

## India to Manufacture US-Origin Combat Drones in Groundbreaking Tech Transfer



India is poised to significantly enhance its indigenous defense manufacturing capabilities through a landmark deal with U.S.-based defense technology firm Shield AI. This agreement will not only facilitate the acquisition of advanced V-BAT combat drones for the Indian Air Force but also establish their local production within India, marking a rare and crucial instance of technology transfer in the nation's defense sector. This strategic move aligns with India's broader "Atmanirbhar Bharat" (self-reliant India) initiative, aiming to reduce dependency on foreign suppliers for critical military hardware.

The deal, part of a \$4.5 billion emergency procurement program initiated by India, involves the initial import of V-BAT drones for the Indian Air Force under a \$35 million contract. Concurrently, Shield AI and JSW Defence, a division of the JSW Group, have entered into a \$90 million joint venture agreement. This joint venture will see JSW Defence investing significantly over two years to establish manufacturing facilities, ensure global compliance, and train Indian personnel for the local production, assembly, and testing of the V-BAT system. The long-term vision extends beyond merely fulfilling India's defense requirements, aiming to position the country as a global manufacturing and potential export hub for these advanced vertical take-off and landing (VTOL) combat drones.

The V-BAT drone is a Group 3 unmanned aerial system designed for intelligence, surveillance, and reconnaissance (ISR) missions, capable of operating effectively in challenging environments where GPS or traditional signals may be compromised. Its patented ducted

design allows for a minimal logistical footprint and rapid deployment, making it suitable for tactical deployments with various military units, including special forces, infantry, armored, and artillery. The drone's ability to seamlessly transition from hovering to fixed-wing flight provides significant operational flexibility.

This unprecedented technology transfer underscores a notable shift in India's defense acquisition strategy, moving from outright purchase to active co-development and localized production of sophisticated weapon systems. As reported by Mint, a business newspaper in India, this collaboration is expected to provide advanced ISR drone capabilities to the Indian Air Force, establish a robust domestic manufacturing ecosystem, enable full technology transfer for future upgrades, and position India as a key player in the global combat drone market. The deal represents a significant step towards India's technological sovereignty in military equipment and strengthens the strategic partnership between the United States and India.