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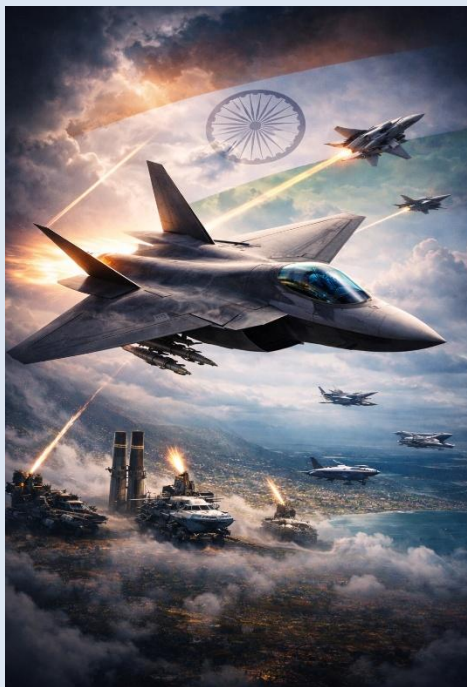
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## India's Air Power Calculus after the Union Budget 2026

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## Introduction

The world has entered a more volatile phase. From the prolonged Russia-Ukraine War to emerging political tensions involving the United States (US). This environment has led to increased defence budgets globally, and India is expected to follow suit. The United States recently proposed a significant budget, targeting nearly USD 1.5 trillion by 2027, which is approximately 50 per cent higher than previous projections.<sup>1</sup> As global political tensions continue to escalate, governments are prioritising their defence spending to address these challenges.

The Union Budget 2026-27, presented by the Finance Minister of India, Nirmala Sitharaman, on February 01, 2026, has placed importance on increasing India's defence spending.<sup>2</sup> This reinforces the twin imperatives of *Atmanirbharta*: modernisation and innovation. Compared with last year's budget allocation of approximately INR 6.81 lakh crore, there was a sharp 15 per cent increase this year, according to the detailed report released by the Indian government. The current allocation to the defence spending stands at INR 7.85 lakh crore. Of this, the largest share is in revenue expenditure (INR 5.5 lakh crore), and a little goes to capital outlay (INR 2.19 lakh crore) and pensions (INR 1.7 lakh crore).<sup>3</sup> This number is not just about size. It has signalled a shift in mindset – from reactive defence to long-term preparation. However, the question is 'Why Now?'

## Strategic Imperatives

There is undoubtedly a strategic context behind India's increase in defence spending. Recently, India has faced heightened tensions with Pakistan, especially following Operation *Sindoor* in 2025. The Union Budget for 2026, which followed Operation *Sindoor*, reflected the need for enhanced operational readiness in light of this brief conflict. Concurrently, Pakistan has raised its defence spending by 20 per cent, despite facing economic constraints.

On the other hand, India's geographical position compels it to focus on protecting its national security, with China remaining the major strategic challenge. China's military is much larger and far better funded than India's (more than three times as much). The Line of Actual Control (LAC) requires 24x7 surveillance, mobility, air defence, and rapid deployment infrastructure. The contested neighbourhood continues to explain why India needs to strengthen its defence infrastructure. Modernising the old and ageing military equipment has become a necessity today rather than a choice.

The idea of a “twin threat” and a “two-front war” remains the ever-present threat.<sup>4</sup> The existential nightmare is primarily the silent creeping aggression along the vast LAC. The examples of the Galwan Valley bloodbath, new military outposts, land grabbing, and its arrogant dismissal of Indian sovereignty are indeed a part of the larger playbook to crush India’s rise. With Pakistan acting as Beijing’s attack dog, it is keeping India’s war room lit 24x7.

It is perhaps a moment of systemic geopolitical rupture, one that brings a wider global conflict knocking at the door. The fuse is lit in Beijing, with assistance in Islamabad. Imagining the worst-case scenario – what will be the case if India ever enters a full-scale two-front war with China and Pakistan? Pakistan will step in if there is a full-scale Indo-China conflict. However, if there is ever a full-scale invasion between India and Pakistan, it is still doubtful whether China will enter or not. Either case requires strategic rebalancing and even lessons from history. In the 1965 Indo-Pak war, India had made sure that its borders with China were secured first before it shifted all its focus to Pakistan.

