

India

Money, Military & Markets-XVI

Balochistan & KPK - determinants of future Asia

- Weakening Pak military via repeated, targeted strikes, along with widely visible damage, & freeing Balochistan + KPK is a long-term solution for terrorism.
- There is an urgent need for India to develop tech & psychological warfare capabilities to counter Pakistan's military and reshape internal perceptions.
- Buy shares of Indian defence equipment manufacturing companies, especially those involved in indigenous technology development.

Dismemberment of Pakistan is the only long-term solution for India

Balochistan and Khyber Pakhtunkhwa (KPK) may appear peripheral on the global map, but their geostrategic, economic, and political significance positions them as critical regions in shaping Asia's future. Militant groups like the Tehrik-i-Taliban Pakistan (TTP) and the Baloch Liberation Army (BLA) remain active in KPK and Balochistan, respectively—each pursuing divergent goals: the TTP seeks to impose Sharia law, while the BLA demands independence for Balochistan. Notably, Balochistan constitutes approximately 44% of Pakistan's landmass, shares a porous border with Afghanistan, and hosts key segments of the China-Pakistan Economic Corridor (CPEC), a cornerstone of China's strategic ambitions. India, given its regional aspirations, has vested interests in the evolving dynamics of Balochistan and Gilgit-Baltistan. Having demonstrated its ability to engage with Islamist regimes in Afghanistan, India could, in theory, extend similar strategic outreach to factions like the BLA and TTP. A potential game-changer would be the construction of a natural gas pipeline from Afghanistan to India through Gilgit-Baltistan—offering significant economic benefits for Afghanistan and transit revenue for Pakistan's western provinces.

India needs overwhelming military superiority to achieve the same

However, the feasibility of such a project depends on sustained regional instability and multiple short, controlled conflicts under the nuclear threshold. To weaken Pakistan's military establishment—which effectively operates as a state within a state—India must focus on repeatedly inflicting tactical and psychological setbacks. This requires technological superiority, especially as Pakistan is likely to deploy cutting-edge Chinese weaponry in future confrontations. Accordingly, India must rapidly invest in and operationalize a range of advanced capabilities: 1) Stealth aircraft technology (e.g., expediting the AMCA project or interim adoption of platforms like Su-57). 2) Deployment of VHF radar grids for early detection of stealth aircraft. 3) Development and deployment of anti-hypersonic systems, including a domestic equivalent of the S-400 under Project Kusha. 4) Swift operationalization of India's hypersonic missile technology. 5) Robust psychological warfare tools to disseminate real-time battlefield damage to Pakistani citizens via social media and other platforms. Ultimately, the perception of Pakistan's army must erode from within. Unless the Pakistani populace becomes aware of the heavy losses and misguidance by their military leadership, there is little hope for internal dissent or meaningful resistance against an institution that holds a nation hostage under the guise of nationalism.

So, what to do in markets? Buy Indian defence equipment makers

These strategic objectives cannot be achieved by buying equipment. India needs to develop its own technologies. As shown by indigenously developed radar and drones technologies, active participation of the private sector is needed in all fields. Inviting private sector companies to participate in AMCA (Advanced Medium Combat Aircraft) is a right step in that direction. We are listing the companies that stand to benefit from the increased focus on defence forces in the coming period: 1) Hindustan Aeronautics (UNRATED), 2) Solar Industries (UNRATED), 3) Premier Explosives (UNRATED), 4) ideaForge Technology (UNRATED), 5) Alpha Defense (UNLISTED), 6) Bharat Forge (ADD), 7) Zen Technologies (UNRATED), 8) Bharat Electronics (UNRATED) 9) Bharat Dynamics (UNRATED), 10) BEML (UNRATED), 11) PTC Industries (UNRATED), 12) Mishra Dhatu Nigam (UNRATED), etc.

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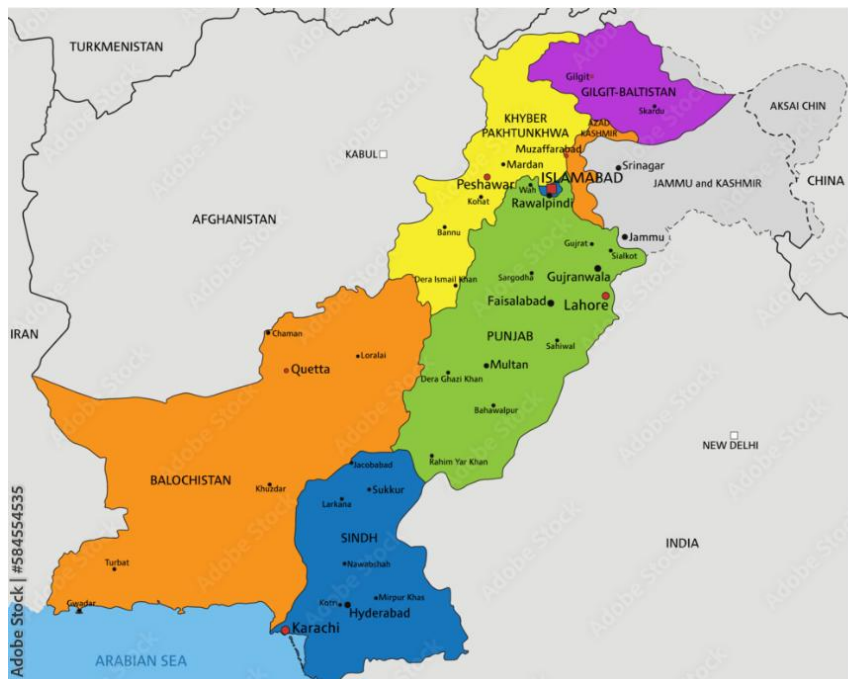
Balochistan & KPK - determinants of future Asia

Balochistan and Khyber Pakhtunkhwa (KPK) may appear peripheral on the global map, but their geostrategic, economic, and political significance positions them as critical regions in shaping Asia's future. Militant groups like the Tehrik-i-Taliban Pakistan (TTP) and the Baloch Liberation Army (BLA) remain active in KPK and Balochistan, respectively—each pursuing divergent goals: the TTP seeks to impose Sharia law, while the BLA demands independence for Balochistan. Notably, Balochistan constitutes approximately 44% of Pakistan's landmass, shares a porous border with Afghanistan, and hosts key segments of the China-Pakistan Economic Corridor (CPEC), a cornerstone of China's strategic ambitions. India, given its regional aspirations, has vested interests in the evolving dynamics of Balochistan and Gilgit-Baltistan. Having demonstrated its ability to engage with Islamist regimes in Afghanistan, India could, in theory, extend similar strategic outreach to factions like the BLA and TTP. A potential game-changer would be the construction of a natural gas pipeline from Afghanistan to India through Gilgit-Baltistan—offering significant economic benefits for Afghanistan and transit revenue for Pakistan's western provinces. However, the feasibility of such a project depends on sustained regional instability and multiple short, controlled conflicts under the nuclear threshold. To weaken Pakistan's military establishment—which effectively operates as a state within a state—India must focus on repeatedly inflicting tactical and psychological setbacks. This requires technological superiority, especially as Pakistan is likely to deploy cutting-edge Chinese weaponry in future confrontations. Accordingly, India must rapidly invest in and operationalize a range of advanced capabilities: 1) Stealth aircraft technology (e.g., expediting the AMCA project or interim adoption of platforms like Su-57). 2) Deployment of VHF radar grids for early detection of stealth aircraft. 3) Development and deployment of anti-hypersonic systems, including a domestic equivalent of the S-400 under Project Kusha. 4) Swift operationalization of India's hypersonic missile technology. 5) Robust psychological warfare tools to disseminate real-time battlefield damage to Pakistani citizens via social media and other platforms. Ultimately, the perception of Pakistan's army must erode from within. Unless the Pakistani populace becomes aware of the heavy losses and misguidance by their military leadership, there is little hope for internal dissent or meaningful resistance against an institution that holds a nation hostage under the guise of nationalism.

