

Private Big Guns to Soon Boom in Indian Defence

Bharat Forge & Punj Lloyd in race to make anti-aircraft guns

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New Delhi: Bharat Forge and Punj Lloyd have emerged as the only contenders for a ₹16,800-crore mega contract to replace the ageing anti-aircraft guns of the Indian Army.

With the defence ministry looking to go ahead with trials and field tests to pick the winner, the two private companies are set to compete for one of the largest army projects under the 'Make in India' programme.

The project — involving manufacturing of 1,102 air defence guns over the next 15 years to replace the vintage L70/ZU 23 that have

been in service for decades — promises to establish the winner of the contract as a major defence player in the private sector given that no state-run company, including the Ordnance Factory Board (OFB), is competing for the contract.

The two domestic companies were shortlisted after responses to a tender

Adding Firepower

₹16,800 cr
contract to
replace army's
anti-aircraft guns

Total requirement
of 1,102 guns
over 15 years

In first stage,
428 to be
procured in 5 yrs

Process of
selection
includes field
tests, quality
checks as well as
scrutiny of cos'
finances

Mega contract
also involves
churning out
several lakh rounds
of ammunition

**CONTRACT
COULD BE
FINALISED IN
2-3 YEARS**



were received under the 'Buy and Make (Indian)' category earlier this year, people familiar with the matter said.

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In the first stage, the manufacturer will have to supply the army with 428 guns over the next five years. The mega contract also involves churning out several lakh rounds of ammunition in India.

However, a long process lies ahead, including extensive field tests for accuracy and reliability, quality checks and scrutiny of the finances of the competitors. In the past, it has taken two-three years to select a winning bid in such contracts. This will be a pilot project under the Make in India programme for the army.

Bharat Forge has invested heavily in setting up a plant to manufacture artillery systems. The group has bought not only an artillery factory from Swiss firm RUAG and set it up in India but also purchased technology from an Austrian gun manufacturer to jump-start its entry into the defence manufacturing sector.

For Punj Lloyd, the project provides an opportunity to enter the major league of defence manufacturing, with top executives saying that the company's investment in a manufacturing facility at Malan-