### **Building Future-Ready Air Power Capabilities**

While a full-scale war between the two nuclear neighbours is not desirable and unlikely, India is still well placed to pin down the Pakistan Air Force and dominate the skies. The bigger problem is China, as it feverishly modernises its nuclear forces and the fighter aircraft fleet. India must address the fighter jet crisis first. The current fighter squadron strength is 31, and it must be around 42 or more. After the MIG-21 retirement last year, the IAF is down to 29 squadrons already.<sup>5</sup>

The planned solutions indicate expansion of Rafale fighter jets and Su-57 fighter jets, which are the two parallel paths being contemplated for India’s future fighter fleet. A large-scale expansion of the Rafale fleet through indigenous manufacturing, and perhaps the renewed technical talks with Russia on the fifth-generation Su-57.<sup>6</sup> Why is it a parallel path and not a competitive one? India is not viewing the Rafale and the Su-57 as competing or mutually exclusive choices. Instead, each addresses a distinct operational requirement in India’s evolving air combat doctrine. Precisely, the Rafale induction means near-term force density with reliability.<sup>7</sup> Integrating Su-57 fighter jets into the IAF will be about capability exploration and technology absorption. On the other hand, the Advanced Medium Combat Aircraft (AMCA) programme would bring long-term sovereignty.

The defence ministry plans to procure 114 Rafale fighter jets – the largest-ever procurement that India has undertaken, if cleared. Manufacturing will initially be around 30 per cent indigenous and later increase to 60 per cent. Since there are already 36 aircraft inducted by the Indian Air Force (IAF), 26 Rafale-M jets ordered by the navy, and it plans to induct 12 to 18 more aircraft in fly-away condition, the total would reach around 176. Why the push?

Rafale reportedly played a significant role during Operation *Sindoor*, particularly against advanced Chinese air-to-air missiles using the Spectra electronic warfare suite.<sup>8</sup> Rafale is a 4.5-generation, twin-engine, delta-wing multirole fighter aircraft with an extended combat radius. It has a maximum speed of Mach 1.8 at high altitude and Mach 1.1 at low altitude. It features an advanced avionics suite and the SPECTRA electronic survival system, incorporating a Radar Warning Receiver (RWR), a Laser Warning Receiver (LWR), a Missile Approach Warning (MAW), a phased-array jammer, and a decoy dispenser.<sup>9</sup> The programme will not only be a replacement for the ageing MiG-21 and MiG-27 aircraft, but primarily play select roles of the Mirage 2000s as they undergo phased upgrades to extend the service life. Integrating Rafales with a wide array of Indian weapons, such as Astra and BrahMos, will be crucial to harnessing the aircraft's full potential.<sup>10</sup> It will be a win-win for India and France altogether.

Running in parallel is Russia's constant pitch for the Su-57 – a fifth-generation stealth fighter jet, after years of dormancy following India's exit from the earlier Fifth Generation Fighter Aircraft (FGFA) programme. It is a highly maneuverable fighter aircraft with Integrated Modular Avionics Combat Systems that uses fibre-optic channels. The radar suite comprises the N036-1-01 X-band Active Electronically Scanned Array (AESA) embedded in the forward fuselage cheeks to improve angular coverage and an additional L-band array positioned along the leading edges.<sup>11</sup> The aircraft is equipped with a comprehensive electro-optical suite comprising an Infrared Search And Track (IRST) system, Directional Infrared Countermeasures (DIRCM), ultraviolet-based missile approach warning sensors, and a thermal imaging system to support low altitude operations and landing, in addition to a dedicated navigation and targeting pod.<sup>12</sup> It can employ defensive aids such as flares, radar decoys, and single-use programmable Electronic Countermeasures (ECM) transmitters.<sup>13</sup> However, some questions remain regarding the platform's production scale, sensor fusion maturity, and combat validation.

In the Dubai Air Show 2025, Sergey Chemezov, CEO of Rostec, underlined the long-standing defence partnership between the two countries.<sup>14</sup> Additionally, a major Russian state arms exporter, Rosoboronexport, offered “technology transfer” and “technological learning of a few generation technologies, including engines, optics, AESA radar, Artificial Intelligence (AI) elements, low signature technologies and modern air weapons.”<sup>15</sup> The maximum use of the Indian industry and the Indian systems signals the attempts from Moscow to re-enter India's fighter ecosystem, to majorly contribute to its future combat readiness. Assistance from Moscow, even in India's indigenous AMCA programme, has effectively positioned the Su-57 as a technological bridge.

