

Thu, 17 May, 2018

## Odisha's Chandipur ITR bags silicon trophy

Balasore: Chandipur-based Integrated Test Range (ITR) bagged the Silicon Trophy-2016 as the top laboratory of India. The prestigious award for the year 2016 was presented to ITR for successful test-fire of missiles developed by the Defence Research & Development Organization (DRDO) using India's own technology.



Union Defence Minister Nirmala Sitharaman presented the Silicon Trophy to ITR Director Binay Kumar Das at National Technology Day and DRDO Awards Function held on May 14 in New Delhi. "It is a great achievement for Chandipur ITR to win the Silicon Trophy beating 52 laboratories in the country," Das was quoted by Odisha's leading

vernacular daily 'Sambad' as saying.

<http://odishasuntimes.com/odishas-chandipur-itr-bags-silicon-trophy/>

## TIMES OF INDIA

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## Three Chennai scientists win DRDO awards

*U Tejonmayam*

Three top scientists at Combat Vehicles Research and Development Establishment (CVRDE) in Chennai won DRDO awards for their contribution in the design and development of various systems now in service with the Indian Armed Forces. The awardees are CVRDE director P Sivakumar, YST Raju and S Pazhanikumar. The awards were presented by defence minister Nirmala Sitharaman at a function held in New Delhi on May 14, on the occasion of the National Technology Day.

Sivakumar won the Technology Leadership Award - 2017 for his contributions in the design and development of transmission systems for armoured vehicles. He was also involved in the design, development, manufacturing, test evaluation, user trails and technology transfer and induction of Arjun MBT Mk-I.

Sivakumar was instrumental for the design of the landing gear for Rustom-II UAV and development of various other systems. Raju won Scientist of the Year Award - 2016 for his contribution in the development of multi-disciplinary engineering subsystems of integrated fire control system for Arjun MBT Mk-II prototype, trails of MBT Mk-I, development of electric turret drive and gun drive hardware for futuristic AFVs and retractable landing gear for UAV Rustom-II. Pazhanikumar won Scientist of the Year Award - 2017 for his contributions in the design and development of Arjun ARRV project saving considerable cost and without compromising on the quality and functional requirement of the product.

<https://timesofindia.indiatimes.com/city/chennai/three-chennai-scientists-win-drdo-awards/articleshow/64192737.cms>

## moneycontrol

Thu, 17 May, 2018

## Defence industry may see spectacular growth after 2019 General Elections, says L&T's Jayant Patil

***The L&T Whole-Time Director expects capital spending, as part of the defence budget, to increase next year, resulting in higher project orders***

Jayant D Patil spearheaded L&T's foray into the defence industry in 1986, at a time few other private companies saw any promise in the heavily regulated industry. Patil, who joined the infrastructure heavy weight straight after passing out from IIT Mumbai in 1978, developed long-term relationships with the DRDO, and the Navy, among other defence establishments,.

The early start is now helping the engineering giant. In 13 years since its debut in the market, L&T has become the largest private defence company in the country, and is bigger than most of the government-owned defence enterprises. In an exclusive interview with Money control, Patil - Member of the Board & Whole-Time Director (Defence Business) at L&T - says that defence is one of the fastest growing businesses in the company. To reflect the growing importance of the vertical, the defence business is now an 'independent company.' And starting from this financial year, L&T will report the defence segment as a separate entity within its core businesses. "We have the entire infrastructure in place. We have all the initiatives put in place. We have the R&D centres," says Patil, adding that L&T is set for a spectacular growth. For that growth to happen though, the central government will have to increase the proportion of capital spending in the defence budget. Patil is hopeful of that happening after the 2019 General Elections.

*Excerpts from an interview:*

**The government has talked about developing capabilities domestically to reduce the dependence on imports. The Make in India campaign also focuses on the defence industry. Have you started seeing the difference?**

The focus is there. The government has started putting programs in a competitive basket. Earlier projects would either go to a foreign player, or to a PSU. But now, for instance look at Navy. Earlier, 92 per cent of the warships or submarine contracts by value have been placed with government owned shipyards. As of now, except of old decisions, the government plans to allow private sector to participate in all future shipbuilding programs on competitive basis. The issue is that things are not changing at the kind of pace what one would have hoped for and the quantum of money being allocated to enable new contracts. The current Budget allocations are just good enough to meet committed liabilities.

