

# Punj Lloyd latest defence co to sever ties with foreign player

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**New Delhi, Aug 19:** Punj Lloyd has become the latest in the line of Indian defence companies to distance itself from foreign players.

As first reported by *FE*, following in the footsteps of Mahindra Defence Systems, Punj Lloyd has severed its ties with Singapore Technologies Kinetics (ST Kinetics). The ST Kinetics is one of the companies blacklisted by the government in March 2012. A Punj Lloyd spokesperson told *FE*: "We now have no relationship with Singapore Technologies Kinetics."

In 2010, the company had told *FE* that it had inked an MoU with the company for transfer of technology (ToT)

to manufacture field howitzers of the 155mm/52cal category guns in India.

Punj Lloyd, an engineering, procurement, construction specialist, had signed a collaboration agreement with the Singapore-based company for manufacture of 400 pieces of the towed 155/52 artillery guns.

A blanket ban has been imposed on six national and international companies, including Israeli IMI, Corporation Defence of Russia and Singapore Technologies Kinetics and two Indian firms, for their alleged involvement in the multi-crore ordnance factory scam and they have been barred from further business dealings.

The Indian Army's ar-

tillery procurement and modernisation process have been jinxed ever since the Bofors scandal broke in the 1980s, with corruption allegations and delays becoming the norm.

Around 1,580 units are to be acquired at an approximate cost of \$1,800, of which 400 were to be purchased off the shelf and the rest 1,180, to be license-produced in India by the Ordnance Factory Board (OFB) after transfer of technology. Currently, guns from French company Nexter Systems 'Caesar' and Soltam, a subdivision of the Israeli Company Elbit Systems Elbit Soltam, are in contention as the UK-based BAE Systems had withdrawn from the trials earlier.