

NEO DEFENSE CONSULTING

# REPORT ON

INDIAN AEROSPACE AND DEFENSE MARKET  
OUTLOOK 2016 AND BEYOND

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APRIL 2016

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## ABOUT THE REPORT

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India is emerging as a lucrative market for Aerospace and Defense Sector. During the financial year 2015-16, India signed contracts worth about USD 15 billion for procurement of equipment and weapons for the military. Approximately USD 250 billion worth of procurements are lined up in the next 10 years as part of modernization programmes of the Indian Armed Forces. Foreign OEMs have offset obligations of about USD 5 billion to be discharged in next 7 years. With ongoing cases, offset obligations may go up to USD 10-12 billion. Military modernization has been lagging behind schedule and the backlog has been increasing every day. Since the beginning of 2015, the Government has granted Acceptance of Necessity (AoN) to a number of defense projects worth INR 3.1 lakh Crores (USD 47 billion).

The MoD is making serious efforts to refine the policies to create a better environment and make it easy for the industry to do business in India. Defense Procurement Procedure (DPP) – 2016 has been released which aims to expedite the procurement process. The present offset policy is being given a fresh look to achieve the desired objective of indigenous manufacturing and acquiring technological capabilities. Foreign OEMs and Indian companies are entering into strategic partnerships to leverage the domestic markets and also aim at growing global business.

This report is aimed to benefit the foreign OEMs and Indian industry by enabling them to identify potential business opportunities in the emerging aerospace and defense sector in India. The focus of the report is to provide basic information to the aerospace and defense industry on the organization of Indian defense forces, the brief equipment profile, existing capability gaps and their future requirements of equipment/weapons systems, thus helping the industry to orient towards participation in future procurement, development and production programs. This will enable the industry to visualize the scope of potential business opportunities, likely risks/pitfalls, scope of partnership with local industry and opportunities of manufacturing in the aerospace and defense sector. The report gives an overview of the related policies and procedures and lists the current and future opportunities in the procurement, production, up gradation and maintenance of equipment and weapons systems. Brief information is also provided on various agencies and Government departments involved in the defense sector, the public sector enterprises, major private foreign and domestic players.

The report serves as an educative and useful study for companies who are seriously looking at growing their business in the Indian defense market.

Publicly available information, commercially sourced data, interviews with officials in government and industry, and analyses by Neo Defense Consulting's global network of military professionals were applied to develop the analyses and conclusion presented in the report. This is an independently written report and the data and conclusions herein have not been submitted for review or approval by any government organizations, corporations, or other institutions.

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## ABOUT US

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Neo Defense Consulting is a subsidiary of Neo Offset Solutions & Services (NOSS), which is a private limited company registered in India under The Companies Act, 1956. This is a leading consulting company specializing in defence, homeland security, aerospace, offset solutions, logistics, programme management and office support etc. We provide a full range of consulting services to include market analysis, identification of opportunities, strategy planning, marketing, industrial cooperation, management of projects and field support. The company draws its strength from the pool of experienced executives from military, MoD, DRDO and industry background having relevant domain knowledge due to decades of engagement with military/industry. The team has comprehensive knowledge on defense procurement procedures, offset policies, procurement processes of police and para military forces, government rules and regulations, international business, research and advisory, project management and technical consultancy. Our past work experience puts us in a unique position to understand the emerging business opportunities and help the clients to formulate the strategies to achieve desired success. The practical experience of the company executives gives us the ability to clearly understand the users, industry and the government perspectives.

We conduct business in a very transparent and legitimate manner to the complete satisfaction of the clients.

### **Contact us:**

Neo Defense Consulting  
Neo Offset Solutions & Services (NOSS) Pvt. Ltd.  
B-89-90, Chhattarpur Enclave, Part II  
New Delhi – 110074  
India

Email: [dir.mkt@neodefense.in](mailto:dir.mkt@neodefense.in); [dirmkt.neodefense@gmail.com](mailto:dirmkt.neodefense@gmail.com)