



WHITE PAPER

INDIA'S IMPORT EMBARGO ON DEFENCE EQUIPMENT

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FOREWORD BY UKIBC

In August 2020, the Department of Military Affairs in the Indian Ministry of Defence published a list of equipment which, in a phased manner, from 2020 onwards, cannot be imported into India.

Part of the Government of India's *Atmanirbhar Bharat*, or 'Self-Reliant India' response to the Covid-19 Pandemic, the embargo's purpose is to increase local manufacturing, enhance India's design and development capabilities, create more jobs and reduce the country's reliance on expensive imports. The list runs from rudimentary parts through to extremely complex future platforms: for example, the Light Combat Aircraft (**LCA**) Mark II (an order worth USD 11.5Bn) for the Indian Air Force and six submarines (worth USD 5.7Bn) for the Indian Navy. Cumulatively, the Indian MOD expects to place orders worth USD 54Bn with domestic providers over the next 7 years.

This list is called the Negative Import List, and at first glance, especially from the perspective of a foreign manufacturer, it looks like a protectionist step. But we believe that, rather than being 'negative', this reform will eventually present a significant opportunity for the UK defence sector.

Along with the negative list, the Government of India has recently announced two additional reforms related to India's defence market. Firstly, as part of its pandemic response stimulus efforts, the Department of Commerce announced a reform to the Foreign Direct Investment (**FDI**) rules governing the defence industry. Foreign firms can now invest up to 74% of the equity in an Indian joint-venture or subsidiary through the 'automatic route'. Secondly, in September, India released its new Defence Acquisition Procedure (**DAP**) 2020, which governs the country's capital acquisitions for the next 5 years. The procedure introduces some new procurement options and innovations into India's defence procurement system. For example, a new procurement category – Buy Global and Manufacture in India – requires the transfer of technology and a minimum of 50% indigenous content.

All these reforms point in the same direction: in the future, India will attempt to procure major platforms with a large majority of indigenous content, rather than buying these off-the-shelf. Fortunately, the UK is exceptionally well-placed to take advantage of this change, for a number of reasons:

First, the UK has a very strong intellectual base in terms of technology and intellectual property which can be deployed in India. On a rolling ten-year basis, the UK is still the 2nd largest defence exporter in the world after the USA – in practice this means that the UK defence ecosystem includes hundreds of niche, high-technology companies whose solutions can be incorporated in India's ongoing major platforms. For example, in maritime, UK companies have supplied equipment to two of the OEMs shortlisted for India's P-75I. In electric propulsion, which is being considered for India's future carrier and destroyer programmes, British firms are market leaders.

Second, UK technology is already well embedded in existing Indian platforms. The Indian Air Force is currently updating its LCA programme and the current version, the HAL-Tejas, contains critical systems which were indigenously built using British technology; for example, Cobham's quartz radome and in-flight refueling probe, and Martin Baker's ejections seats. This augurs well for British involvement in the aircraft under development, the LCA Mk2.

Third, there is now a unified recognition within and between the British government, UK industry and its trade organizations that the relationship with India must move beyond a transactional one – simply selling equipment from the UK to India – and focus on co-creation, co-development and making in India together with Indian firms. This new approach is a more sophisticated and sensitive approach to India's requirements, and it presents British firms with an opportunity to make in India for global supply chains, taking advantage of the country's industrial capacity and low manufacturing costs.

Fourth, in April 2019, the British and Indian governments signed the MoU on Defence Technology and Industrial Capability Cooperation, the first time the British government has signed such a 'G2G' agreement with any country. This is clear recognition of the new direction of travel for defence procurement between nations and of the critical importance to the UK of this strategic bilateral partnership. This new G2G framework, which has a 5-year recurring term, is intended to facilitate partnerships and cooperation in design, development, manufacturing, logistics support, life cycle management and disposal of defence platforms, equipment and services that will enhance the defence capabilities of the participants and support military operations.

India has traditionally taken comfort in government-to-government deals, preferring negotiations at the sovereign rather than commercial level. We, therefore, see this framework as essential to the success of UK industry in India and wider defence cooperation between both countries. Pleasingly, one G2G Implementing Arrangement has already been signed. More programmes are in the pipeline, demonstrating that this new approach is working already – it meets the needs of India's military while supporting British industry in a fully collaborative way.

