

BUSINESS OPPORTUNITIES FOR SMEs WITH BDL

By: Sri P.K. Divakaran
Sri B. Shiva Gopal

Bharat Dynamics Limited is a Public Sector under the Ministry of Defence incorporated in the year 1970 to manufacture defence equipments for the Indian army. In the last 35 years, the company has progressed from a single -unit, single-product, single - customer to multi - unit, multi - product and multi - customer Organization. Our Organization became a Mini Ratna Category -1 in the year 2000. After being nominated as the Prime Production Agency for Missiles under Integrated Guided Missile Development Programme, major technology inputs came from DRDO and we also manufacture missiles developed by them. Under licence production, we manufacture Anti-tank Guided Missiles for Indian Army. With the experience gained in the manufacture of high technology products, we could manufacture defence related products by in-house D&E activities.

BDL is one of those industries operating at the cutting edge of technology making single shot strategic products like Missiles and Torpedoes. BDL caters to the Armed Forces of India whose requirements are very specific in terms of technology and quality. The customer is also very particular that there are no cost or time over runs in delivery of the products required by the Indian Nation. In this strategic business environment where there is competition from within the country and outside the country, BDL has been following a strategy where human and physical resources are applied in a manner that permits maximization of their capacity leading to the objectives of the Quality and Productivity.

The technology in the field in which BDL operates is galloping at very fast pace which poses challenge in Product Life Cycle Management and so BDL ensures enhancement of the value through application of value engineering to maximize corporate wealth within the constraints of customer priorities and core competencies.

In BDL, every individual operates within an umbrella concept covering customer orientations, zero defect, harmonious and effective labour relations, productivity improvement utilizing innovation and creativity and development of new products including up-gradation of those already in service.

BDL is an Aerospace Industry competing in an extra-ordinarily difficult business environment so as to keep pace with the changing product requirements and reduced financial outlays. The Company is working towards developing new markets, attracting and retaining skilled personnel and achieves realistic goals. BDL looks to the challenge of globalization in the Defence Sector by operating with the state-of-art technology and creating infrastructure where quality and reliability becomes the backbone of productivity.

BDL is looking to the export market with focus on Technology, Quality and Productivity. The growth of the Company depends on emphasis on these three pillars of an Aerospace industry operating, in a highly complex business environment.

Many of our products are with 90% indigenous raw materials, components and assemblies. Because of this, there are tremendous out-sourcing requirements of BDL. At present, we are having 12 ancillaries catering to our machining, welding and electrical wire harnessing requirements. Above all, we are at present, outsourcing critical components, electronic assemblies etc., to different SSI units (around 650 local units) in and around Hyderabad.

M/s. Bharat Dynamics Limited has been in the forefront of ancillarisation and out-sourcing to SMEs critical and non-critical activities. To quote a few of our initiatives, we had extended financial and technical help to entrepreneurs who have today grown as a big industrial house catering to all defence developments and productions. The details of out-sourcing projection and materials requirement, registration and selection procedures are enclosed for easy reference.

We believe, Ancillaries are our partners in growth and their prosperity is one of our goals.

P.K.DIVAKARAN
AGM (IMM)-BG
BDL, BHANUR,
MEDAK-502 305
PHONE: 040 23242918

B.SHIVA GOPAL
DGM (IMM)
BDL, KANCHANBAGH
PHONE - 24345959

OUTSOURCED AGENCIES

- BDL Ancillaries 12
- SSI & Private Sectors:
 - Local 650
 - Non Local 39

Details of Outsourcing (Rs. in Lakhs)

Source	2000 -01	2001 -02	2002 -03	2003 -04	2004 -05	2005 -06
Private Sectors & SSIs	2597	5697	5648	6009	8155	10,000

OUTSOURCED ITEMS

- Metallic
 - FERROUS
 - NON FERROUS
- Non metallic
- Ingredients
- Explosives
- Electrical and Electronics items
- Special Materials
- Processes
- METALLIC (Ferrous and Non ferrous)
 - Castings, Forgings, Sheet Metal Punching, Drawing, Flow forming, Fabrication, Welding, Machining
- NON-METALLIC
 - Moulding, Winding, Metallising, Punching, Inserted Moulding, Special machining

INGREDIENTS

- Paints, Primers, undercoats and varnishes
- Adhesives and glues
- Greases and Lub Oils
- Synthetic Dyes
- Potting and filling compounds
- Wires, Cables, Sleeves,
- Special type Papers, Threads, Kevlar fibers
- Ablative coatings
- Rubbers and Plastics

ELECTRICAL AND ELECTRONICS ITEMS

- MIL Grade / industrial grade components
- Transistors, Diodes, Relays and breakers, Transformers, Coils, IC, PCB,
- Resistors, Capacitors, Switches, Connectors, Terminal connectors, Memory devices & programmable devices
- Electro mechanical actuators, Photo diodes, sensors, Power transformers. Converters and Inverters.

SPECIAL MATERIALS

- Gold, Palladium, Silver, Thorium Tungsten, Molybdenum, Titanium Coated Components,
- Specific Items
- Thermal Batteries, Communication wire, Precision miniature bearings, Photo Array Diodes, Electronic Delay units, IR Lamp, Optical items, Radomes, Ablative/FRP Lining.

SALIENT FEATURES OF VENDOR SELECTION

- Regular periodic evaluation of vendors for performance of:
 - Quality
 - Quantity
 - Adherence to Supply schedule
- Tender Procedures adopted:
 - Proprietary/ single tender
 - Limited Tender (Minimum of 8 enquiries are sent)
 - Open tender

- Rate Contract (For recurring requirements)
- Annual Maintenance Contract (Performance Guarantees is essential)

QUALITY STANDARDS REQUIRED FROM SMEs

- Proven Track Record of Performance
- Bench Marking essentially required for
 - Availability of Manufacturing/test facilities
 - Financial status
 - Statutory requirement as details of incorporation, sales tax registration, PAN.
 - Accreditation with ISO / Govt. Inspectorate (DGQA...)/other PSUs
 - Qualification by Govt. Inspectors

VENDOR REGISTRATION /SELECTION PROCEDURE

- Periodic Press notification issued in National / local dailies
- Vendor assessment carried out through physical site visits/evaluation of prototypes/ first of sample.
- Equitable distribution of business to all registered vendors is aimed at.
- Critical & High Value items (over Rs 10 Lakhs) two Bid system is followed.

FOR REGISTRATION AS A VENDOR

- Visit us at <http://bdl.ap.nic.in> for information / requirements for registration as a vendor.
- Registration forms may be downloaded and addressed to:

Dy. Genl. Manager (Corporate Commercial),

M/s.Bharat Dynamics Ltd,

Kanchanbagh, Hyderabad 500 058.

Ph: 040 24342948

QUANTUM OF OUTSOURCING AVAILABLE

No.	Item	Variety	No.	Item	Variety
1.	Casting	10	8.	Special Materials	54
2.	Forging	8	9.	Chemical Ingredients	74
3.	Bar Stock	233	10.	Standard Items	193
4.	Springs	15	11.	Electronic Components	30
5.	Press Components	151	12.	Explosives, Igniters & Charges	30
6.	Plastics	70	13.	Wire Spool Wire	1
7.	Rubber	47			