapons and equipment come from Russia/ Ukraine.

Similarly, the India Army is dependent on Russia for various kinds of tanks, Infantry Combat Vehicles, Air Defense Systems, artillery guns & rockets, infantry weapons, vehicles etc. T-72 tanks, T-90 tanks, BMPs, Schilka, Tunguska, Osa-Ak, Strella-10M, 130 mm artillery



guns, Smerch rockets Igla, engineering vehicles, AK-203 rifles, anti-tank weapons etc. are some equipment worth mentioning.

As the Army, Navy and Air Force are dependent on Russia/Ukraine for supply, sustenance, repair, updates etc., any type of disruptions in the supply chain can have an adverse impact on the combat potential of India. The sanctions on Russia will have an adverse and damaging effect on the operational efficiency of the Indian Military. Most of the ongoing and future procurement/ upgrade programs from Russia and Ukraine are likely to be delayed or terminated. The major challenge is encountered on that equipment which have supplier bases of systems/ subsystems/ components in both the countries. India was already focusing on reducing its dependence on foreign suppliers by promoting indigenization, but the situation created by Russia-Ukraine conflict has further strengthened the intent of the government to put in maximum efforts on 'Make in India' approach. The government has recently decided to review the ongoing global procurement programs with a view to convert the procurement category to Make I or Make II of Defence Procurement Procedures. The IAF is aiming for 100% indigenization of the spare parts and components of the Russian origin equipment, even though it may take a long time to reach that stage.

The Indian Military is facing a dual challenge. On the one hand, they need to continue the modernization drive to maintain the credible combat potential, on the other hand, they are required to reduce dependency on foreign suppliers. The disruption of supply chain sources from Russia and Ukraine is likely to reduce the operational availability of the dependent equipment. The Indo-China border tension has further complicated the situation. If China continues to maintain or strengthens posture on the borders, India may resort to emergency procurement of critical weapons and equipment. There may also be additional reforms to curb the bureaucratic processes to encourage partnerships amongst foreign technology companies and the domestic industry to produce military ware to modernize the defence forces. There have been dedicated efforts to reduce dependency on Russia and such a trend may pick up further momentum in the near term. The next couple of years will be critical to define the future concepts of technology development and military modernization. There is likely to be a significant tilt towards the US, Europe, Israel and South Korea, among others, for the development of a suitable ecosystem and establish partnerships to produce solutions to meet the Indian customer requirements.

## PART F

## A Specialist View

Some Thoughts  
on Make In India

The Ukraine crisis has brought into sharp focus the dangers of excessive dependence on a single country for defence equipment and India's slothfulness --beginning from the sixties-- in developing cutting edge defence technologies and manufacturing. While a great deal of emphasis was laid on defence manufacturing in the public sector after the Chinese aggression in 1962 the defence public -sector undertakings (DPSU) and the ordnance factories failed to forge creative partnerships with the private industry to nurture a strong eco system of MSMEs suppliers. They failed to build long term relationships which would have enabled the private sector to invest in technologies and infrastructure. It was not until 2001 that the defence sector was opened to the private sector. Even after letting in the private sector it was many years later that it was taken seriously given the strong public sector bias of the defence bureaucracy.

The recent push for self reliance in defence, as part of the Modi government's 'Atmanirbhar Bharat' has seen many bold policy initiatives which should have been introduced decades ago. Giving primacy to indigenously designed ,developed and manufactured(IDDM) category in defence procurement ,the Strategic Partnership policy, creation of the Defence Innovation Organization with the iDex as its executive arm for promoting defence start-ups, increasing FDI limit to 74%, imposing a phased embargo on imports of over 300 defence items hitherto figuring in the import list, setting ambitious targets of Rs175000 cr turnover for domestic manufacturing and \$5 billion for exports , earmarking 58% of the capital budget for domestic procurement and 25% of the defence R&D funds (mostly operated by the DRDO) for the private sector and academia were some of the key measures taken by the government to boost domestic manufacturing .In addition to this the government also approved the setting up of two defence corridors for attracting manufacturers and corporatized the Ordnance Factory Board.

The decision to impose a partial embargo on imports of was a desperate effort to stem the tide of imports which gave India the dubious distinction of being the second largest

importer of defence equipment in the world. This must have been based on the assumption that DRDO or the private sector were ready to launch products which satisfied the quality requirements of the three services. Considering the time required to mature a product from its proto type stage to full fledged manufacturing the decision to ban the imports will be vindicated only when the domestic products are of high quality a fact which can be ascertained only when an evaluation of the progress is made every year. Nevertheless the embargo will accelerate the development of many products within the set time frame .It also makes it imperative for the government to facilitate manufacturing by the private sector and the smooth procurement of the products by the services.

The critical factor which spurs defence manufacturing is the availability of world class technology. Unlike the advanced countries where the private sector was drafted for R&D with liberal government funding India chose to leave technology development entirely to the DRDO which functions in a departmental framework. Consequently India could not make much headway in developing cutting edge technologies needed for defence excellence or creating a vibrant , globally integrated defence industry which could have spearheaded domestic manufacturing of major platforms. When the private sector gets funded for research and development as announced recently things will change for the better. Even in the management of offsets India's track record has been quite dismal with no path breaking examples of technology transfer or integration with the global value chain. This has been so because of a lack of a pro- active approach.

While self reliance is indispensable for strategic reasons this cannot be achieved purely by banning imports. A judicious mix of idealism and pragmatism is needed. While the commitment to self reliance needs to be unshakeable it has to be tempered with realism on domestic capabilities. Self reliance is no pretext for propping up production units churning out sub -standard products ;nor is it an excuse for allowing the public sector to encroach on the space the private sector should legitimately occupy. The manufacture of all major platforms, with the exception of the C295 light transport aircraft(Tata Airbus) are the monopoly of the DPSUs.The strategic partnership policy which was meant solely for capability building in the private sector has been diluted and opened to the public sector. The lack of trust in the private sector when it comes to major manufacturing reflects either ideological reservations or sheer lack of confidence . Therefore the government has to muster the courage to treat the private sector on a par with the public sector at least while implementing the SP policy. Once a firm is selected as a strategic partner the MoD should be willing to work with that company on long term basis not only for manufacturing but also for maintenance and evolving upgrades. That is how 'champions' are nurtured for defence manufacturing. The MoD also has to make structural changes in its acquisition system to impart momentum to Make in India.

But despite the lacklustre legacy of the past, there is optimism in the air now. Recently 'make in India' crossed a golden milestone when the ministry of defence decided to procure systems worth Rs 380 cr from defence start-ups incubated by the iDex. The procurement procedure is undergoing further changes to streamline procurement from the private sector. We have now come a long way from the days when innovators went knocking at different doors for support often without success. In defence changes are incremental and painful. But when the right decisions are taken there is no looking back.

**G. Mohan Kumar**

Former Defence Secretary



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