Finally, as part of Team UK's new approach to India, the UK India Business Council (**UKIBC**) has formed the Aerospace & Defence Industry Group (**ADIG**), a forum of UK companies which are already engaged in India or keen to explore the market; members include Addev, Materials, Avon Protection, Babcock International, BAE Systems, Cobham, Leonardo, MBDA, Rolls Royce, Smiths Group, Thales UK, TVS SCL, Ultra Electronics. KPMG, EY and HSA Advocates act as knowledge partners to the group.

The purpose of the group is to help members access information, opportunities, and overcome challenges in India. Our work is split into three areas of focus: future aerospace platforms, maritime, and homeland security. To this end we are, alongside colleagues at UK Defence and Security Exports (**UK DSE**), pursuing dialogue with organizations such as the Aeronautical Development Agency (**ADA**), private and DPSU shipyards across India and India's State Governments.

This report is part of our drive to help British firms understand, navigate and make the most of opportunities in the Indian market, and we are delighted to work with HSA Advocates, the legal partner of our Aerospace & Defence Industry Group, to provide this report. My thanks to the brilliant team at HSA Advocates for producing this incredibly useful and relevant report.

1 | INTRODUCTION

India has been one of the largest defence importers for many years. While the country has been making significant strides on the path towards creating a robust ecosystem for defence equipment manufacturing, there is a long road ahead for realizing the dream of a domestic military-industrial complex. In this context, the recent initiative of the Indian government to promote 'Atma Nirbhar Bharat' is meant to accelerate the ongoing push towards domestic production.

The Government, to promote a self-reliant India is focusing on 5 (five) pillars, which are, economy, infrastructure, system, demography, and demand. Taking a cue from this initiative, Ministry of Defence, Government of India (**MoD**) and the Department of Military Affairs (**DMA**) prepared a list of 101 (one hundred and one) items for which there would be an embargo on import. In a notification dated August 9, 2020, issued by the MoD (**Notification**), the Indian Government has put an embargo on import of many defence equipment aiming to '*apprise the Indian defence industry*'. The embargo on the import of defence equipment by the MoD is aimed at moving a step closer to self-reliant India and to boost indigenization.

A Technology Perspective and Capability Roadmap (**TPCR**) which was first issued in 2013 and subsequently revised in 2018 had a similar objective. Similarly, recently notified 53 (fifty-three) 'Make' projects by the MoD are also aimed at achieving the self-reliance objective.

The list has been prepared by MoD after several rounds of consultations with all stakeholders, including Army, Air Force, Navy, Defence Research and Development Organization (**DRDO**), Defence Public Sector Undertakings (**DPSUs**), Ordnance Factory Board (**OFB**) and private industry to assess the current and future capabilities of the Indian industry.

2 | REGULATORY REGIME

Presently, the defence procurement policy in India is regulated by the Defence Procurement Procedure 2016 (DPP), as amended from time to time. The MoD has created 3 (three) major documents relating to defence acquisition, manufacturing and exports as a step towards 'Atma Nirbhar Bharat' initiative in defence sector. These include drafts of 2 (two) new policies for public comment — the Defence Production and Export Promotion Policy 2020 (DPEPP 2020) and the Defence Acquisition Procedure 2020 (DAP 2020). These policies offer a significant opportunity for the defence industry to manufacture the items which are in the negative list using their own design and technologies or technologies developed by DRDO. They are overarching guiding documents meant to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports. The main aim and vision of these policies is to make India a leader in the defence sector, from production to design and thus fulfilling both the objectives of self-reliance and export.

The embargo on imports is planned to be progressively implemented between 2020 to 2025. It will come into effect in December 2020 for 69 (sixty-nine) of the 101 (one hundred and one) items and in phases for the remaining equipment between December of 2021 and 2025 as detailed in Annexure 1 below.

All necessary steps are expected to be taken to ensure that timelines for production of equipment as per the negative import list are met. This negative list is proposed to be reviewed and expanded every year as domestic production capacity increases.

LEVERAGING THE DOMESTIC OPPORTUNITY

Amendment to FDI norms and ease of doing business in defence sector

While the embargo on imports will put an outright ban on procurements of the notified products from abroad, Indian public and private sector companies can continue to tie up with foreign manufacturers to produce the specified items in India. In this regard, the recent increase in foreign direct investment (FDI) limit to 74% (seventy-four percent) from 49% (forty nine percent) in defence production sector through the automatic clearance route (i.e., without prior Government approval), is a welcome step and will potentially pave the way for foreign companies to hold a majority controlling stake.

