

JSW forays into defence sector

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Sajjan Jindal-owned JSW Group on Thursday became the latest conglomerate to enter the defence manufacturing sector space by acquiring a majority stake in Gecko Motors Private Ltd, an off-road vehicle company.

The company has secured an order of ₹250 crore from the Ministry of Defence to manufacture and supply 96 Specialist Mobility Vehicles (SMVs), branded as ATOR N1200. Post-acquisition, Gecko Motors will be renamed JSW Gecko Motors Pvt.

The company's larger defence business will be housed under JSW Defence. JSW Gecko is a subsidiary of JSW Defence.

The vehicles are currently manufactured at JSW Gecko's newly set-up manufacturing unit in Chandigarh and will be supplied to the armed forces by June this year. "At \$73.8 billion, India as a country has an extremely large defence budget. By 2030, the Indian defence budget is likely to grow to \$200 billion. The capital outlay forms a large part of the defence budget and it is here, we at JSW see a big opportunity," Parth Jindal, director of the JSW

THE BLUEPRINT

- ▶ Gecko transaction to give JSW group entry into defence
- ▶ Larger defence business will be housed under JSW Defence
- ▶ JSW Defence to be owned by JSW promoters directly

Group, said.

"As one of India's leading manufacturing groups we not only felt it was our duty to Make in India for India and the World but also see this as a very large opportunity with a significant market," Jindal added. The ATOR N1200 is an indigenised version of the SHERP N1200 amphibious extreme mobility vehicle, designed by UK-based Copato. Copato has entered into a joint venture agreement with JSW Defence and JSW Gecko along with a technology supply licence agreement for the manufacture of these vehicles in India. JSW Group's entry into the defence business reciprocates the government's confidence in providing impetus through the private sector's participation in building indigenous defence capabilities, Jindal explained.