Balochistan and KPK are festering wounds for Pakistan

KPK and Balochistan form the total border of Pakistan with Afghanistan ➤

Figure 1: Khyber Pakhtunkhwa (KPK) and Balochistan share borders with Afghanistan



SOURCE: INCRED RESEARCH, COMPANY REPORTS

“We are Pakistani for 75 years, Muslim for 1,500 years and Baloch for 10,000 years”: the common sentiment for a Baloch ➤

The statement reflects a Baloch perspective on identity and history, highlighting their distinct heritage as a people who have lived in the region for thousands of years, their relationship to Islam, and their more recent association with Pakistan. It points to a sense of belonging to the Baloch people for a long period, their conversion to Islam, and their relatively recent (75 years) incorporation into the state of Pakistan.

1. The phrase "We are Baloch for 10,000 years" emphasizes the Baloch people's long history and presence in the Balochistan region, which is now a part of Pakistan, Iran, and Afghanistan.
2. "Muslim for 1,600 years" signifies the Baloch people's conversion to Islam and their subsequent association with Islamic traditions. The spread of Islam in the region began in the early medieval period, with the conquest of Sindh by Muhammad ibn Qasim in 711 CE.
3. "Pakistani for 75 years" acknowledges the Baloch people's more recent incorporation into the nation-state of Pakistan, which was established in 1947 as a result of the partition of India.

Many Baloch nationalists view the presence of the Pakistani state in Balochistan as an occupation and advocate for independence or greater autonomy ➤

Baloch nationalists and separatists view Pakistan as an occupying force in Balochistan, and a segment of the Baloch population advocates for independence or greater autonomy.

1. Historical context

- **Balochistan** was a **princely state** (Kalat) before Pakistan's independence.
- In **Mar 1948**, the **Khan of Kalat** acceded to Pakistan under pressure, which many Baloch nationalists argue was **illegitimate or coerced**.
- Since then, there have been **multiple insurgencies** (1948, 1958, 1962, 1973, and the current one since 2004) in Balochistan against the central government.

2. Key grievances of Baloch nationalists

A. Political marginalization:

- a. Baloch leaders argue that they have little say in national policy-making.
- b. They believe Islamabad controls Balochistan's resources without sufficient local consultation or representation.

B. Economic exploitation:

- a. Despite being **resource-rich** (natural gas, minerals, copper, gold), Balochistan is **Pakistan's poorest province**.
- b. Baloch nationalists accuse the federal government of **extracting resources without benefiting locals**.

C. Cultural suppression:

- a. The Baloch feel their **language, identity, and heritage** are being undermined by state-promoted **Urduization** and militarization.
- b. There is resentment towards **settlement of Punjabis and Pashtuns** in Baloch areas.

D. Militarization & human rights abuses:

- a. Balochistan is heavily **militarized**. The Pakistani army and intelligence services operate extensively in the region.
- b. Allegations of **"kill and dump" operations, enforced disappearances, and extra-judicial killings** have been widely reported.
- c. International human rights organizations and activists have highlighted these abuses, although Pakistan often denies them or claims they are fighting terrorism.

3. Baloch separatist groups

Several armed insurgent groups advocate for **independence** from Pakistan:

A. Baloch Liberation Army (BLA)

B. Baloch Republican Army (BRA)

C. Baloch Liberation Front (BLF)

These groups have carried out **attacks on Pakistani security forces, infrastructure, Chinese interests (like CPEC projects), and settlers** from other provinces.

On the other hand, KPK is infested by TTP which has radical islamist agenda ➤

The ideology of Tehrik-i-Taliban Pakistan (TTP) is rooted in a mix of Deobandi Islamism, Pashtun tribal traditions, and militant jihadism. The key features of the TTP movement are listed below

A. Deobandi Islamism:

- TTP follows the Deobandi school of Sunni Islam, which advocates a puritanical interpretation of Islam.
- It emphasizes Sharia law, Islamic governance, and strict moral codes.
- TTP views secular democracy and Western-style governance as un-Islamic.

B. Jihadism:

- TTP considers violent jihad a religious duty, particularly against the Pakistani state, which it views as an apostate regime collaborating with the West and fighting Islam.
- The group is inspired by the Afghan Taliban's model, seeking to emulate their success in establishing an Islamic emirate.

C. Anti-state doctrine:

- TTP's primary enemy is the Pakistani government and military, which it accuses of siding with the US in the "War on Terror."
- It targets state institutions, security forces, and civilians seen as supporting the government.

D. Global jihadist sympathies:

- While mainly focused on Pakistan, TTP has expressed solidarity with al-Qaeda, ISIS, and other global jihadist causes.
- However, its operational goals are primarily national, not transnational like ISIS.
- Pashtun Nationalism (Selective):
- Many TTP members are Pashtun, and the group often operates within tribal and ethnic Pashtun areas, particularly in the former FATA region.
- However, TTP is not a nationalist movement in the classical sense—it often targets fellow Pashtuns who oppose its ideology.

E. Goals of TTP

- Establish an Islamic Emirate in Pakistan governed by strict Sharia law.
- Overthrow the Pakistani government and military institutions.
- Expel foreign influence, particularly American and Western, from Pakistan and the region.
- Enforce strict religious codes, especially regarding education, women's rights, and public morality.

F. Tactics and activities

- Suicide bombings, targeted assassinations, IED attacks, and kidnappings.
- Targeting schools (especially girls' education), police and army installations, Shia communities, and civilians deemed un-Islamic.
- Using media and propaganda to recruit fighters and justify attacks.

G. Relationship with other groups

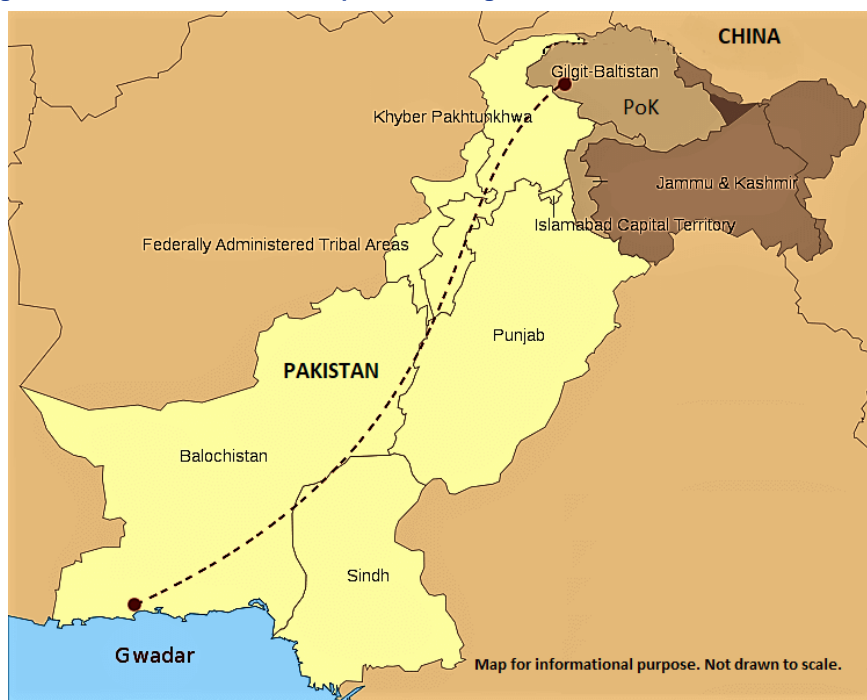
- Afghan Taliban: Historically close but not formally allied; ideological alignment but occasional friction over cross-border issues.
- Al-Qaeda: Tactical cooperation and shared ideology.
- ISIS-K: Rival in many areas, especially in eastern Afghanistan and Khyber Pakhtunkhwa.

