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DRDO, French company talks on Kaveri jet engine crash

DRDO found cost high; Safran struggling to fulfil its €580-million offsets obligation

By Manu Pubby

New Delhi: The plan to develop the indigenous Kaveri fighter jet engine as part of the Rafale offsets deal with the help of French technology is believed to have fallen through after the Indian side found the pricing prohibitive.

At least three people, who were part of the discussions, told ET that the project is now as good as over. The engine was supposed to power the indigenous Light Combat Aircraft (LCA) as well as future fighter jets.

The talks with French engine manufacturer Safran, which makes the engines and electronics for the Rafale fighters, seem to have hit a roadblock after it emerged in detailed studies that only a part of the offsets — just over €250 million — could be utilised for the project. Defence Research and Development Organisation would have had to provide the remaining €500 million, said sources.

Stalled Project

As per plan, DRDO had to invest **€500 million** in the project and use **€250 m** of offsets money

Discussions to rope in more offsets money into the project did not work out; cost found too high

Kaveri not to power next batch of Light Combat Aircraft (LCA) fighters

Unclear how French engine manufacturer Safran will now meet offsets obligations

ET has learnt that DRDO did not find this price reasonable and is no longer considering the upgraded Kaveri engine for the next batch of 83 LCAs to be made in India or the Mark2 version of the jet planned in the near future. The fighter jets are now likely to be powered by engines supplied by US' General Electric. DRDO has spent more than €240 million on the Kaveri project so far without success.

Four Years of Work Needed As per the Rafale contract, French companies have to invest 3.4 billion euros worth of offsets in India by 2023. Of these, Safran alone has to execute offsets in excess of 580 million euros. The company, sources said, is now struggling to fulfil its obligations.

Other firms undertaking offsets for the Rafale deal — Dassault, Thales and missile manufacturer MBDA — have already submitted detailed plans to execute their obligations and have commenced work with Indian partners.

Sources told ET that advanced talks on reviving the Kaveri engine took place between DRDO and the French manufacturer, which were followed by a detailed project assessment, which brought out that four years of work was needed to get the engine back on track.

As per the proposal being discussed, the Kaveri engine, which was more or less abandoned as a project in 2014 since it did not provide enough thrust for the fighter jets, was to be modified into a worldclass product with transfer of technology as well as manufacturing rights.

Engines are the most critical systems on fighter jets, and few nations have been able to master the technology to manufacture them. Rough estimates show that for a fleet of 200 LCAs in service, the cost of engines alone would be in excess of 25 billion euros over the lifecycle of the planes.

India has been struggling to develop its own combat jet engine despite efforts stretching over two decades. Efforts are also on to develop a graded down 'Ghatak' version of the Kaveri engine for use in the unmanned aerial combat vehicle being developed by India.

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