

HT SUNDAY SPECIAL

Retd military brass find lucrative careers in growing defence sector

VEXED ISSUE While the plan to build local capacity in defence has opened up new professions for former personnel, it has also raised questions over their conflict of interest

Rahul Singh

■ rahul.singh@hindustantimes.com

NEW DELHI: The Make in India plan to build local capacity in defence has fuelled a trend of private companies hiring retired top military brass and tap their expertise to get a toehold in the arms bazaar.

While the development has opened new and greener pastures for defence personnel it has also raised questions over conflict of interest and propriety.

Recently, Rolta India Limited hired Lieutenant General KT Parnalk, a retired Northern Army commander, to head its defence business. To kick-start its new businesses, Reliance Defence and Aerospace (RDA) inducted a battery of retired three-star officers — Air Marshal M Matheswaran, president of aerospace business; Vice Admiral HS Malhi, group president of Reliance Defence and Engineering Ltd; Lieutenant General MS Buttar, president of land systems and Vice Admiral KN Sushil, president of submarine business.

A senior RDA executive said the officers were hired for their operational expertise and not for liaisoning.

Industry sources said the salaries range from ₹36 lakh per annum to ₹1 crore, depending on the profile of retired officers and the companies that hire them.

Retired officers are free to join defence companies after a year-long cooling-off period. The opinion is divided on whether this 'break' is sufficient to avoid



■ US aerospace giant Lockheed Martin has offered to manufacture its F-16 fighter jet in the country under Make in India which has generated more jobs for former military personnel. LOCKHEED MARTIN

a conflict-of-interest situation. In 2012, a Parliamentary panel suggested the cooling-off period be extended to five years to address concerns about top officials being hired by firms to influence decisions.

Air Vice Marshal AJS Walia (retd), now the regional executive (India and South Asia) of Sikorsky Aircraft Corporation, argues that top officers have manned sensitive positions in service and are aware of their responsibility to avoid conflict of interest.

"They come with decades of experience. They understand technology and how require-

ments change. Why should this talent be wasted on the golf course?" he said.

But some serving officers have called for stricter checks and balances to ensure the 'Lakshman Rekha' of propriety was not crossed. "There are pros and cons... Old contacts definitely should not be used to push business interests," said a senior officer on the condition of anonymity.

Industry leaders contend that preference for retired officers rests solely on their understanding of customers' requirement. "Firms hire them to communicate to the armed forces what they are all about and what they

GREENER PASTURES

- The Make in India initiative has spawned new opportunities for retired military officers
- Salaries of senior officers can range from ₹36 lakh to ₹1 crore per annum
- Industry players say they bring decades of experience to the table, understand the military's requirements
- Some say stricter checks and balances needed to keep conflict of interest at bay
- In 2012, a Parliamentary panel suggested cooling-off period for retired brigadiers and above be extended from one year to five years

bring to the table," said Ashok Atluri, managing director of Zen Technologies, an indigenous firm that manufactures simulators.

"There are many experts in the market to interpret the DPP. Retired brass only provides insights into what solutions may be liked by the customers," said the CEO of a top defence firm, adding that the defence procurement procedure (DPP) was transparent and left no room for outsiders to influence decisions.

Lieutenant General JS Bajwa (retd), editor of Indian Defence Review, concurs. "Gone are the days when people could influence decisions," Bajwa added.