TTP is strictly against Pak army and has done maximum damage to them ➤

- A. Tehrik-i-Taliban Pakistan (TTP) has historically inflicted maximum damage on the Pakistani military, paramilitary forces, and civilians, including horrific attacks like the Peshawar Army Public School massacre. TTP's primary enemy is the Pakistani state, especially Army, Frontier Corps (FC), Police, and intelligence personnel (ISI).
- D. They have carried out ambushes on army convoys, suicide bombings at military checkpoints, targeted killings and large-scale assaults on military installations. They carried out GHQ attack in 2009 and Kamra Airbase attack in 2012.
- E. However, the most gruesome and dreaded attack was on Peshawar Army Public School (16 Dec 2014). This is one of the deadliest terrorist attacks in Pakistan's history. This attack was done in Peshawar, Khyber Pakhtunkhwa. It killed over 150 people, including 132 school children. The motive of the attack was to seek revenge against the Pakistan Army's Zarb-e-Azb military operation in North Waziristan. This attack shocked the entire nation and led to a significant shift in public sentiment against the TTP, prompting the government to launch Operation Zarb-e-Azb and later Radd-ul-Fasaad. TTP has also attacked markets, mosques, and shrines, Shia minorities, polio workers and teachers, political leaders and election rallies.

Remember, CPEC passes through KPK and Balochistan, and natives of these provinces view this with great suspicion ➤

Figure 2: Almost the entire CPEC passes through KPK and Balochistan



SOURCE: INCRED RESEARCH, COMPANY REPORTS

- A. Historical neglect and distrust
 - 1) Both provinces have long-standing grievances of economic marginalization and political underrepresentation.
 - 2) Locals fear that CPEC will benefit Punjab disproportionately, while using Baloch and Pashtun lands merely as transit zones.
- B. Land and resource control
 - 1) In Balochistan, CPEC involves development of Gwadar Port, roads, and special economic zones (SEZs).
 - 2) Baloch nationalists argue:

- Local land is acquired without consent or compensation.
 - Jobs and contracts go to outsiders, especially Punjabis and Chinese.
 - Gwadar is being developed without Baloch representation, turning them into a minority in their own land.
- C. Militarization
- 1) To secure CPEC, Pakistan has deployed tens of thousands of troops, including a special security division (SSD).
 - 2) Locals in Balochistan and parts of KPK view this as:
 - Occupation under a new name.
 - An effort to suppress dissent.
 - A way to enforce development without consultation.
- D. Cultural and demographic fears
- 1) In Gwadar and adjacent regions, there's concern that:
 - Chinese and Punjabi settlements will change the demographic balance.
 - Baloch identity and culture may be eroded.
- E. Security fallout
- 1) TTP and Baloch insurgent groups (e.g., BLA, BLF) have targeted CPEC projects.
 - 2) They consider it a neo-colonial project, with Pakistan and China extracting resources without local benefit.
- F. Chinese nationals, engineers, and infrastructure projects have come under repeated attacks.

Pakistani generals believed that by generating anti-India sentiment, they would be able to unite all of Pakistan assuming that India's reaction would be limited to PoK ➤

The belief among some Pakistani generals that India would limit itself to PoK or a narrow theatre of conflict has repeatedly proven to be a flawed assumption. While the anti-India sentiment has been a tool for internal cohesion, it has also led to strategic overreach and international backlash.

Hence, Pahalgam attack was planned and executed with barbaric efficiency ➤

Islamic terrorists killed 26 males by explicitly asking their religion, verifying it by having them recite the Kalma or by checking circumcision. They spared women and children and instructed them to report the incident to the prime minister of India.

Pakistan was ready for Indian reaction; however, the Indian reaction was much harsher - India struck in the heart of Pakistan i.e. Punjab ➤

The Pakistani establishment is dominated by Punjabi Muslims, and any attack on Punjab hurts them the most. Remember, in 1965, when India opened the Punjab front, the pressure on Jammu & Kashmir eased. Similarly, in 1971, Pakistan limited escalation in the western sector primarily to protect Punjab. Pakistan could never have imagined that India would strike terrorist targets deep within the heart of Pakistan—and that too around nine different locations. These targets were decimated, resulting in the deaths of hundreds of terrorists. Pakistan attempted to escalate, but the result was the disabling of multiple airfields and the complete breakdown of its air defence network. The destruction was so extensive that by the morning of 10th May 2025, the Pakistan Air Force was unable to fly at all.

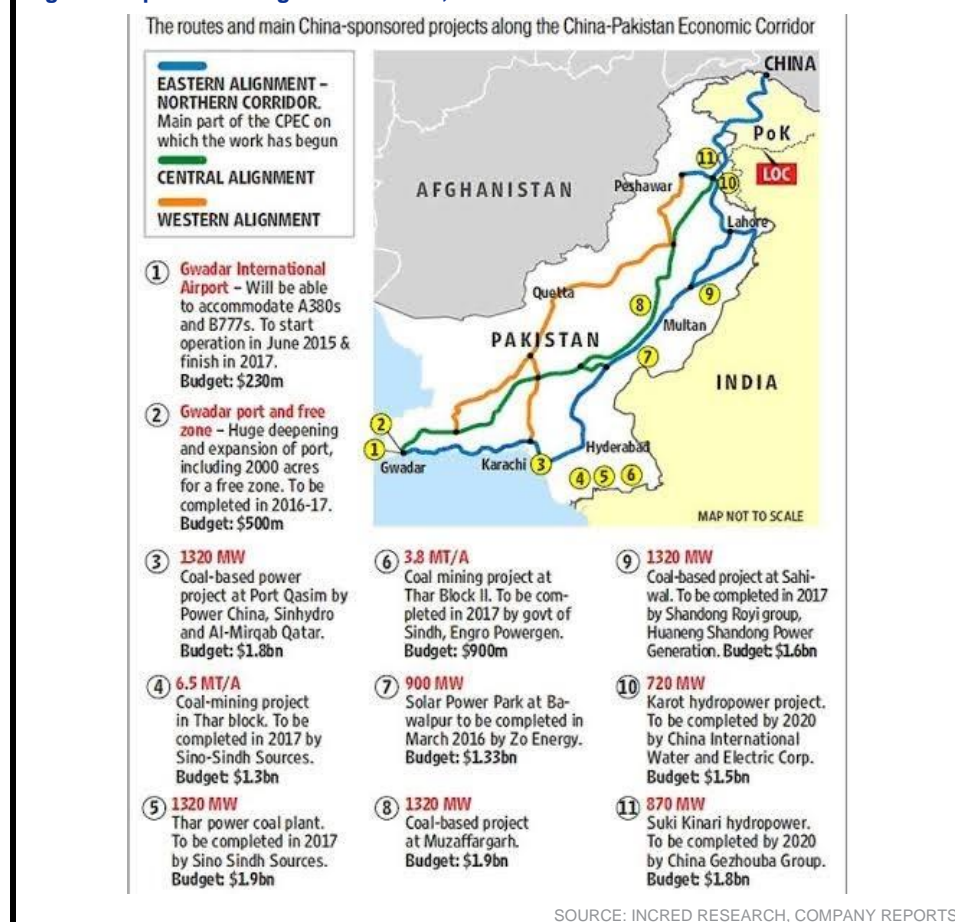
More importantly, the Pakistani military failed to achieve its political objective—unifying the country by creating a wave of nationalism ➤

