

DEFENCE

Going great guns!

Baba Kalyani and Anil Ambani signal a new era by announcing big-ticket ventures at Aero India 2015

BY DNYANESH JATHAR



Boom with a view:

Baba Kalyani and son Amit atop the Kalyani Group's Bharat 52 artillery gun, which was designed and developed in India

Baba Kalyani's first tryst with the military dates back to his childhood. The chairman and managing director of Kalyani Group marvelled at artillery guns while studying at the King George's Royal Indian Military College (now Rashtriya Military School) in Belgaum, Karnataka.

Though he did not become a soldier, his ties with the armed forces have been strong. Many people, in fact, say Baba Kalyani played a crucial role in the 1999 Kargil war. As the Army turned in desperation to the old Bofors howitzers to pound Pakistani intruders out of their bunkers in vantage points, the defence ministry received an SOS message: urgent requirement of shells.

The ministry did not knock on Baba Kalyani's doors for help; a top official reportedly "barged" into his office in Pune. The Kalyani Group's flagship, Bharat Forge, took up the challenge. The automotive giant supplied more than one lakh shells within a short period.

Thus, there was hardly any element of surprise when the Kalyani Group recently announced its joint venture with Israel's Rafael Advanced Defence Systems. Sources in the defence manufacturing sector said they had been waiting for the big announcement.

"The partnership with Rafael is our endeavour to develop advanced missiles and remote weapon system capabilities within India," said Amit Kalyani, executive director of the Kalyani Group, which will hold 51 per cent in the JV.

Baba Kalyani said his group was in the forefront of the 'Make in India' campaign and he aimed at expanding the defence industry base in the country. "Our proposed

joint venture with Rafael is a step in this direction," he said.

'Make in India', in fact, has been part of the Kalyani Group's DNA. In the 1980s, the group stunned the Russians

by making road wheels for the T-72 tanks, when the Heavy Vehicles Factory (HVF), Avadi, undertook their indigenisation.

Road wheels are made of special aluminium alloys which need to be forged, heat treated, rubberised and assembled with various components. The Russians, who had partnered HVF, rejected the idea that such road wheels could be made in India. They felt Indian companies could not handle the complexities involved, especially as the process required a 60,000lb press (as used by the Russians). No Indian company had the facility back then.

The Kalyani Group, however, gave it a shot. Despite the fact that it had received no order, the group made a full tank set of 24 wheels, which were rubberised with Israeli technology. The set was 'gifted' to HVF.

The group's engineers used the available 25,000lb press by splitting the operation into three stages. When the wheels were put to test along with the Russian ones, they completed 5,000km, comfortably beating the Russian benchmark of 3,000km. Soon, the Kalyani Group became the preferred supplier of road wheels to HVF.

The Indian Gun programme, a major project of Kalyani Strategic Systems Ltd, is its key initiative in the field of artillery gun systems. Its Bharat 52 is the first 155mm 52-calibre gun being completely designed and developed in India.

The Indian company has also designed Garuda 105, an ultra-light field gun system that uses high-end soft recoil technology, which allows the gun to be operated from light vehicles.

Incidentally, KSSL is already into a JV with another Israeli company, Elbit Systems. The venture resulted in the production of BEAS, another 155mm gun.

The first manufacturing unit under the Kalyani-Rafael venture is likely to come up near Hyderabad, as the Spike missile system for the Army is being produced by Bharat Dynamics Ltd at a plant in Hyderabad. The new JV, reports say, will supply crucial com-



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ponents to the Spike project.

Another corporate giant, Anil Ambani, too, announced his group's defence sector debut through Reliance Defence & Aerospace.

Ambani, who reportedly wanted to set up a 5,000-acre defence smart city, said the Indian private sector could be trusted to play a vital role in India's defence upgradation.

"The road ahead is long," he told THE WEEK. "But with the leadership we have got, we have our best chance of success. To my mind, the model that will work is the DPSUs [defence public sector units], the DRDO [Defence Research & Development Organisation] and the private sector working together. We need to set up a sovereign defence fund—in a PPP model—in which the government holds 49 per cent and the private defence sector players make up the remaining, with no player contributing more than 5 per cent of the total."

The group plans to make a bid to supply nearly 500 helicopters to the Army

and the Navy. Reliance Defence will become a military helicopters manufacturer in the next five years, said Rajesh Dhingra, president of Reliance Defence & Aerospace.

Both of the announcements—by the Kalyani Group and Anil Ambani's group—came while the Aero India 2015 show was on in Bengaluru, where Indian corporates created a buzz.

The Federation of Indian Chambers of Commerce and Industry, in partnership with Centrum Capital, recently released a report which estimated the total defence budget allocation in the coming eight years to be \$620 billion. "Half of this... will be spent on capital expenditure. The annual opportunity for Indian companies is expected to reach 41 billion USD in size by FY2022," said the report.

Sudhakar Gande, chairman of FICCI Task Force on Aerospace and Air Defence, noted that there were more than 100 medium-scale companies with specific defence capabilities. The government should identify such companies and allocate funds to scale up their potential, he said.

Retired colonel Anil Athale said India should create a strong defence industry base, for only then would there be 'developed and made in India' products. "But the private industry has been reluctant to join in, with brave exceptions such as Godrej, the Walchand group, Kirloskar and L&T," he said. "One reason has been risk aversion. Tech development and R&D in the Indian private sector is a joke. The process has mostly been a window dressing for tax exemptions."

For more than a decade, Athale has been pitching for the creation of a wing like the American Defense Advanced Research Project Agency, which invites whacky ideas and funds them. "It is this high-risk approach that has enabled the US to be in the forefront of mil tech," he said. "We have an auditor's approach to R&D. We must be ready to accept nine failures out of ten. The one success will pay for it all." ●