FDI in India is allowed through 2 (two) routes – automatic route, where companies do not require approval from the Government; and Government route, where companies need approval from the Government for undertaking any FDI in the country. However, foreign investments in defence sector will continue to remain subject to scrutiny on grounds of national security. These amendments in FDI norms will enhance self-reliance in defence production but at the same time will keep national interests and security interest of the nation paramount. This will ensure that the 'Atmanirbhar Bharat Abhiyan' is in sync with the amendments to the FDI norms and contribute to growth of investment, income and employment.



3 | IMPLICATIONS OF THE 'NEGATIVE LIST'

It is expected that foreign original equipment manufacturers (**OEMs**) will not be adversely impacted by the import embargo, as they can continue involvement in MoD acquisition programs either by way of direct product orders or through technology transfer or collaboration with the Indian companies in respect to items not covered by the list. OEMs can set up joint ventures with a majority control up to 74% (seventy four percent). The increase in foreign ownership limits to 74% (seventy four percent) of the share capital of the investee company in India will allow foreign defence companies to exercise substantial ownership and control over the investee company. With the share capital of the investee company and with control over the operations and actions of such company, there will be greater protection against any further transfer or alienation of proprietary technology licensed to such investee company. It is noteworthy that such ventures would be considered Indian companies and thus be eligible for manufacturing the embargoed items.

Contrary to the affirmative views on the import embargo, experts also state that the claims of maturity in relation to the import embargo are exaggerated. One of the reasons is that direct imports are generally cheaper than an indigenous programme, as was seen in the case of the Russian manufactured Sukhoi 30 MKI which was cheaper than the one manufactured by HAL. There are multiple reasons behind this rationale. First is the hefty license fee paid by the Indian Government to the OEM, supply of critical parts and components for which there is no transfer of technology (**ToT**),

as well the purchase of raw materials which are freely available with the host country of the OEMs due to its abundant local supply and factories that have been operating for decades.

This acquisition cost can be offset to some extent by securing related or even unrelated work packages from the exporter for the domestic industry. Offset, or reciprocal trade, is a significant element of the international trade in defence equipment. In India, the operationalization of the offset clause in the procurement process remains sub-utilized. The DPP raised the offset threshold limit to INR 2,000 (two thousand) crore (approximately USD 305 million) from INR 300 (three hundred) crore. Offset policy, as explained above, is an element of 'compensation' made by the manufacturer that mostly takes place in the form of placing a minimum per cent of value addition in the ordering country. Irrespective of the inefficiency in the offset policies, it is time that MoD puts in place mechanisms to make the offset policy a dynamic document which can identify and address causes for delay or default by vendors on time. The DPSU's should stop being production houses and instead focus on technology development for absorption by the Indian private sector companies.

'Atmanirbhar Bharat' in the defence sector will definitely come at a cost in the short to medium term. However, once the nation is able to build and master critical technologies developed by its Ministry of Micro, Small and Medium Enterprises

(MSME) units with core competencies and large private sector companies that rely on ToT's and joint ventures (JV) with foreign OEMs, it will have to then secure a defence exports market to rapidly usher in economies of scale to bring down the price per unit such as countries like Russia, US, Israel and China have done.

Investments will be viable only if there is sufficient domestic and export demand. The development of export markets for home grown defence products leads to economies of scale where large sunk capital costs in establishing plants, equipment and training begins to operate at optimal efficiency, thereby reducing costs per unit. A lot will depend on the maturity of development efforts in both the DRDO/DPSU and private sectors.

As an example, Turkey though a relatively new entrant in the defence sector, has been able to secure orders for the supply of advanced UAV's and combat helicopters in the export market. India's neighbor, Pakistan, too has a functional military industrial base and has a reasonable defence export market. It not only manufactures main battle tanks such as the Al-Khalid, ballistic and cruise missiles, but also front-line combat aircraft, the JF-17, built in collaboration with the Chinese. Apart from having a robust UAV program, Pakistan is also self-sufficient in the production of small arms, light machine guns and ammunition of various types and caliber.

At present, the Indian defence procurement system remains broken and continues to remain plagued by delays at all stakeholder levels, including the Indian private sector which, at times, has made tall claims with little to show for it. It has been nearly 20 (twenty) years since the Indian defence sector was opened up to private sector participation and while much has been achieved in terms of policy objectives, its operationalization continues to lag on almost all fronts.