However, most importantly, Pakistan failed to achieve its political objective. Khyber Pakhtunkhwa (KPK) remains unstable, and Baloch groups did not support the Pakistan Army at all. In fact, their attacks have intensified following the India-Pakistan war.

CPEC is in danger of becoming completely irrelevant, as Baloch and TTP groups continue to target it ➤

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Figure 3: Apart from huge investments, it's the Pak future which is at risk



CPEC was never intended to provide energy security to China; rather, it was designed as an alternative trade route, and because of CPEC, Pakistan expected it would draw China directly into a conflict with India ➤

CPEC is a geopolitical and trade corridor, not an energy lifeline for China. Its greatest value lies in strategic leverage, regional influence, and deepening China-Pakistan ties — not in materially altering China's energy logistics.

Figure 4: The failure of CPEC will be a shot in the arm for India's security; the absence of Chinese presence in Pakistan will deny Pakistan the support it desperately needs

CPEC: Economic vs Strategic Objectives

Category	Details
Economic Goals	
Infrastructure	Build highways, railways, and ports (notably Gwadar) to boost connectivity in Pakistan.
Power Generation	Construct coal, hydro, and renewable plants to address Pakistan's energy shortage.
Industrial Growth	Establish Special Economic Zones (SEZs) to stimulate Pakistan's industrial development.
Trade Facilitation	Reduce logistics time and costs between western China and Arabian Sea markets.
Strategic Goals	
Strategic Access	Give China direct access to the Arabian Sea via Gwadar, bypassing the Malacca Strait.
Regional Influence	Deepen China's political and economic footprint in Pakistan and the Indian Ocean region.
Xinjiang Development	Provide trade and economic activity to the landlocked, restive Xinjiang province.
Counter-India Strategy	Enhance presence in Pakistan as a part of China's balancing strategy against India.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: CPEC won't alter China's energy logistics in any material way

CPEC and Energy Security: Myth vs. Reality

Aspect	Common Perception	Reality
Energy Supply to China	CPEC routes will help China import oil and gas via Gwadar.	No pipelines exist; terrain and costs make this unfeasible at scale.
Oil Security	China will bypass the Strait of Malacca for oil imports.	80%+ of China's crude oil still arrives via sea to eastern ports.
Energy Projects	Projects under CPEC are for China's benefit.	Power plants serve Pakistan's domestic grid , not China.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

However, Baloch fighters have different plans, and continuous attacks on CPEC infrastructure will eventually render it useless ➤

Without stability in Balochistan, CPEC is a road to nowhere. The viability of CPEC as a strategic alternate trade corridor depends not on engineering or investment — but on resolving deep-rooted ethnic and political grievances. Otherwise, infrastructure built on unstable ground will remain politically unsustainable.

Figure 6: The insurgency dynamics of Balochistan and CPEC

Insurgency Dynamics in Balochistan

Key Actors	Baloch Liberation Army (BLA), Balochistan Liberation Front (BLF), others.
Target Focus	Chinese engineers, security personnel, roads, power projects, and Gwadar infrastructure.
Primary Motivation	Opposition to what is viewed as resource exploitation and military occupation.
Public Sentiment	Deep resentment in local population due to lack of development, water, power, and jobs.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: The Impact on CPEC is devastating and has the potential to render it useless

Impact on CPEC

Strategic Risk	Implications
Security Instability	Escalating attacks make infrastructure operation and construction hazardous.
Chinese Disillusionment	Growing signs of Beijing's frustration; investment returns not matching expectations.
Gwadar's Underperformance	Despite massive investment, Gwadar remains functionally dormant .
Reputation Cost	China risks a " BRI failure narrative ", affecting global Belt and Road optics.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Even TTP is against CPEC but for different reasons ➤

Figure 8: There are major differences; however, TTP is also against CPEC like Baloch fighters

TTP vs Baloch Rebels: Key Differences

Aspect	TTP	Baloch Rebels
Ideology	Jihadist/Islamist	Ethno-nationalist/separatist
Geography	Khyber Pakhtunkhwa, tribal belt, Afghanistan	Balochistan
China Focus	Part of global jihadist resistance	Anti-colonial framing (China = occupier)
Endgame	Islamic emirate in Pakistan	Independent Balochistan

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: TTP has carried out multiple ambushes on CPEC convoys in the past

Date	Attack	Suspected Perpetrator
Apr 2021	Suicide bombing in Quetta targeting Chinese nationals	TTP (claimed)
Jul 2021	Dasu bus bombing (nine Chinese engineers killed)	Initially denied by TTP, later linked
Multiple 2023–24	Ambushes on CPEC convoys in KP and northern Balochistan	TTP-linked or inspired cells

SOURCE: INCRED RESEARCH, COMPANY REPORTS

1. **Multi-front threat:** Both the **TTP and Baloch insurgents** attack CPEC but for **entirely different reasons** — this **complicates Pakistan's security calculus**.
2. **Chinese alarm:** Beijing increasingly views **all of Pakistan** — not just Balochistan — as **high-risk** for its nationals.
3. **Security overstretch:** Pakistan must now guard a **3,000km corridor** against threats from both the west (TTP) and south (Baloch rebels).

It's in India's long-term interests that CPEC fails➤

CPEC is not in India's long-term interest. Its success would involve China more deeply in Pakistan-occupied Kashmir (PoK), which goes against India's interests—especially as India has formally passed a parliamentary resolution stating that reclaiming PoK is the only unfinished agenda of partition.

Violation of sovereignty

- CPEC passes through Gilgit-Baltistan, which is a part of India's claimed territory in Jammu & Kashmir.
- By investing in this corridor, China is seen as legitimizing Pakistan's illegal occupation.
- A successful CPEC could entrench the status quo — undermining India's claim over PoK.

Gwadar Port: A strategic threat

- Gwadar Port gives China a naval and commercial foothold in the Arabian Sea — just ~400km from India's coast.
- If fully developed, Gwadar Port could support PLA Navy logistics, challenging India's dominance in the Indian Ocean.
- India is countering this with Chabahar Port in Iran, but Gwadar's rise would weaken India's leverage in the region.

