

THE HURDLE Weak defence ministry budget could come in the way; 48 choppers to be used by MoD and MHA

India, Russia in Advanced Talks for \$1.1b Chopper Deal

Deal could be inked during Russian President Putin's visit in October

New Delhi: India and Russia are in advanced talks to seal a \$1.1-billion deal for new medium lift helicopters to be used by both the defence and home ministry, with a likelihood of it being inked at an upcoming bilateral summit that will see Russian President Vladimir Putin travelling to the capital in October.

The deal for 48 additional Mi-17 V5 choppers - which currently are the backbone of the air force's heliborne transport fleet - has been in discussions since 2015, with both the ministries raising a demand for helicopters to be used for a range of missions. These include troop support missions in the mountain regions as well as critical air transport for the fight against Naxal extremism.

Sources said that price negotiations have been completed that are at par with the past purchases of 151 choppers by India and relevant approvals are in place to sign the contract at the earliest. India first placed an order for the Mi 17 V5s in 2008, when 80 of

THE DIFFERENT USES

The choppers to be used in troop support missions, critical air transport for the fight against Naxal



LOCAL INVESTMENT

The acquisition includes maintenance facilities well as the mandatory offset obligation of 30%



PRICE FINALISED

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the machines were ordered to replace the ageing Mi8 fleet.

"We have been processing the procurement as per the procedure. It is part of follow on orders that were placed in the past as well," a ministry official told ET.

The defence acquisition panel approved the purchase of 48 new Mi 17 V5 choppers in September 2015 and financial clearances have been obtained as well. However, the meager capital allocation for defence acquisitions this year could be a matter for concern.

The acquisition plan includes maintenance facilities

well as the mandatory offset obligation of 30% that will be invested in India. An official explained that while some of them will go to the home ministry, a few of the new choppers are being ordered as replacements for machines that were diverted to the Air HQ Communications Squadron last year that is tasked with flying the President, Prime Minister and visiting dignitaries.

In 2015, the Air Force has assigned six choppers from

IT'S A 2015 DEAL

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its regular fleet to the special squadron after modifications were carried out at a facility in Chandigarh for VVIP flights. This was necessitated after the corruption scandal around the VVIP chopper deal in which the AgustaWestland AW 101 was chosen. The contract was later cancelled in 2014 after it emerged that the Italian company had employed middlemen to influence the decision making process.

"We are expecting our Indian partners to finally sign the contract soon. After that we will start production. The Mi-17v5 is the best performing helicopter in its class," a Russian Helicopters spokesperson said.

The versatile helicopters are also used by India for VVIP duty to ferry the top leadership, besides playing an active part in rescue missions as well as fire-fighting duties.

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