The DPP which lays down detailed procedures for acquisition, has undergone many iterations over the last 5 (five) years and continues to evolve. Adherence to timelines is one of the biggest impediments in the procurement process. Unless timelines are adhered to in the strictest sense, private sector companies will not be able to make financial commitments that are required for

procurement and manufacturing. They will not be able to raise debt or equity from investors or banks for that matter. This is one of the primary reasons why defence MSME's are unable to flourish in India as they are unable to furnish hefty bank or personal guarantees at the time of a bidding process. No bank in India has an aerospace and defence sector practice and it is important for the MoD, industry chambers and others to invite financial institutions such as banks and private equity funds to be a part of the discussions related to platform acquisition, policy and regulation. It has taken more than 15 (fifteen) years to break the silo of DPSU's, and OFB's in which the defence industry operated for decades and now it must accommodate all the stakeholders in their entirety.

The Indian defence industry will mature if the end users or the Indian armed forces allow it to do so. The Indian armed forces will have to induct weapons supplied by the local manufacturers which may, at times, not be the best performing platforms compared to the foreign OEMs, who have extensive experience. Every platform will have a first, second, third, fourth or fifth generation technology on which it is based, and the Indian industry in many cases will have to leapfrog to make its indigenous platforms close to the current technologies being offered by the leading OEM's, to achieve success in its endeavor. The import embargo, if used wisely, will act as a great kickstart for the Indian military and the industry to make a good beginning.

Apart from the negative list, a second press release issued on August 10, 2020 clarified that 'for a product to be considered as an indigenous system, the percentage of indigenous content has to meet the minimum laid down specifications', adding another dimension to the negative list. Read together, the two press releases indicate that the embargoed items must not only use technologies designed and developed by the Indian defence industry or the DRDO but also meet the specified requirement of indigenous content (IC). The DPP provides a detailed analysis of the IC.

BEST PRACTICE



4 | ENABLING BEST PRACTICES

As stated above, the defence procurement is regulated by the DPP. The DPP institutionalized the request for information (RFI) process which brought about clarity in the vital step of procurement, and has major implications on the source of procurement, indigenization, the degree of competition, and more importantly, the timeliness of procurement. The RFI is followed by a comprehensive bidding process. The DPP provides for the following categories of procurement - '**Buy (Indian)**' and '**Buy and Make (Indian)**', **Buy (Indian-Indigenously Designed, Developed and Manufactured)**, or '**Buy (Indian – IDDM)**', '**Buy and Make' and Buy (Global)**'. The DPP 2016 also introduced the Strategic Partnership Model for the first time which is meant to revitalize the defence ecosystem with greater dependability on Indian vendors while forming a JV with an OEM. Most of the categories mandate a varying degree of acceptable indigenous content (IC), which needs to be achieved for every project.

The defence embargo, coupled with the current DPP regime, will have a significant impact on other contractual dealings of the MoD. While the domestic private companies have welcomed this move by the Government, some defense experts

doubt if it will have any significant impact. There are contracts which are still in the process of being negotiated and finalized by the MoD and it is still being analyzed how the import embargo will impact such contracts. In effect, from the date the embargo takes effect in respect of a particular item on the list, it can be procured only under the DPP 2016 models of 'Buy (IDDM)', with IC of 40% (forty percent) but proposed to be raised to 50% (fifty percent) in the DAP 2020. All other procurement categories envisaged in DPP – 'Buy (Indian)', 'Buy and Make (Indian)', 'Buy and Make', and 'Buy (Global)', or even 'Make' – or in DAP 2020 which includes a new category – Buy (Global – Manufacture in India) – would be irrelevant. In most cases processed under these categories, the basic design and development are by foreign OEMs.

The most likely impact of the negative list would, therefore, be on the number of procurement proposals getting approved under the 'Buy (IDDM)' category in the coming years. This should not affect proposals involving collaboration between the Indian industry and the foreign OEMs under other procurement categories and even the Strategic Partnership Model if the proposal does not relate to any item on the negative list.

Whatever be the advantage, the MoD seems to have boxed itself into a corner by promulgating the negative list. If, for whatever reason, an indigenously designed and developed embargoed item with requisite qualitative requirements and IC is not available in the domestic market after the embargo comes into effect, and it is operationally imperative to procure it, there may be no choice left but to waive the self-imposed restriction. This could be time consuming, depending on what procedure is laid down to deal with such a situation.