**Why is that?**

One should look at the budget allocation. Till 2014-15, 40 per cent of the defence budget would go into capital spending. Today, that has dropped to 20-25 per cent And that it because of the huge increase in revenue costs (salary and pension payments). That is something which the government did out of sheer respect for people who fought for the country. But the fact is that it has come at a huge cost for the future preparedness of Armed Forces. So money has become a constraint and allocations need to be enhanced.

**And that has led to the slow pace?**

Yes.

**Do you think the situation will be better after the General Elections in 2019?**

Yes, I believe that the reversal will possibly happen when the new Government comes around after the 2019 General Elections.

**What has the present situation meant for L&T's defence business?**

So we have a scenario today where this is a market which shows huge promise. And we keep getting orders as and when a PSU gets a big contract. The public enterprises buy from us because we have developed these products in partnership with Defence Research Organisation (DRDO). So the business continues in "business as usual" state, the growth comes in with us getting few contracts directly from MoD.

But the growth could have been truly spectacular had Make-in-India programs taken off in a big way. We have the entire infrastructure, technologies, products and capabilities already in place. We have all the initiatives proactively in place. We have the R&D centres, design centres, and innovation groups in place. Earlier we used to have one, but now we have four R&D / Basic Design Centres to serve the defence sector.

**What is your manufacturing presence?**

Today we operate from Powai (Mumbai), Hazira, Baroda, Pune, Coimbatore, Vishakapatnam, Katupalli, New Mumbai and Bengaluru, which is more of an R&D unit, but also has a small production facility for strategic electronics.

**Which is your largest segment?**

The largest segment today is the artillery and Naval segments. The smallest segment what we are operating today is the space, missiles, communication, which are individually worth about Rs 100-200 crore per year.

**What is the total order book now?**

I can't give you that number. But perhaps in another few months I can. From the 2019 financial year, we will be reporting defence business as a separate entity within the L&T core business. So wait for that. Although we have been operating defence business for three decades, we had created defence as a separate independent company (IC) as an entity, with its own board, in the FY 2018.

**A few reports last year said your order book was of about Rs 12-15k crore.**

Holistic if we look at it, we are bigger than that.

**So all the defence businesses will be brought under this IC?**

All the defence offerings are under this IC, except for very strategic construction programs.

**Could you give an idea of how big your defence business is?**

If I look at comparisons, HAL and BEL (Hindustan Aeronautics, which has revenue of about Rs 17,000 crore & Bharat Electronics, which has a revenue of about 10,000 crore, respectively) are larger than us. But we are slightly bigger than the other PSUs. You should remember, we were never allowed to produce until licensing began in 2002 and began getting direct orders from MoD only in 2005. In 2002, we got the first license. It's just been 16 years now.

**L&T forayed into defence even before that, with partnerships with DRDO and other defence establishments. How has the early start worked for you?**

Across the segments, we have built capabilities that are unmatched. Be it warships, submarines or weapon systems, today our portfolio and offerings are ahead of competition. No other company has a portfolio range and depth as that of L&T. We don't produce weapons as yet. But we make weapon launching systems and fire controls across the range. We can offer complete solution for an anti-submarine warfare, air-defence, land attack, or anti-ship warfare role to a warship. So, there is no domain in weapon programmes which L&T doesn't touch.

And because we have in-house capability, we have forged partnerships where we also bring in unique value. As a result, L&T has 250 MoUs and just 4 joint ventures (equity based) while we have preferred to engage in non-equity JVs / partnerships through joint development and joint production mode.

**Would you consider hiving off the defence business as a separate entity?**

No, it is and will stay as a part of core of Larsen & Toubro.

**But would you eventually list the business?**

I don't see that, not at least for the next decade or two. As for now, we are better off being part of the L&T core.

**Is the defence biz growing faster than the other parts in the L&T core?**

Percentage growth wise, I would say it's among the better growing ones. But the fact is that the scale today is smaller than many other construction & hydrocarbon businesses. So if I look at the entire portfolio of L&T, defence, smart world, power transmission and water are businesses growing faster than others in percentage terms.

<https://www.moneycontrol.com/news/business/defence-industry-may-see-spectacular-growth-after-2019-general-elections-says-lts-jayant-patil-2568781.html>