Earlier this week, the United States blew its trumpet and the warnings of sanctions over the countries which acquire Russian Su-57 fighter jets, waved over the globe. The US has warned that it could impose sanctions under its Countering America's Adversaries Through Sanctions Act

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(CAATSA) on countries that acquire Russian Su-57 fighter jets, citing concerns over deepening defence ties with Moscow. This is particularly in the case of Algeria's confirmed purchase of twelve Su-57s. How will India be impacted once it finalises its deal with Russia? If India were sanctioned, it could affect its broader defence relationship with the US, mainly revolving around the General Electric (GE) Jet Engine for the Tejas Programme, MQ-9B Drones, and Apache helicopters, ultimately minimising US exports to the sanctioned recipients. Turkey was removed from the F-35 Joint Strike Fighter (JSF) programme after it was hit with sanctions by the US under Section 231 for purchasing Russian S-400 air defence systems.<sup>16</sup>

At the same time, this does not necessarily mean it will expand to India, as such deals have historically been subject to preferential treatment for India. For instance, India bought five regiments of S-400 air defence systems from Russia in 2018, and around the same time, Turkey bought a single regiment of the same. Consequently, Ankara was slapped with CAATSA Sanctions; however, no such penalties were imposed on New Delhi.

In 2022, the Indian-American Congressman Ro Khanna introduced a stand-alone bill in the US House of Representatives that gave India waivers from the punitive CAATSA sanctions.<sup>17</sup> Under the Iran Freedom and Counter-Proliferation Act (IFCA), the US sanctions many dealings with Iran's economy. However, the US granted a waiver for the Chabahar port, allowing India to participate in its development and operations without facing US penalties, given India's role in Afghanistan's reconstruction and regional activities.<sup>18</sup> This waiver has now been revoked by the Americans, and India has been told to end its operations at the Chabahar port.

However, the geopolitical context and the waivers granted were directly related. It had evolved amid US-China rivalry, the Russia-Ukraine conflict, and growing scrutiny of defence technology transfers, narrowing Washington's margin for flexibility. The historical incidents that worked in favour of India do not mean they will always do so. Trump still imposed hefty tariffs on India when it bought Russian oil. Every move by India should be cautious in terms of the Su-57 agreement, as New Delhi is awaiting many crucial defence platforms, such as MQ-9B drones, Javelin Anti-Tank Guided Missiles, Apache helicopters, Stryker Combat Vehicles, etc. It primarily depends on the US for the continued production of its indigenous Tejas fighter jets. CAATSA can jeopardise the entire programme of Tejas deliveries to the IAF, for which GE will supply the engines.

The discussions on the fifth-generation aircraft remain open; it seems that India is still prioritising Rafale fighter jets for near-term induction. The budget 2026 cycle will play a crucial role in determining and shaping the trajectory of the future Indian fighter fleet – most likely it will be a combination of LCA Mk1A, an expanded Rafale fleet, the indigenous AMCA after 2035, and the upgraded versions of Su-30 Mk1. The fighter fleet debate is less about the aircraft choice and more

about managing risks across time. How India proceeds with the deals in hand, only the future will tell.

## Notes:-

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<sup>4</sup> Jaibans Singh, "Two-Front Security Challenge: Preparedness and possibilities for India," *Organiser*, May 22, 2025, <https://organiser.org/2025/05/22/293526/bharat/two-front-security-challenge-preparedness-and-possibilities-for-india/>. Accessed on February 12, 2026.

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<sup>11</sup> Justin Bronk, "Russian and Chinese Combat Air Trends," Royal United Services Institute Whitehall Report 3-20," *Royal United Services Institute (RUSI)*, October 2020, <https://static.rusi.org/russian-and-chinese-combat-air-trends-whr-final-web-version.pdf>. Accessed on March 06, 2026.

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<sup>13</sup> Anil Chopra, "Can Russian Sukhoi Su-57 'Felon' be an Interim Fifth-Generation Aircraft for India," *Air Power Asia*, February 08, 2025, <https://airpowerasia.com/2026/01/25/can-russian-sukhoi-su-57-felon-be-an-interim-fifth-generation-aircraft-for-india/>. Accessed on February 12, 2026.

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<sup>16</sup> Nitin J Ticku, “Trouble for Su-57! U.S. Warns of CAATSA Sanctions Over Russian Stealth Jets; Will India Get Impacted Like Algeria?” *Eurasia Times*, February 06, 2026, <https://www.eurasiantimes.com/su-57-u-s-threatens-caatsa-sanctions-over-russian-stealth-jets-will-india-get-impacted-like-algeria/>. Accessed on February 12, 2026.

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