Besides promulgation of the negative list, the Notification also announced the bifurcation of the capital procurement budget for 2020-21, for domestic and foreign procurements, earmarking nearly INR 52,000 crore for domestic capital procurement under a separate budget head. This amounts to roughly 50% (fifty per cent) of the total capital budget allocated to the three services (excluding the allocation for DRDO, OFB and the Director General for Quality Audit) for the current year.

Considering that the capital budget allocated to the services this year is approximately INR 59,416 crore less than what the Indian armed forces had sought, and the extent to which the allocated amount is already blocked for defraying expenditure on

committed liabilities, the advantage of carving out a separate budget head to back up the negative list is not quite clear. It is also not known if this bifurcation is intended to be made a permanent feature of the capital budget in the coming years.

Formal bifurcation of the capital budget into two heads could be problematic. For example, in a situation where funds remain unutilized under one head while the other head is in dire need of additional funds, shifting of funds will require going through the time-consuming process of re-appropriation. The proposed bifurcation would also reinforce the unseemly practice of judging the efficacy of budgetary allocations through the prism of allocation and utilization of funds, rather than with reference to the intended outcomes, measured in terms of accretion to the capability of the Indian armed forces.

While the scheme will be prospective in nature, greater clarity will be required through guidelines and notifications on the way forward. There is no clarity on whether applicability would extend to existing contracts or those entered into after the official notification. The relevant authorities such as customs clearances would also be required to issue notifications confirming the embargo on defence imports.

5 | KEY PROJECTS AND CASE STUDIES

From the above, it is clear that defence equipment in the country if either manufactured under the 'Make in India' initiative, imported directly or it is procured by MoD in partnership with a foreign entity. Some of the key deals undertaken in the past few years/to be undertaken are as follows:

BAE Systems

In 2009, BAE Systems and Mahindra Group had formed a JV, Defense Land Systems India (**DLSI**), that focused on the Future Infantry Combat Vehicle (**FICV**) competition. However, the companies parted ways in February 2013, citing changes in the business environment and customer procurement frameworks among other reasons. To resurrect the deal, the UK-based company, through its US arm, offered to build more components for the 155-mm/39-calibre M777 Ultra Lightweight Howitzers (M777 ULH) in India. BAE Systems down-selected Mahindra Group as its business partner for the proposed in-country assembly, integration & test (AIT) facility. The selection followed a detailed assessment of Mahindra's ability to fulfil the requirements and provide the best value to the M777 India programme, and in the future, grow its capability as a strategic partner for BAE Systems in India. BAE Systems offered the transfer of the assembly, AIT capabilities to India. BAE Systems also assured Ministry of Defence that the price of the M777 ULH, which would have a lot of indigenous components, would be reasonable. Indian Army inducted its first M777 ULH in 2018.

LR-SAM

In February 2006, Israel and India signed a joint development agreement to create a new Barak-NG medium shipborne air defense missile. In July 2007 the counterpart MR-SAM project began moving forward, aiming to develop a medium range SAM for use with India's land forces. Developed jointly by Defence Research and Development Organisation (**DRDO**) and Israel Aerospace Industries (**IAI**), the LR-SAM or as MR-SAM is an Indo-Israeli surface-to-air missile (**SAM**), designed to defend against any type of airborne threat including aircraft, helicopters, anti-ship missiles, and UAVs as well as ballistic missiles, cruise missiles and combat jets. LRSAM was successfully tested in the year 2014.

Airbus and Tata

Under the 'Make in India' initiative, in the year 2018, Airbus Defence and Space had announced it is teaming up with Tata Advanced Systems to bid to replace the Indian air force's ageing fleet of small tactical transport aircraft with the Airbus C295 twin-turboprop medium airlifter. The RFP for the replacement of Avros transport aircraft was issued to the global players in 2013, followed by its approval in 2015. Airbus and Tata Advanced Systems Ltd. were the sole bidders pitching the C-295 aircraft.

