

R-Defence, German firm tie up to make munitions

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Anil Ambani's Reliance Defence (R-Defence) has tied up with Germany-based Diehl Defence to produce next-generation terminally guided munitions (TGM) for the Indian armed forces.

The partnership with Diehl will drive local production of the Vulcano 155 mm precision-guided munition system, R-Defence stated. As part of the agreement, R-Defence will establish a large, high-tech, greenfield, integrated ammunition and explosive manufacturing facility in Watad Industrial Area in Ratnagiri, Maharashtra.

As the prime contractor to the Indian armed forces, R-Defence will lead the execution of this high-impact programme, with Diehl Defence, a globally recognised leader in guided munition technology, providing critical technology and system-level expertise, it



said. "This strategic alliance not only accelerates the advancement of India's defence manufacturing capabilities, but also positions Reliance Defence as a pivotal player in the global defence supply chain," Ambani, founder and chairman of the Reliance Group, said.

In May, the company had tied up with another Germany-based defence firm, Rhein-

metall AG, to supply the explosives and propellants for medium- and large-calibre ammunition.

The facilities for the above-mentioned partnerships in Ratnagiri will be established with an investment of ₹5,000 crore over the next five years, a company source stated. R-Defence is aiming to start manufacturing in the next 18 months, as it has the land and

principal approvals for the plant in place.

The company aims to fund 30 per cent of the investment via equity and the other 70 per cent via debt. The equity is likely to come from the company's internal cash accruals, the source said. R-Defence aims to be amongst the country's top three private defence exporters in the next 12 to 24 months.

Mega plans

- R-Defence will establish a high-tech, greenfield, integrated ammunition and explosive plant in Maharashtra
- In May, the firm inked pact with another German company to make explosives and propellants
- Units for both projects to have an investment of ₹5,000 crore over the next five years
- Company plans to fund 30 per cent of the investment via equity and 70 per cent via debt

◀ Reliance Group chairman Anil Ambani (left) with Helmut Rauch, CEO, Diehl Defence

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