

# 'ECIL is keen to position itself as a supplier of strategic technology'

M. Somasekhara

Hyderabad, May 14

Electronics Corporation of India Ltd, the public sector electronics giant, has achieved a turnover of Rs 1,400 crore for the fiscal 2011-12. It has set its eyes on crossing Rs 2,000 crore in the next few years. It derives confidence from the current order book of Rs 2,300 crore and a range of strategic areas, where its expertise is in demand.

The Hyderabad-based PSU has set in place a modernisation plan, which will strengthen its capabilities and beef up production facilities. It should give us the necessary edge in the niche areas we intend to grow, says its Chairman and Managing Director, Mr Y.S. Mayya.

The over 50-year-old company enjoys a good brand recall for its EC TV and contributions to electronic hardware. However, it went through troubled times, before turning around at the turn of the century. Since 2001 it has been on a steady growth path. In an interview to *Business Line*, Mr Mayya explained some of the initiatives that he felt would make ECIL a strong and robust company, serving the needs of the country's electronics and strategic requirements. Excerpts:

**Over the years ECIL has transformed itself into a solutions provider, mostly hardware for the strategic sectors. While it provides both challenge and assured projects, doesn't it limit the company's rapid growth potential?**

Yes, the decision to shape ECIL into a company that can fill the demands of defence, space and atomic energy was



consciously taken in the interests of the country. Also, traditionally the company has nurtured the technological capabilities in electronics and strategic sector. We did make a mark in consumer electronics in the form of EC TV as well as in IT education.

Especially, after Pokhran in 1998, due to sanctions, India was under pressure to develop critical technology and hardware on its own. This fit well with the company's core competencies. In a way, the continuous flow of contracts from the strategic sectors, has ensured healthy growth.

**What is the business mix of ECIL as of now?**

At present, defence sector accounts for 50 per cent of our business. We have four business units. The Electronic Warfare and Communication Intelligence, artillery fuses; ground support systems for missiles and military radios. Next is security systems, especially information and cyber security, which contributes to 25 per cent. Nuclear business is around 15 per cent.

We want to consolidate in these sectors. One area, ECIL was strong; earlier it was telecom. We want to re-enter this

**By 2020, we intend to cross the**

**Rs 5,000-crore turnover mark**

**— Mr Y.S. Mayya, Chairman and Managing Director, Electronics Corporation of India**

space. Similarly, there is big scope in the National ID card project. We are setting up a facility in Tirupati in Andhra Pradesh to be prepared to take advantage of the opportunities in this huge national project.

**How well prepared is ECIL to take on multinational competition and accelerate its growth in the near future?**

ECIL was to position itself as a supplier of strategic technology to India. We want to create Indian products, made in India. We are in fact, working on two such products, which are close to hitting the market. The first is a router, which we have developed with the IIT, Bombay. The second is the PLC, which has application in satellite launches, nuclear plants and energy sector.

Our long-term aim is to become a global entity with strong technology strengths. In financial terms, by 2020, we intend to cross the Rs 5,000-crore-turnover mark. We have set the ball rolling and are quite confident.

**What is the modernisation plan that the company has put in place?**

Our plan is to upgrade technological, IT, HR and produc-

tion facilities. It will involve big recruitment as 200-300 people are retiring annually. We intend to take in at least 150 engineers every year. The Atomic Energy for example is setting up several facilities. Similarly, a carbon fibre manufacturing unit, expansion of radiation detection and instrumentation are on the anvil.

By 2015, the modernisation and expansion should be completed. The emphasis is on building core competencies and strengths in niche areas. During the 12<sup>th</sup> plan we have identified 10 projects, with an investment of around Rs 300 crore that will provide a strong technological base.

**How has ECIL fared on the exports front? What are the plans?**

Our focus is not on exports at present. The domestic demands are quite high. However, our electronic voting machine is being exported to countries like Bhutan and Nepal. Kenya, Nigeria and Ivory Coast have evinced interest. Similarly, the company has tendered for the electronic voter registration kits contract in Kenya recently.

However, the company is involved in at least two major global projects — the ITER project and the FAPR. In the €10 billion ITER projects, which is trying to create nuclear fusion, the ECIL will be supplying power converters. In the case of the Facility for anti-proton ion Research (FAPR), an accelerator coming up in Germany, the company will be supplying converters for the super conducting magnets. Both mega projects are expected to become operational around 2018.