Strengthening the China-Pakistan axis

- CPEC is the economic glue of the China-Pakistan alliance.
- If successful, it gives Pakistan economic breathing space, strengthens its military confidence, and deepens dependence on Beijing.
- A failed CPEC would leave Pakistan isolated, economically strained, and less assertive towards India.

Security implications

- CPEC enables faster Chinese troop movement and logistics near India's western front.
- In a two-front war scenario, CPEC could be a force multiplier for China, enabling supply chain support from Gwadar to Xinjiang.
- Its failure complicates Chinese war logistics and keeps Pakistan more inward-focused on domestic unrest.

While a gas pipeline from Afghanistan through KPK and Gilgit-Baltistan appears to be an unrealizable dream for now, who knows what turn things might take in the future ➤

Figure 10: A gas pipeline from Afghanistan to India seems realizable now because of the reasons given below

Obstacle	Explanation
Security Chaos	Taliban rule in Afghanistan and TTP unrest in KPK make pipeline security nearly impossible.
Geopolitical Tensions	India opposes any infrastructure through Gilgit-Baltistan; China may hesitate to invest more in unstable zones.
Terrain Challenges	GB has some of the world's toughest terrain — pipeline construction would be an engineering nightmare.
Sanctions & Diplomacy	Afghanistan is diplomatically isolated and lacks international legitimacy for such long-term investments.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

But in the long run... What if?

Taliban stabilizes & reaches regional accords

1. If the Taliban secures de facto recognition and brings relative calm, regional economic projects may return.
2. Pakistan may act as a facilitator for Central Asian gas exports via Afghanistan to China.

KPK and Balochistan become independent?

This scenario is the one with **enormous geopolitical implications**. While the current likelihood of **Khyber Pakhtunkhwa (KPK)** and **Balochistan** becoming independent is **extremely low in the short term**, it's not inconceivable in the **long run**, especially as Pakistan experiences **prolonged internal collapse** or **external shock**.

Could KPK and Balochistan become independent states?

Figure 11: Balochistan is fighting the independence battle for last many years

Factor	Details
Insurgency Since 1948	Baloch separatists have long sought independence from Pakistan.
Ethnic Identity	Distinct Baloch language, culture, and tribal system.
Rich Resources	Holds Pakistan's major gas fields, minerals, and the Gwadar Port.
China Factor	CPEC has intensified resentment — seen as resource exploitation.
Militant Activity	Frequent attacks on CPEC infrastructure, army convoys, and even Chinese nationals.
Popular Support?	Limited urban support; mostly rural tribal backing. Deep divisions among factions.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

If Pakistan collapses or loses military control, Balochistan could *theoretically* become a breakaway state — but sustaining independence would be difficult due to:

- **Low population density**
- **Internal divisions**
- **Dependence on external patrons (possibly India, Iran, or the Gulf states)**

KPK: A more complex case

Figure 12: KPK is a much more complicated case than Balochistan

Factor	Details
Pashtun Identity	Shares ethnicity with Afghanistan's Pashtuns.
Greater Pashtunistan	Historical idea of uniting NW Pakistan with Eastern Afghanistan.
TTP Influence	TTP wants Islamic rule, not independence; but weakens state control.
Afghan Taliban Nexus	Cultural and tribal ties make the Durand Line increasingly irrelevant.
Low Secessionist Demand	Most KPK residents still identify as Pakistani — no major independence movement.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

More likely than outright independence: A de facto autonomous Pashtun belt spanning both sides of the Durand Line, especially if Afghanistan remains Taliban-ruled and Pakistan's writ erodes further in KPK.

While it may not be totally independent, an autonomous region comprising KPK and Balochistan is good enough for India ➤

1. Collapse of Pakistan's "Strategic Depth" doctrine

- a. **KPK (Pashtun belt)**: Long used by Pakistan to project influence into Afghanistan.
- b. If KPK becomes autonomous or integrates informally with Afghan Pashtuns, **Pakistan loses control over its western buffer zone**.

2. CPEC becomes unviable

- a. Balochistan + parts of KPK are **core to CPEC's overland route to Gwadar**.
 - b. A restive or autonomous Balochistan = **death by a thousand cuts for CPEC**.
3. **China's trust in Pakistan as a reliable partner weakens**
 - a. **Pakistan army spreads thin**
 - b. Semi-independent regions force the army to **divert attention and resources**, weakening its offensive posture on the **eastern region (Indian)**.
 - c. **Internal legitimacy crisis for Pakistan**
4. If two provinces functionally self-govern, Pakistan's federal structure faces a **legitimacy crisis**. Could **undermine nationalist narratives** built around Islam and unity.
5. **India gains asymmetric leverage** - India can exert quiet diplomatic, cyber, or intelligence pressure.
6. **No need for direct intervention** — just **contain and watch the fragmentation play out**.

Even Gilgit-Baltistan (GB) is highly radicalized, so it is likely to join hands with KPK ➤

Though GB is often seen as a remote, scenic borderland, it's become increasingly radicalized and strategically critical — especially post-CPEC and after Pakistan's attempts to more tightly integrate it.

Figure 13: Key realities on the ground for Gilgit-Baltistan

Factor	Description
Demographic Shifts	Historically Shia-majority, but state-supported Sunni migration (especially Deobandi elements) has shifted the balance.
Religious Radicalization	Rise of hardline Sunni groups; growing sectarian strife.
Political Marginalization	GB still lacks full provincial status, representation in Pakistan's parliament.
Military Control	Heavily garrisoned; democratic institutions are tokenistic.
CPEC Route	Strategic artery for China passes through GB — further alienating locals.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Why GB might align with KPK?

1. Shared Sunni radical networks
 - a. Over the past two decades, radical Sunni seminaries in KPK and Punjab have gained influence in GB.
 - b. In a breakdown of central control, GB's Sunni population may align ideologically with Pashtun Islamists.
2. Proximity and access
 - a. GB borders KPK directly via the Diamer region, as well as Afghanistan via narrow corridors.
 - b. Pashtun fighters (like TTP or Haqqani-aligned groups) could find easy operational movement.
3. Vacuum of power + tribal mobilization
 - a. In the absence of federal authority, local tribal and Islamist networks could merge with KPK militias for support and security.
 - b. A Greater "Islamic Emirate" in northern Pakistan is not inconceivable in a collapse scenario.

Figure 14: Following are the implications for India in a traditional view of the world (assuming Afghan-Baloch-KPK and GB axis)

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SOURCE: COMPANY REPORTS, INCRED RESEARCH

India will welcome this move, if and when it happens, as it will open the possibility of energy trade of Afghanistan as well as a state without a rouge army ➤

1. **Religious fanaticism doesn't fill stomachs.** While tourism in the scenic regions of KPK and Gilgit-Baltistan may not be viable for many years to come, their abundant natural resources can be readily exploited.
2. **Balochistan and Afghanistan are rich in natural gas,** and India has a substantial need for this resource. A pipeline through this region could offer a long-term solution to India's energy requirements.
3. **Optimal utilization of these resources** would allow Afghanistan to earn much-needed revenue for national reconstruction, while KPK and Balochistan could benefit from transit fees for gas transportation.
4. **It is important to note that Islam has never been a problem for the Indian state;** rather, the root cause of conflict lies in the rogue military establishment of Pakistan

This remains the only plausible solution for the eradication of radical jihadi elements from the Indian subcontinent ➤

Figure 15: The fragmentation of Pakistan is the only possible solution for jihad-free Indian subcontinent