BrahMos

BrahMos Aerospace, established through an inter-governmental agreement signed on February 12, 1998, is a joint venture between the DRDO of India and NPO Mashinostroeyenia (**NPOM**) of Russia. It is a medium-range ramjet supersonic cruise missile that can be launched from submarine, ships, aircraft, or land. It is the fastest supersonic cruise missile in the world. The first and successful test of the BrahMos supersonic cruise missile was conducted by India on 18 December 2009 in the Bay of Bengal. The Russian government has allowed BrahMos to export to a third country. Russia has also released a list of 100 defence companies that want to start a project like BrahMos with India. Several countries, including the Philippines, Vietnam, Egypt, and Oman, have shown interest in purchasing BrahMos missiles even before the export permission was granted. An air-launched variant of BrahMos appeared in 2012 and entered service in 2019. In 2016, India became a member of the Missile Technology Control Regime (MTCR), thereby leading to India and Russia jointly developing a new generation of BrahMos missiles with 600 km-plus range and an ability to hit protected targets with pinpoint accuracy. In 2019, India upgraded the missile with a new range of 500 km. Sea and land versions of BrahMos have already been successfully tested and assigned to the Indian Army and Navy. BrahMos is the most modern missile system ever developed by India and Russia and has made India a leader in missile technology.

Boeing Chinook

India is procuring 145 M777s for the army for deployment along the borders opposite China and Pakistan from Boeing. The CH-47F Chinook is said to be an advanced multi-mission helicopter operated by the US Army and 18 other defence forces. Delivery of Chinooks indicates Boeing's commitment of modernizing India's defense forces.

KRAS

Kalyani Rafael Advanced Systems (**KRAS**), a JV between Kalyani Group and Israeli defence equipment giant Rafael Advanced Defense Systems, announced that it has received its first major order from overseas partner Rafael to make Barak 8 missile kits. The order is to produce 1000 units of Barak 8 MR-SAM missile kits to be supplied to India's state-run defence manufacturer Bharat Dynamics Ltd (BDL) for further integration.

ANNEXURE 1

IMPORT EMBARGO LIST OF DEFENCE WEAPONS/PLATFORMS

With effect from December 2020	
Sl No.	Name of Platform/Weapon/System/Equipment/
1.	120mm Fin Stabilised Armour Piercing Discarding Sabot (FSAPDS) Mark II Ammunition
2.	7.62x51 Sniper Rifle
3.	Tracked Self Propelled (SP) Gun (155mm x 52 Cal)
4.	Towed Artillery Gun (155mm x 52 Cal)
5.	Short Range Surface to Air Missiles (Land variant)
6.	Shipborne Cruise Missiles
7.	Multi Barrel Rocket Launcher (MBRL) (Pinaka Variant)
8.	Simulators Presenting Smart Ranges And Multi- Function Targets
9.	Battalion Support Weapons Simulators
10.	Container-based Simulators for Live Fire Training
11.	Tailor-made Simulators for Counter Insurgency (CI)/Counter Terrorism (CT) based Training
12.	Force-on-force Live Tactical Simulators / Infantry Weapon
13.	Tank Simulators (driving, as well as, crew gunnery)
14.	155mm/39 Cal Ultra-Light Howitzer
15.	Successor of Flycatcher & Upgraded Super Fledermaus (USFM) / Air Defence Fire Control Radar (ADFCR)
16.	Component Level Repair Facility for Tank T-90
17.	Shipborne Close in Weapon System
18.	Bullet Proof Jackets
19.	Ballistic Helmets
20.	Missile Destroyers
21.	Multi-Purpose Vessel
22.	Offshore Patrol Vessel
23.	Next Generation Missile Vessels
24.	Anti-Submarine Warfare Shallow Water Crafts
25.	Water Jet Fast Attack Craft
26.	Ammunition Barges
27.	50ton Bollard - Pull Tugs
28.	Survey Vessels
29.	Floating Dock
30.	Diving Support Vessels
31.	Pollution Control Vessels
32.	Anti-Submarine Rocket Launchers
33.	Shipborne Medium Range Gun
34.	Torpedo Tube Launcher for Light Weight Torpedoes
35.	Magneto - Rheological Anti Vibration Mounts
36.	All variants of Depth Charges
37.	Shipborne Sonar System for Large Ships
38.	Hull Mounted Submarine Sonar
39.	Short Range Maritime Reconnaissance Aircraft
40.	Anti-Submarine Rocket
41.	Chaff Rockets
42.	Chaff Rocket Launcher
43.	Integrated Ship's Bridge System
44.	Light Combat Aircraft (LCA) MK I A – Enhanced Indigenised Content
45.	Light Combat Helicopters
46.	General Purpose Pre Fragmentation Bombs between 250-500 Kg
47.	Radar Warning Receiver (RWR) for Transport Aircraft
48.	Ground Based Mobile ELINT System
49.	Transport Aircraft (Light)

