

CONCEPT NOTE

**LEVERAGING LEASING: FOR FORCE LEVEL MAINTENANCE &
MODERNISATION**

Lease of military assets *for force modernisation and force level maintenance*, to meet urgent operational requirements or for stop gap periods pending acquisition of the selected platform has been a practice followed by several militaries in the last decade. These include several navies who have leased OPVs, Fleet Tankers, Yard craft etc. Air Forces have also benefitted from Leasing. The Royal Air Force leased P-8s, the Philippines leased the TC90 from Japan, Italian Air Force leased 34 F-16s Fighters from the USAF to fill a gap during the transition from the F-104 and the Eurofighter. Norway and Denmark are using long term wet leased aircraft for Maritime Patrol and oil pollution detection at sea.

The above examples establish that the Lease option has definitive merits and is adopted by several countries. Leasing offers many advantages *for cost constrained and limited duration stop gap requirements by way of Faster induction, Enables concentration on core competence, Removes technological complexity and lowers manpower costs* for operations, maintenance and training and *Lowers cost and time of acquisition* and yet meets immediate operational objectives. It is the *Vendor's responsibility to ensure the requisite force levels* and guarantee *Service delivery* on a pay by use model. From a structuring perspective there is flexibility in availing one of *several types of lease*, wet, dry, financial or operational lease.

In the Indian context, the new Defence Acquisition Procedure 2020 has for the first time introduced Lease as a category for defence acquisitions and is a path breaking procedural change that facilitates a seamless transition from one capability to another through the intermediate mechanism of leasing. There are several platforms, systems and equipment that lend itself to Lease. These include:-

- Yardcraft, tugs and barges, Minesweepers & Fleet Support Ships.
- Fixed and Rotary wing aircraft for maritime surveillance, cargo and transport operations.
- Air to Air Refuellers.
- Light utility helicopters.
- Certain types of UAVs.
- Most B vehicles such as water bowsers and fuel tankers, mobile generators, tippers, earth moving equipment, material handling equipment, Tank Transporters etc.
- Various types of static air surveillance radars, perimeter surveillance systems and 'secure' communication equipment.
- Space based assets.

However, lease is only useful if these platforms and equipment are readily available and hence are available off the shelf or pre-owned equipment requiring limited refurbishment.

To discuss the business opportunities for lease as a tool for force modernisation and force level maintenance, FICCI in collaboration with its knowledge partner SAMDeS, will organise India's First E-symposium on *Leveraging Leasing for Force Level Maintenance & Modernisation*. Service and Civilian officers from the Government, Foreign OEMs, Indian

platform and equipment manufacturers, Defence Attaches, entrepreneurs, investors, high value insurers and financiers and academics would be invited for participation.

Enclosure 2
(Refers to Para 3)

<u>PROGRAMME</u> <u>Inaugural Session</u> [1430 - 1530 Hrs]	
<u>Session Moderator:</u> Admiral RK Dhowan PVSM, AVSM, YSM (Retd) Former Chief of Naval Staff, Chairperson, Society for Aerospace, Maritime and Defence Studies (SAMDeS)	
1430 – 1435 Hrs	Opening Address by Session Moderator
1435 – 1450 Hrs	Expert Speak – The Business Case for Operational leasing (TBC)
1450 – 1500 Hrs	Special Address by Ms. Gargi Kaul , Former Secretary Defence Finance, Ministry of Defence(TBD)
1500 – 1520 Hrs	Inaugural Address by Vice Admiral G Ashok Kumar PVSM, AVSM, VSM, Vice Chief of the Naval Staff
1520 – 1525 Hrs	Vote of Thanks by Chairman, FICCI Aerospace and Defence Committee
<u>Session 1: Leasing of Aircraft and Systems</u> [1530 – 1630 Hrs]	
<u>Session Moderator:</u> Air Marshal M Matheswaran, Former DCIDS Chairman & President Peninsula Foundation	
1530 – 1535 Hrs	Opening Remarks by Session Moderator
1535 – 1545 Hrs	Air Force Perspective by Air Marshal Sandeep Singh, AVSM, VM, DCAS, Air HQs
1545 – 1600 Hrs	FOEM Perspective
1600 – 1615 Hrs	Air India or Indian Pvt Airline
1615 – 1625 Hrs	Q & A Session
1625 – 1630 Hrs	Closing Remarks by Session Moderator
<u>Session 2: Leasing of Maritime Platforms</u> [1630 – 1730 Hrs]	
<u>Session Moderator:</u> Cmde Sujeet Samaddar, NM (Retd), Former Senior Consultant, NITI Aayog Hony Secy, SAMDeS	
1630 - 1635 Hrs	Opening Remarks by Session Moderator
1635 – 1645 Hrs	Indian Navy Perspective, RAdm R Kochar, NM ACWP&A
1645 – 1655Hrs	Indian Coast Guard Perspective, DDG ICG
1655 – 1705 Hrs	FOEM Perspective Multi Role and Utility Helicopters
1705 – 1715Hrs	DPSU/Indian Private Sector Perspective Leasing of FICs/OPVs/Minor Vessels
1715 – 1725 Hrs	Q & A Session
1725 – 1730 Hrs	Closing Remarks by Session Moderator
<u>Session 3: Leasing of A Vehicles and Platforms</u> [1730 – 1830 Hrs]	
<u>Session Moderator:</u> Lt General (Dr) AS Lamba, PVSM, AVSM (Retd), Former VCOAS and GOCinC ARTRAC	
1730 – 1735 Hrs	Opening Remarks by Session Moderator
1735 – 1745 Hrs	Indian Army Perspective by DCOAS(CD&S)
1735 – 1745 Hrs	DPSU/OFB Perspective
1745 – 1755 Hrs	Leasing of Drones
1755 – 1805 Hrs	Leasing of A vehicles and Tank Transporters
1805 – 1820 Hrs	Q & A Session
1820 – 1825 Hrs	Closing Remarks by Session Moderator
1825 – 1830 Hrs	Vote of Thanks by SG FICCI and End of eSymposium