Argument	Explanation
State Sponsorship Ends	A unified Pakistan provides safe havens, training, and financial support to groups like LeT, JeM, and others. Break the state, and the support architecture collapses.
ISI's Reach Shrinks	The ISI is the invisible hand behind many terror networks. If Pakistan fragments, the ISI's ability to orchestrate jihad across South Asia greatly diminishes.
Militant Focus Turns Inward	With autonomous regions like KPK and Balochistan fighting for local control, jihadist energies become internalized — less focused on India, more on power struggles within former Pakistani territory.
Global Delegitimization	A Pakistan in pieces loses international legitimacy. It's harder for it to defend jihadist proxies as "freedom fighters" or claim victimhood.
Chinese Calculations Change	Beijing's support to Pakistan is based on CPEC and regional stability . If fragmentation begins, China pulls back , reducing external lifelines.
India Gains Strategic Space	With Pakistan distracted and fragmented, India gets breathing room to modernize, harden its borders, and eliminate sleeper cells with reduced cross-border replenishment.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Terror elimination from the Indian backyard is a civilizational project

As we have established in earlier paragraphs, the only viable solution for eliminating jihadi elements from the Indian subcontinent is to weaken Pakistan's grip over the Pakistani state. The issue isn't that Pakistan has an army — the problem is that the Pakistan army has a state for itself. Dismantling this power structure requires a steady erosion of the army's perception of invincibility among the Pakistani population. This cannot be achieved through a single event but rather through a series of demonstrable, smaller defeats over a period of two-to-three decades. Such a strategy demands a consistent technological edge and the political will to take calculated risks. Pakistan's military leadership will continue to brandish the nuclear threat as a deterrent, and India's challenge lies in maintaining strategic calm while operating effectively under that nuclear umbrella.

Pakistan terror actions in India will continue ➤

The very foundation of Pakistan rests on the two-nation theory, which asserts that Hindus and Muslims cannot co-exist peacefully within a single nation. This ideology continues to shape the national narrative. In Pakistan's madrasahs, children are often indoctrinated with doctored videos and false propaganda, portraying Indian Muslims as persecuted — denied access to mosques, religious freedom, and subjected to systemic discrimination. After this ideological

brainwashing, the Pakistani army exploits these children, using them as cannon fodder in its proxy wars. With such an incessant supply of radicalized youth, terror attacks on India are unlikely to cease unless there is a strong internal movement within Pakistan against the military establishment.

China will continue to arm Pakistan as it is a...➤

1. **Strategic buffer against India** - Pakistan acts as a **second front** against India — tying down Indian military and strategic attention in the west. This reduces India's ability to concentrate fully on the **LAC with China**.
2. **Cheap proxy for containment** - Pakistan is **cost-effective**. With a few billion in arms and soft loans, China gets an **entire nuclear-armed state** that harasses India diplomatically, militarily, and via proxies. Think of it as **outsourcing regional destabilization**.
3. **Protection of CPEC**- China's US\$60bn+ investment in CPEC needs Pakistan's army as a **guard dog** — especially in Balochistan and Gilgit-Baltistan. The PLA does not want to get dragged into tribal insurgencies — so it keeps feeding the Pakistani military-industrial complex.
4. **Arms export business** - China sells JF-17 jets, drones (like Wing Loong), radar systems, and air defence platforms. It's a **captive market** for Chinese military hardware — and helps Chinese companies like NORINCO and AVIC to grow.
5. **Shared anti-West ideology** - Both countries are suspicious of Western influence, democracy promotion, and Indian American alignment. Pakistan offers **vote support in UN, OIC, and forums like the SCO**, useful for China's global narrative control.

Hence, India will need to match Chinese technological capabilities—not to confront China directly, but to continue steadily eroding Pakistan's military and strategic edge ➤

India doesn't have to match China purely to challenge China itself but rather to keep pace technologically so that it can effectively counterbalance Pakistan's military advantages, many of which are influenced or supported by China. By steadily closing this technological gap, India ensures it maintains strategic deterrence and security in the region without triggering a direct confrontation with China. It's a nuanced approach: technological parity or superiority is a tool for regional stability and strategic leverage, especially against Pakistan, rather than an end in itself focused on China.

For that, India needs to invest in multiple new technology domains like radars, 5th generation aircraft, jet engines, missile technologies, air defence technologies, etc... ➤

Investing across those advanced tech domains is crucial. Each area strengthens different aspects of defence capability and strategic deterrence:

1. **Radars**: Enhancing early detection, tracking, and electronic warfare capabilities to gain superior situational awareness.
2. **Drones**: Reconnaissance, armed as well as highly agile drones which can controlled as loyal wingman with fighter aircrafts
3. **5th generation aircraft**: Stealth, agility, and sensor fusion capabilities that redefine air superiority.
4. **Jet engines**: Indigenous development improves reliability, reduces dependency, and enhances performance of combat aircraft.
5. **Missile technologies**: Precision strike, range extension, and diverse payload delivery bolster deterrence and response options.
6. **Air defence technologies**: Layered defense systems to protect against a spectrum of aerial threats, including ballistic and cruise missiles.
7. **Psychological warfare**: To weaken the Pakistani army, its public perception must also be undermined. The Pakistani army is shameless in its use of

propaganda, making psychological warfare a crucial component. Unless Pakistani citizens begin to realize that their armed forces have been deceiving them for the past 80 years, the army's grip on the state will not loosen

India's investment in these will not only close gaps but also support a self-reliant defence ecosystem (Atmanirbhar Bharat) with strategic independence.

India needs anti-stealth radars to compete with stealth technologies of China; thankfully, we have Surya VHF and BEL VHF radars ➤

India is actively enhancing its air defence capabilities to counter the growing stealth technologies of neighbouring countries, particularly China. A significant development in this regard is the indigenous Surya Very High Frequency (VHF) radar system, designed to detect stealth aircraft that conventional radars might miss.

Regional context - China's advancements in stealth technology, including the deployment of J-20 fighters near the Indian border and the development of new stealth coatings, have heightened the need for effective counter-stealth measures. India's deployment of the Surya VHF radar is a proactive step in addressing these challenges. In summary, the Surya VHF radar represents a significant leap in India's defence capabilities, providing a robust solution to detect and counter stealth threats in the region. Please note that China will transfer these planes to Pakistan even at zero cost to contain India.

Surya VHF radar: A strategic advancement

1. **Stealth detection capability:** The Surya VHF radar operates in the VHF band (30–300 MHz), which is less affected by stealth technologies that typically evade higher-frequency radars. This allows it to detect fifth- and sixth-generation stealth aircraft, such as China's J-20 and the J-35A fighters that Pakistan is reportedly considering acquiring.
2. **Operational deployment:** Developed by Alpha Design Technologies under a Rs2bn contract, the first of six Surya VHF radar units was delivered to the Indian Air Force in Mar 2025. These mobile systems are mounted on TATA 6x6 platforms, providing flexibility and survivability in various terrains.
3. **Enhanced detection range:** The radar boasts a detection range of up to 400 km, offering early warning capabilities against stealth threats and enhancing India's airspace surveillance.

BEL's VHF radar

Bharat Electronics (BEL), in collaboration with the Defence Research and Development Organisation (DRDO), has developed an advanced Very High Frequency (VHF) radar system designed to detect stealth aircraft. This radar was officially launched on 29th Jan 2025 at BEL's facility in Ghaziabad. India will be buying at least 100 such VHF radars in the coming years.

