

# Defence PSUs say it's a 'slow, hard road' for startups

SPECIAL CORRESPONDENT

**BENGALURU:** Defence public sector units (DPSUs) are increasingly looking at Indian startups for small, low-cost military grade innovations to reduce imports. But they cannot guarantee them quick orders or big bucks in their highly quality-conscious niche.

This was the candid picture presented on Friday to newbie entrepreneurs by three city-based defence biggies: Bharat Electronics Ltd., Hindustan Aeronautics, and BEML. The road to success is slow and hard, Ajit Kalghatgi, BEL's Director of R&D, said at a seminar on the role of startups in defence. He said big PSUs need ideas that can become working military devices, and this can take at least three years. Novices entering defence electronics must brave stringent quality and reliability standards and upgrade constantly to stay in the race, he said.

BEL has initiated a plan of collaborative design with small companies and startups.

"You may not succeed in solving the country's problem of reducing imports [which stand at 65 per cent and include weapons, platforms and complex items]. But you can contribute with

the help of established players like DPSUs by adding value in the indigenisation of many things that are already fielded," Mr. Kalghatgi said. M.V. Gowtama, CMD of BEL, said the company has waived certain bidding norms for startups and will include them in its annual component-buying plan, currently worth around ₹2,000 crore. The amount could double in about three years when the company expects to increase its turnover to around ₹16,000 crore, he added.

The opportunities are in the government's plan to seal the north-western border — which needs millions of sensors, their connection, and analysis of their data.

HAL supplies aircraft to the Air Force and BEML manufactures

land equipment for the Army. R.H. Muralidhara, General Manager (Defence Production) of BEML, KGF complex, spoke of cost reduction after they indigenised their Army trucks. Can startups help BEML to reduce the weight of the trucks so that they can carry more equipment; or help them to monitor the tyre conditions better?

A. Selvaraj, General Manager (Indigenisation), HAL, said the PSU is also drafting a plan of collaboration in the design for its products. It has 310 items to be made in the country and a corpus of ₹350 crore for services and products, among them 3D-modelling solutions and materials development.



ILLUSTRATION: SEBASTIAN