

## Over the next 3 years, we plan to increase the share of defence equipment to around 30% of our sales portfolio

**B**EML has drawn road map to maximize geo-strategic reach, minimize import bill and increase domestic production capacity, Integration of innovation & research through Centers of Excellence to drive integrated R&D.

**DEEPAK KUMAR HOTA, CMD, BEML Limited** speaks with *BW Businessworld's Manish Kumar Jha*



**Q. BEML has achieved the highest ever net sales turnover of Rs. 3246 crs, for the year 2017-18. What is growth outcome? Which is the highest growing business segment within BEML?**

BEML registered an all time high net revenue of Rs.3246 Crs. for the financial year ended 31 March 2018 with an impressive growth of 30% over previous year. The Rail & Metro business which is the highest growing Business segment, registered a growth of 114% over the previous year and record production / sales of 244 Metro cars.

The Defence business posted a growth of 10% over the previous year despite constraints. The Defence Spare Parts business registered two-fold increase in revenue as compared to previous year.

Mining & Construction business registered growth of 11% over previous year. Profit before Tax stood at Rs.164 Crs which is the highest in the last seven years.

**Q. Could you specify on the growth trajectory of defence segment? Besides manufacturing the Trawl Assembly for T-72 tank, what are the major highlights in the defence category?**

The new products that have been developed in the recent past are the Arjun Armoured Repair and Recovery Vehicle and the Medium Bullet Proof Vehicle. Subsequent to the trials and user exploitation of these

two newly developed equipments, the production orders will be executed. The supply of Sarvatra Bridging System to MoD will add a substantial revenue to the defence business vertical.

BEML's defence business is venturing into new platforms viz., Combat Vehicle Segment, Mounted Gun Systems, Light / Medium Armoured Vehicles, Futuristic Infantry Combat Vehicles (FICVs) etc as listed below:

- Integration of Missiles from the current activity of manufacture of modules for Missiles.
- Overhauling of Armoured Recovery Vehicles and BEML Tatra vehicles.
- Manufacture of Bullet proof and Mine Protected Vehicles to meet the requirements of Armed forces and MHA.
- Manufacture of variants of Main Battle Tank to serve the needs of the Indian Army.
- Development of 1500 HP engine for Defence application
- As a part of future business prospective and to supplement the production of OFB, BEML is developing critical aggregates for battle tanks like Hull, Transmission, Engine, and other aggregates. Further, BEML has signed MoU with OFB for development of Mounted Gun Systems
- Focus on export of Defence equipments

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**Q. BEML is exporting worldwide. What is your total export output in terms of revenue? Could you share with us if BEML has set export target and new products, especially, in the defence sector?**

BEML has exported more than 1000 units of mining and construction equipment worth about US\$ 275 million to more than 68 countries of various continents. The notable international mining reference sites are in Zimbabwe, Indonesia & Thailand for Coal, Tunisia, Algeria, Morocco & Syria for Phosphate and Myanmar for Jade, apart from major companies mining Zinc, Aluminum, Copper, Iron ore, Coal in India. Repeat orders from customers from Syria, Tunisia, and Zimbabwe for its products are the testimony for its commendable performance.

We are in the process of augmenting its distributor network in Tunisia, Oman, Syria, Bangladesh, Myanmar, Angola, Ghana, Kenya, Nepal and Zimbabwe. BEML has exported Railway Products to Bangladesh and Sri Lanka through Ministry of Railways, Government of India.

BEML has plans to export the following new products in the area of Defence: High Mobility Vehicles, Air craft towing tractor, Armoured Personnel Carrier vehicles, Crash Fire Tender, Mine Ploughs, Backhoe Loader, Excavator, and Bulldozer

BEML has plans to reach an annual export target of Rs. 200 crs.

**Q. BEML has initiated projects to leverage Information Technology in various area of Cyber security systems, Video conferencing, etc. Could you please share some of the outcomes so far?**

BEML is working with Cyber Security Cell of MOD to formulate a cyber security improvement plan that will define our roadmap on Cyber Security. We are in the process of implementing "Air GAP", which will segregate our business network and internet facing network. This will be a big step towards reducing cyber security risks to our business applications. Plans are in place to improve cyber security posture by implementing 'Network Operations Center (NOC)' that will provide us better and up to date visibility of activities on our network. Security Operations Center (SOC) is the next step to further guard our information assets with a combination of people, processes and Technology.

Usage of IP Telephony is being contemplated to improve communication and reduce costs.

Video Conferencing facilities have been established at our headquarters and manufacturing complexes to conduct review meetings, interviews with both internal and external entities. We are increasing the footprint of VC facilities to our Regional & District offices to improve communication and reduce cost of travel.

BEML is also in the process of improving connect with Human Assets with the use of technology, 'BemlConnect', 'BemlFirst' are two such initiatives being launched. The technology team is also working with industry leaders in integrating the product design, planning,



Bridging the Military Movement - BEML - Sarvatra Bridging System

manufacturing and service processes and exploring the possibilities of adding AI enabled features in the product offerings. BEML is aligned with MOD on the need of AI in the products across the three verticals.

**Q. What is the future vision for BEML for the next 5 years?**

At present, BEML is a Rs. 3200 Cr. Company and has drawn a Road Map @ 25% growth Y-o-Y to achieve Rs. 8,000 Cr. of Turnover by 2022.

BEML has drawn road map to maximize geo-strategic reach, Minimize import bill and increase domestic production capacity, Integration of innovation & research through Centers of Excellence to drive integrated R&D, Collaboration among CPSEs on specific R&D projects and Leveraging technology platforms.

## Future Vision: Defence

- Manufacture of Armoured Recovery Vehicles .
- Support to Ordnance Factory Board in supply of aggregates for Tanks.
- Joint development of equipments with OFB for the Indian Army such as Mounted Gun System & FICV.
- Supply of upgraded BEML Tatra vehicles for Missile and Radar programmes of DPSUs and DRDO.
- Development and Manufacture of Mine Protected Vehicles, Wheeled Infantry Combat Vehicles and Medium Bullet Proof Vehicles under Make-in-India initiative.
- Development of Missile aggregates and assemblies.
- Overhauling of High Mobility Vehicles & Armoured Recovery Vehicles,
- Expansion in the aerospace sector to supply aircraft sub-assemblies, airborne structures, Ground Support Equipments etc. to global aerospace companies against offsets as well as manufacture under the Make-in -India programme.
- Development of 1500 HP engine for Defence application.