

'WE HAVE WON 12 OUT OF 14 VEHICLE TENDERS'

NITIN SETH, President-LCV & Defence at Ashok Leyland, in conversation with **NAVEED ANJUM**, talks about the range of Ashok Leyland's tie-ups and partnerships. He also talked about the plans of the company to foray into new domain from its core strength which is vehicle manufacturing



HEMANT RAWAT

What is your take on the new DPP?

Broadly I will say two things what we understand. I think they have halved upon the 40 per cent which is good for Indian companies. And if they talk about the Make in India programme as the way forward then it brings a lot of opportunity for the private players. They are talking about ease of doing business and time frame from trials to the final execution and the shortening of the time frame. The industry has been always talking about that. We should have trials to be shortened and also the encouragement on the FDI cap because a lot of foreign clients have apprehensions about FDI. The Government is actually making things happen. Obviously, everybody will say whether it's a reality in the making but let's give the government benefit on that. We all know that India is still the biggest importer of defence equipment and a lot of equipment has become obsolete. Therefore, if we are able to bring in modern technology and an Indian partner who helps to reduce cost... Also one thing which we have observed and which industry has been saying is that a lot of foreign companies which supply equipment do not actually support aftersales. So, you end up having a part availability problem in the next three years or five years. Something

which for example, like our Stallion which is there for 20 years: From Kanyakumari to Kargil, we never had one vehicle off road because of spare part issue. This is clearly a commitment which an Indian company can give. I think this will help if Make in India happens that means Indian companies will be in the forefront and therefore, they will ensure the value chain, the whole spare parts, the acquisition cost to everything is taken care of. It's a positive move.

Share some details about your partnership with Saab on short range missile...

Saab is bidding as a global tender for SRSAM. It is Short-Range Surface-to-Air Missile. Saab needed a partner in India for which they could have chosen a global vehicle but they wanted to partner with India, bring a vehicle onboard on which this missile can be mounted. So, they chose us as partner. We developed lot of integration equipment for Saab on our vehicle. The vehicle was taken to Sweden for trials and an Indian Army team went to Sweden to watch. Now the technical bid is over and qualified us technically ok. The government is yet to open the commercial bid and if Saab is declared as the L1 winner, then Saab and Ashok Leyland will walk away towards developing this in

India. The tender size was 100 vehicles. It was buy global and not a Make in India programme. But they still wanted an Indian partner.

Carrying on to this, you have tested it in Sweden. Is there any conditionality that the MoD has put in that you have to test it in Indian conditions?

Even I asked Saab, why in Sweden? Why not in India? Look, the government needs these firing ranges which I don't think we have. They wanted to fire these missiles and shoot down an aircraft. What I understand from Saab is that this is not available in India to test the SRSAM here.

Your venture with Lockheed Martin on Light Specialist Vehicle (LSV) and Light Armored Multipurpose (LAM) vehicle programmes...

As you are aware, this LSV and LAM has been a tender which is in the offing for the last seven or eight years and finally this tender got on table last year. It was Light Armoured Vehicles and Light Specialist Vehicles which the Army wanted. Rather than Ashok Leyland developing anything under the kind of specs which was on the table under this tender, it was very difficult for an Indian company to make from scratch to make this kind of a

vehicle. Also, the army trials are very rigorous and very treacherous and the kind of thing it goes through like in deserts, snow and all the different terrains, so we thought rather than doing everything on our own find a partner who can give you transfer of technology and also license. And Lockheed was a partner because the vehicle which we use is already in-service with the US Army. We modified the vehicle and got all the ToT from Lockheed and also the licenses. So, we can not only produce but can also export it. And even in India, we can speak to the paramilitary forces. Also, it is a known fact that very few US companies share their technology but Lockheed has been a very trusted partner that is why they have given us technology and also the license. It's a \$1 billion tender.

Let me give you a feedback, out of last 14 tenders which have come in India on vehicles, 12 have been won by Ashok Leyland.

Your global customers and defence export in terms of percentage...

Currently, we are only exporting vehicles to Africa and to Southeast Asia. We are a very large exporter of Stallion and other thing which we do is we even give vehicles to UN Peace Keeping Mission Forces in Africa. We have very good relationship with Kenya, Nigeria, Tanzania where all their defence forces have our vehicles in their fleet. Africa is a big market and similarly Thailand's Navy and Air Force use our vehicles. So, we see a very big market for countries which are like India.

Our defence export percentage is not much but it can grow.

Are you prospecting to enter any other domain apart from your core strength which is vehicle manufacturing?

Presently we are in the vehicle domain area and this is a question we are being asked whether we will move from vehicles and how far we will move from vehicles? See, we are not into naval, we are not in air force but we are in to army. But in army we are very much in the vehicle domain. Stallion, Super Stallion, ambulances...we have big orders of these vehicles. If we go beyond vehicles like into tanks and something else, I think that strategy call we need to take and for this we need some partner who will help us in this. So, we are evaluating but we will keep addressing the vehicle demand of the Indian forces for sure. But we will not go very far away from our core strength. So, don't expect Ashok Leyland to be seen



Ashok Leyland's Rhino 4x4 on display

HEMANT RAWAT

entering into an aircraft or naval domain. How much can we go from vehicles is something we are evaluating.

Are there any other tie-ups that you are now getting into apart from Saab and Lockheed Martin?

One of the tie-ups is Nexter-L&T and Ashok Leyland on the mounted gun tender which we are going to participate in. We are also participating with Tata Power in one of the aircraft gun tenders also. We are participating on tenders where we add some value, they add some value and then somebody else bids. But we are not bidding directly in any of these programmes. We are as a part of a consortium because we don't think we can make a gun. So, it's like let Nexter make a gun and we can support them on various things. So, on such programmes we are saying we are a consortium but not as a lead in any of the programmes.

Ashok Leyland's recent orders...

We have 825 ambulances, 400 is our 6/6s and 8/8s and we normally supply 2500 Stallion trucks every year to the Indian Army. We have done lot of tenders... one is with the DRDO for carrying their MRSAM missiles. The demo you must have seen at the DefExpo inaugural which was a bridge linked vehicle that was done on Ashok Leyland i.e, our R&D engineers. We won the tender and they are going to use our vehicle to lay the bridge which they demonstrated during the inaugural ceremony of DefExpo. Twelve out of 14 orders we have won.

On Stallion simulator programme...

As you are aware, Indian Army has a 70,000 Stallion fleet, the biggest anywhere in the world. We felt that the drivers are not getting trained before they start driving the Stallion and they are driving directly on Stallion. So, we spoke to Army to say that we have developed a simulator. We said, let drivers get trained in simulators which we can install across various army commands before the driver actually touches the vehicle and in the simulator all the conditions are possible like snow, hill and across various terrains. So, drivers will get all the simulations. In India, driving a Stallion is not easy like in Kargil where you are driving at 15,000 feet. You better be trained on a vehicle properly rather than getting directly into vehicle. So, this is one such programme where we have collaborated with Saab and we have jointly developed a simulator with Transfer of Technology to Ashok Leyland. And this is first of its kind in India.

Apart from these army orders, is there any interest being shown by the paramilitary forces as well?

Paramilitary... we are not addressing through the defence route. But in future, yes. If paramilitary start asking for such trucks we would be happy to supply to them as well. Like LSV & LAM can be one of the options but we are also making some bullet-proof vehicles on Stallion platform for the police and the paramilitary forces because of the Naxalite issue. So, we will be offering these vehicles to the paramilitary as well.