Key features of BEL's VHF radar

1. **Stealth detection capability:** The radar operates in the VHF band (30–300 MHz), which is less affected by stealth technologies that typically evade higher-frequency radars. This allows it to detect fifth- and sixth-generation stealth aircraft, such as China's J-20 and Pakistan's potential J-35A fighters.
2. **Detection range:** It boasts a detection range of up to 400km, providing early warning capabilities against stealth threats and enhancing India's airspace surveillance.
3. **Mobility and deployment:** The radar is mounted on TATA 6x6 high mobility vehicles (HMTs), offering flexibility and survivability in various terrains.
4. **Integration with air defence systems:** The radar can be integrated with India's Integrated Air Command and Control System (IACCS), enhancing the coordination between various air defence assets.

Strategic significance - The development of this VHF radar marks a significant advancement in India's indigenous defence technology. By enhancing the country's ability to detect and track stealth aircraft, it strengthens India's air defence capabilities and contributes to a layered defence approach. The radar was showcased at Aero India 2025, highlighting its role in bolstering India's air defence network.

Fifth-generation fighter aircraft are the need of the hour; however, as India's AMCA program is at least a decade away, the Russian Su-57 could serve as a viable stop-gap solution ►

Although the Su-57 presents both advantages and disadvantages as a stop-gap solution, it remains a strategically viable option. On balance, India should move forward with its acquisition, particularly given Russia's offer of indigenous manufacturing and full transfer of technology.

Advantages

1. **Fifth-generation capabilities now** - The Su-57 offers stealth features, super cruise capability, advanced avionics, and electronic warfare systems—key fifth-gen traits that India currently lacks.
2. **Bridges the technological gap** - With AMCA at least a decade away, the Su-57 could plug the capability gap vis-à-vis China's J-20 and help maintain regional air superiority.
3. **Experience with advanced platforms** - Operating the Su-57 can provide the Indian Air Force with valuable experience in handling 5th-gen combat systems and inform AMCA development.
4. **Diversification of arsenal** - It gives India another advanced option in its fleet, reducing over-reliance on the aging Su-30MKI or potential delays in Rafale expansions.
5. **Geopolitical leverage with Russia** - Buying the Su-57 could reinforce India-Russia strategic ties, especially as Russia looks to hedge its dependence on China.

Cons of acquiring the Su-57

1. **Incomplete and underdeveloped platform** - The Su-57 program itself is still evolving.
2. **Risk of Chinese overlap** - China may gain indirect exposure to Su-57 capabilities (via intelligence or tech sharing with Russia), potentially neutralizing any edge India seeks.

The recent government decision to allow full private sector participation in the AMCA program is a significant step forward ►

The recent government decision to **allow full private sector participation in the Advanced Medium Combat Aircraft (AMCA)** program is indeed a **landmark shift** in India's defence equipment manufacturing landscape. Here's why it's significant:

1. **Deepens indigenous capability**- The AMCA is India's fifth-generation stealth fighter project, designed to rival platforms like the F-35. Private sector inclusion can accelerate R&D, systems integration, and indigenous technology development, reducing dependency on foreign OEMs.
2. **Mobilizes private capital and expertise** - Companies like Tata Advanced Systems, L&T, and Mahindra Defence could play a core role. Their project management skills, manufacturing efficiency, and global supply chain experience can help ensure timely and cost-effective execution.
3. **Drives dual-use innovation** - Involving private companies can lead to spillover technologies useful in civil aviation, materials science, and AI-based systems. Potential to foster defence tech startups under the iDEX and Make-in-India frameworks.

4. **Strategic autonomy and export potential** - Strengthening indigenous defence capabilities improve strategic autonomy. Successful execution could position India as an exporter of next-gen fighter jets in the Global South.
5. **Challenges to watch** – Effective intellectual property or IP sharing, clear role division, and quality control between DRDO and private players must be ensured.

Multiple Indian companies can benefit out of it ➤

1. Tata Advanced Systems (TASL)

- a. Already a trusted aerospace and defence partner to **Lockheed Martin, Boeing, Airbus**.
- b. **Strengths:** Aircraft structure (fuselages, wings for C-130J, F-16, and Apache). Strong integration capabilities and Tier-1 supply chain management.
- c. **Likely role in AMCA: Airframe assembly**, composite materials, system integration.

2. Larsen & Toubro (L&T)

- a. Deep expertise in defence platforms (naval systems, artillery, missiles).
- b. **Strengths:** Precision engineering, metallurgy, and rapid prototyping. Supplies parts to the Indian Space Research Organisation or ISRO and DRDO.
- c. **Likely role in AMCA: Avionics subsystems, radar housing**, stealth coatings, actuators.

3. Hindustan Aeronautics (HAL) *(Though not private, will be a major collaborator)*

- a. HAL remains the **lead integrator and program owner** for AMCA.
- b. **Likely private sector role:** Private players will **support HAL** in a **SPV (Special Purpose Vehicle)** structure—similar to public-private joint venture, possibly with HAL as a minority stakeholder.

4. Mahindra Defence Systems

- a. Involved in unmanned aerial vehicles or UAVs, land systems, and partnerships with global aerospace companies.
- b. **Strengths:** Global partnerships, project management, and testing capability.
- c. **Likely role in AMCA:** Possibly in **ground support equipment, UAV swarm integration**, or **mission system testing**.

5. Bharat Forge / Kalyani Group

- a. Known for high-strength forgings, artillery systems, and aerospace components.
- b. **Strengths:** Metallurgy, critical structural parts, landing gear components.
- c. **Likely role in AMCA: Titanium parts, forgings for engine housings**, structural support.

6. Dynamatic Technologies

- a. Supplies aerospace assemblies to Airbus, Boeing, and Bell.
- b. **Strengths:** Precision machining and lightweight assemblies.
- c. **Likely role in AMCA: Wing/fuselage sub-assemblies**, airframe sections.

7. Alpha Design Technologies

- a. Active in avionics, simulators, and partnerships with Elbit Systems.
- b. **Likely role in AMCA: Mission computers, EW suites, cockpit displays**, and testing systems.

Model likely to be used: SPV (Special Purpose Vehicle)

- Government may create a **SPV led by a private consortium**, where HAL and DRDO act as technical partners.

- Inspired by the **US model** where Lockheed and Boeing collaborate with DoD, or **UK's Tempest program**.