50.	GSAT-6 Satellite Terminals
51.	Aerial Delivery Systems for Transport Aircraft
52.	Digital Tropo Scatter/LOS Communication System
53.	Low Level Transportable Radar
54.	High Power Radar (HPR)
55.	CBRN Detection & Monitoring System
56.	CBRN Decontamination & Protection System
57.	Parachute Tactical Assault (PTA)- G2
58.	Dragunov Upgrade System
59.	PKMG Upgrade System
60.	Simulators for A Vehicles / B Vehicles
61.	Simulators for Towed and Self Propelled Guns of Air Defence
62.	Simulators for Correction of Fire by Observers
63.	Military trucks of 4x4 and above variants: 12x12, 10x10, 8x8, 6x6
64.	Fixed Wing Mini UAVs
65.	500 Ton Self Propelled Water Barges
66.	Software Defined Radio (TAC) for IN
67.	Next Generation Maritime Mobile Coastal Battery (Long Range)
68.	Advance Landing Ground Communication Terminals (ALGCTs) for AGLs
69.	Field Artillery Tractor (FAT) 6X6 for Medium Guns

With Effect from Dec 2021

70.	Wheeled Armoured Fighting Vehicle (AFV)
71.	Light Machine Gun
72.	125 mm Fin Stabilised Armour Piercing Discarding Sabot (FSAPDS) New Generation Ammunition
73.	Assault Rifle 7.62 x 39mm
74.	30 mm Ammunition for Infantry Fighting Systems
75.	Mine Fragmentation
76.	Mine Anti-tank
77.	Mine Anti-Personnel Blast
78.	Multipurpose Grenade
79.	Inertial Navigation System for Ship Application
80.	Conventional Submarines

Dec 2022 onwards

81.	40mm UBGL (Under Barrel Grenade Launcher)
82.	Lightweight Rocket Launcher
83.	155 mm Artillery Ammunition
84.	EW Systems
85.	Material Handling Crane 2.5 to 7.5 Tons (Vehicle Mounted)
86.	GRAD BM Rocket
87.	30MM HEI/HET
88.	ASTRA-MK I Beyond Visual Range Air to Air Missile (BVR AAM)
89.	EW Suit for MI-17 V5
90.	Communication Satellite GSAT-7C
91.	Satellite GSAT 7R
92.	Basic Trainer Aircraft (BTA)
93.	Expendable Aerial Targets
94.	Small Jet Engines with 120kgf thrust
95.	Light Low Level Terrain Radar (LLLWR)
96.	Close in Weapon System (Land based)
97.	23 mm ZU Ammunitions
98.	30mm VOG 17
99.	Electronic Fuses for Artillery Ammunitions
100.	Bi- Modular Charge System (BMCS)
101.	Long Range – Land Attack Cruise Missile

About UKIBC

UK India Business Council (**UKIBC**) is the leading trade organization focused on promoting bilateral economic relations between the UK and India. Structured as a not-for-profit organization, we are an independent, business-led and Government backed knowledge partner with unique networks and contacts in the Indian and UK public and private sectors.

Success is rooted in continuous G2G and G2B interaction in order to help set right the priorities and resolve barriers to trade. Thanks to our connections with both the Government of India and the UK, the UKIBC ensures that the needs of business is incorporated into the advancement of the UK-India bilateral relationship.

The UKIBC works across sectors and in November 2019, the UKIBC formed the Aerospace & Defence Industry Group (**ADIG**), a forum of UK companies which are already engaged in India or keen to explore the market. The purpose of the group is to help members access information, opportunities, and overcome challenges in India, across three areas of focus: future aerospace platforms, maritime, and homeland security.

The group aims to help improve the procurement environment in both the UK and India. While India is not yet an easy enough place in which to do business, it is getting much easier year by year, as evidenced by India's rise in the World Bank's ease of doing business rankings (63rd in 2019) and in the UKIBC's own Doing Business in India Reports.

If you are interested in UKIBC working for you, you can visit our website www.ukibc.com to find out more about the range of services provided, as well as access to reports and white papers and much more.

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