

Terror strikes bring to the fore shortage scare

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Images of ill-equipped security forces battling terrorists on Monday near Gurdaspur, again reminded planners that much of the military and most policemen face serious shortfalls of basic body armour.

The problem is especially acute for the army, with lakhs of soldiers exchanging bullets everyday with Pakistan on the hostile Line of Control (LoC), and with militants in Kashmir and the North-east.

During the last three years alone, 17 Indian jawans were killed on the LoC in 357 gun-battles with Pakistan, the defence ministry told parliament on March 13. Yet the army, paramilitary and police forces continue going into harm's way with outdated bulletproof jackets (BPJs), and helmets designed for motorcycle riding, not for the impact of a nine-millimetre bullet.

The difficulties of buying multi-role fighters and ultralight howitzers — such as astronomical prices, and negotiating technology transfer to build in India — do not hold back the purchase of BPJs and helmets, which are currently manufactured in India for discerning users like the German Army.

Yet the defence ministry told Parliament on July 21 that just two purchases are in the pipeline for the 1.2-million-strong army. One lot of 186,138 BPJs is under trials, while the purchase of another 50,000 BPJs is before a "technical evaluation committee". A visit to MKU, a medium-scale company in Kanpur, illustrates quality options that the government does not avail of. MKU supplies North Atlantic Treaty Organization (Nato) militaries, and can build 5,000 BPJs

and 25,000 helmets per month — one of the world's largest installed capacities. It is building 42,000 sets of body armour for Ecuador, 8,000 for Egypt and 16,000 for another West Asian country. It is supplying protective plates for the German Navy's F-125 frigate, and ballistic panels to protect fast interceptor craft (FICs) that a Sri Lankan shipyard, Solas Marine, is building for the Indian Navy. But MKU and its rivals in this field, companies like Tata Advanced Systems and SM Pulp, have received only token orders from the army, mostly from the Northern Command under local financial powers.

MKU, despite its modest annual turnover of ₹250 crore, is a multinational company. To obtain a world-class research & development (R&D) facility where live ammunition could be fired to test protection levels (Indian rules make this well-nigh impossible for a private company), MKU acquired a German company near Hamburg that is now MKU GmbH. Last year, MKU established a production facility in Ras-al-Khaimah, UAE. While manufacture is cheapest in its Kanpur facility, MKU supplies European customers from Germany and West Asian customers from Ras-al-Khaimah.

Says Manoj Gupta, the MKU chairman: "We are a medium-scale enterprise, but we spend six to eight per cent of our annual turnover on R&D."

This has provided MKU a major price advantage. While many rivals offer ready built products in response to tenders, MKU develops mix-and-match protection solutions, precisely meeting the tender requirement. This allows crucial savings in raw material — synthetic fibre produced in bulk by a handful of global giants — that

constitutes 70 per cent of production cost. Newly developed products then undergo ballistic testing in Germany with live bullets. With all this, MKU's first substantial army order is impending: a ₹300 crore contract for 158,000 helmets. In trials concluded last year, MKU's helmet was the only one to pass every test, says Gupta. A key problem that MKU faces is that Indian government buyers do not frame requirements precisely. Tenders usually demand either Level-III protection (against nine millimetre bullets) or Level IV protection (against a 7.62 millimetre armour piercing rifle bullet). However the Terminal Ballistics Research Laboratory, Chandigarh finds that the same Ordnance Factory ammunition has a velocity varying from 345 metres per second, to 790 metres per second. "With such a divergence, how can we offer a tailored product? The army would get the product it wants if it specifies precisely the velocity of the bullet it wants to protect against," says Gupta.

In the absence of domestic orders, MKU flourishes on export orders, which constitute 90 per cent of its revenues. This has protected the company against the sharp business cycles that have buffeted rivals more dependent on Indian orders. MKU executives suggest the defence and home ministries should place small orders, in a staggered manner, with multiple vendors, rather than a giant order with one company that would take years to deliver.

"Technology advances rapidly in this field. Specifications framed in 2015 would be outdated by 2017-18. So there should be small orders, placed annually, with improved specifications each year," suggests Gupta.