Figure 16: Multiple Indian companies have the capabilities to help in 5th generation aircraft manufacturing

Company	Airframe & Structures	Avionics & EW Systems	Stealth/Composites	Engine Components / Metallurgy	Radar / Mission Systems	Ground Systems / Simulators
Tata Advanced Systems	✓ (Fuselage, Wings)	○ (Limited)	✓ (Carbon Composites)	○ (Limited)	○	○
L&T Defence	○ (Selective Parts)	✓ (Electronic Warfare)	✓ (Stealth panels)	✓ (Forgings, Machining)	✓ (Radar enclosures)	○
Mahindra Defence		○ (Joint ventures)	○	○	○	✓ (Support Vehicles, GSE)
Bharat Forge / Kalyani	○	○	○	✓ (Forgings, Titanium)	○	○
Dynamatic Technologies	✓ (Assemblies for Airbus, Boeing)	○	✓ (Precision machining)	○	○	○
Alpha Design Technologies	○	✓ (Avionics, EW, C4I)	○	○	✓ (Mission Computers)	✓ (Simulators, Trainers)

☑ = CORE STRENGTH ○ = POTENTIAL / LIMITED ROLE, SOURCE: COMPANY REPORTS, INCRED RESEARCH

What is key the jet engine technology which can generate thrust of more than 100kN ➤

The single most critical and limiting factor in the AMCA program is jet engine technology, particularly the ability to indigenously develop a 110–125kN thrust class engine for AMCA Mk-2. 5th generation aircraft jet engines require high thrust. Following engines are required for AMCA Mk-1 and MK-2

- AMCA Mk-1:** Will use **GE F414 engines** (~98kN thrust) imported from the US.
- AMCA Mk-2:** Needs a **twin-engine configuration with each engine producing >110kN thrust** (combined ~220–240kN) to enable:
 - Super cruise (supersonic without afterburner)
 - Stealth optimization
 - Full weapons payload
 - Next-gen avionics cooling

Figure 17: India's current capability in jet engines is still far behind China

Engine Type	Developer	Max Thrust	Status
Kaveri	DRDO-GTRE	~70–80 kN	Technically obsolete, never inducted
Manik (UAV)	DRDO-GTRE	~4.25 kN	Small turbofan for UAVs
F414 (GE)	General Electric	~98 kN	Selected for AMCA Mk-1
Euro jet EJ200	Rolls-Royce (Euro Jet)	~90 kN	Not chosen but was in competition

SOURCE: COMPANY REPORTS, INCRED RESEARCH

Jet engine development is the ultimate test of India's defence industrial base. No country has become a top-tier aerospace power without mastering turbofan hot-section metallurgy, single crystal blades, cooling tech, and thrust-to-weight optimization. India is progressing on the engine technology through collaboration plans. Following are the important programmes in this area:

- India–US jet engine deal (2023–24)**
 - GE and HAL signed a deal to co-produce **F414 engines in India**.
 - Includes 80% technology transfer, but not full access to core IP.
 - Will suffice for AMCA Mk-1, not for Mk-2.
- Kaveri Derivative Program**
 - France's **Safran** has expressed willingness to co-develop a **110+ kN engine**.
 - GTRE-Safran plan involves: Leveraging **Kaveri R&D** (core) developing **new fan and hot section**.
 - Timeline: ~8–10 years, if approved.
- Proposed India–UK (Rolls-Royce) Program**
 - Rolls-Royce has offered full tech transfer for its **EJ200** derivative or a joint development of a 110+kN engine.
 - This option is still being evaluated.

Figure 18: An indigenous-only option for developing a jet engine may take a decade or more; given that India currently has the financial resources, it makes strategic sense to invest in a joint venture to accelerate engine development; we believe that Safran is the right choice for India

Option	Pros	Cons
GE F414 (USA)	Proven, low-risk, fast induction	No full IP access, limits indigenous R&D
Safran JV (France)	Joint development + Kaveri revival potential	Long timelines, political delays possible
Rolls-Royce JV (UK)	Full tech transfer offer	Yet to be finalized, less tested in this thrust class
Indigenous Only	Full sovereignty	Decades away from being viable

SOURCE: INCRED RESEARCH, COMPANY REPORTS

India already possesses hypersonic missile technology, and it needs to operationalize it swiftly ➤

1. The DRDO (Defence Research and Development Organisation) has successfully tested the Hypersonic Technology Demonstrator Vehicle (HSTDV), a scramjet-powered platform. India is also developing BrahMos-II, a hypersonic version of the existing BrahMos missile, in collaboration with Russia.
2. Hypersonic weapons (flying at speeds > Mach 5) can evade current missile defence systems, significantly enhancing first-strike and second-strike capabilities. China and Russia have already operationalized or deployed versions of hypersonic systems (e.g., Russia's *Avangard*, China's *DF-ZF*), which raises regional security stakes.
3. While we have the technology, but its swift induction is the need of the hour:
 - a. **Deterrence credibility:** Without induction into active service, technology demonstrators offer limited strategic leverage.
 - b. **Geopolitical signalling:** Swift deployment enhances India's standing in global strategic circles, especially the QUAD.
 - c. **Counterbalancing China:** China is advancing rapidly in hypersonic weapon deployment — operationalizing Indian systems is essential to prevent a strategic gap.

Air defence technologies - we need the ability to intercept hypersonic missiles ➤

India must match Chinese technological advancements—not necessarily to confront China directly, but to counter the ripple effects on Pakistan. China is actively developing hypersonic glide vehicles, and it's only a matter of time before such advanced missile systems are shared with Pakistan. While India is progressing in long-range missile interception technologies, the pace must accelerate. We need to adopt a mission-mode approach to rapidly develop and operationalize these critical defense capabilities.

1. Develop hypersonic interceptors

- DRDO should prioritize hypersonic interceptor programs, possibly building on PDV Mk II or AAD platforms with faster reaction times.
- A program like the US Glide Phase Interceptor (GPI) or THAAD-ER could be envisioned, optimized for the mid-course phase of HGVs.

2. Early-warning and tracking systems

- India needs space-based infrared sensors or Over-the-Horizon Radar (OTHR) to detect launches early and track high-speed, low-altitude threats.
- Integration of satellite-based sensors with Artificial Intelligence (AI) for trajectory prediction is vital.

3. Directed-energy weapons (future tech)

- Lasers and high-power microwave systems could potentially neutralize hypersonic threats — these are in early development but worth long-term investment.

4. Layered missile defence

- Expand India's Ballistic Missile Defence (BMD) architecture into a three-tiered system:
 - *Boost-phase intercepts* (challenging, but strategic).

- *Mid-course neutralization* using advanced kinetic kill vehicles.
- *Terminal-phase interception* via upgraded S-400s or indigenous successors.

Psychological warfare: Real-time footage and evidence of damage inflicted on the Pakistan army should be strategically shared across social media platforms➤

In the context of **India–Pakistan military dynamics**, carefully calibrated psychological operations can shape **domestic morale**, **international perception**, and most critically, **enemy decision-making**. We need to have:

1. Narrative dominance

- If India doesn't **own the narrative**, adversaries and hostile foreign media will fill the vacuum.
- Real-time, **verifiable content** creates credibility — especially in today's age of AI-generated misinformation.

2. Deterrence signalling

- Sharing targeted **damage-inflicting footage** (e.g., destruction of Pakistani forward posts, terror launch pads, ammunition depots) sends a clear message: *India retaliates, and it hurts*.

3. Morale boost at home

- Transparent victories, when communicated wisely, energize public support and military morale.

4. Shaping enemy behaviour

- It demoralizes frontline enemy soldiers, especially in decentralized skirmishes like those along the LoC, by showing that retaliation is both **swift and public**.

Figure 19: Strategic use of real-time combat footage is needed

Element	Strategic Use
Drone or Satellite Video	Shows precision and technological edge. Use after key operations.
Helmet Cam or UAV Feed	Humanizes soldiers, shows bravery, and suppresses enemy propaganda.
Before/After Strike Images	For objective proof and countering denials from Pakistan's ISPR.
Geo-tagged Evidence	Confirms activity across LoC or terror camps in PoK to international audiences.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

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Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.