

Displaying mettle

Samtel's interest in avionics propelled it to form an additional company, SDSL

The transition from manufacturing colour picture tubes to making displays for fighter and civil aircraft is huge. But Samtel Color Ltd has successfully made that transition and floated an additional company called Samtel Display Systems Limited (SDSL), which is a niche business for making multi-functional displays for cockpits of fighter aircraft and commercial airplanes.

Research and Development Organisation (DRDO) signed a contract with Samtel for making cockpit displays. That product got approval only in 2008.

"In 2006, we got into a joint venture (JV) with Hindustan Aeronautics Ltd (HAL) with an initial equity investment of Rs5 crore (Samtel has a 60 per cent stake and HAL has 40 per cent). This JV was made to indigenise cockpit

ranges from Rs10 lakh to Rs17 lakh, depending on the size of the display. Seven displays are used in every Sukhoi aircraft. SDSL has bagged an order for supplying MFDs for 13 aircraft. The first lot of displays have already been sent to HAL.

"The revenue that we are likely to earn from these 13 Sukhoi aircraft will be around Rs13 crore. In India, around 180 Sukhoi require displays and the market for this is worth Rs250 crore. Besides, we are also hoping to upgrade Mirage aircraft. India has 51 Mirages," says Kaura.

"The Indian helmet-mounted side display will be indigenously developed by Samtel and Thales through our JV. It is meant for fighter aircraft and is based on Thales' advanced and proven technologies. It ensures pilots safety, comfort and health and is suited for all Indian fighter aircraft," says Kaura.

For commercial aircraft too, SDSL is looking to upgrade displays in Airbus 320, 340 and 330 aircraft. Samtel has a 20-year contract with Thales for supply of displays for Airbus. The order has a potential value of Rs350 crore.

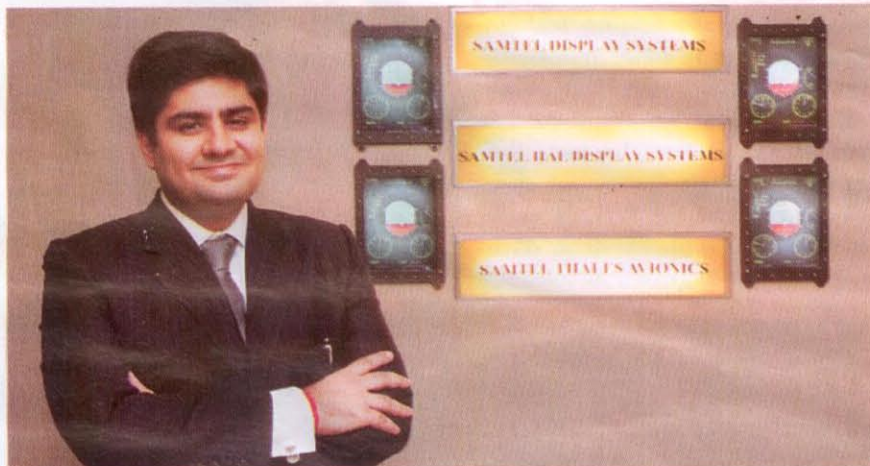
"We will design and manufacture global products to make the JV a part of the global supply chain. Samtel is a very good partner. It is all a question of confidence and we have the confidence that we are in for a long-term relationship," says Pierre-Eric Pommellet, CEO, Thales Aerospace.

SDSL will announce its first turnover by 2010-11 and is projecting a figure of Rs100 crore. In the next five years, it expects this figure to touch Rs600 crore.

"Given our strengths and commitment in displays, our JV relations with HAL and Thales, and our evolving relations with other global players in the domain, we expect that in the coming years, we will emerge as a leader in the avionics display segment in India," says Satish Kaura, CMD, Samtel Group, which posted a turnover of Rs1,200 crore for FY09.

Samtel's products are nearly 15 per cent cheaper and claim to be of better quality than that of its overseas competitors. The company aims to replace overseas vendors in India and increase its presence globally.

♦ YESHI SELI



Puneet Kaura: broadening vision

"Nearly eight years ago (2001), we acquired a facility in Ulm, Germany, which manufactured medical displays as well as military displays. We transferred the medical display system to India and concentrated on manufacturing helmet-mounted displays (where the pilot can see the display on the visor of the helmet) for fighter aircraft in the US Air Force. We acquired this from Thales, which is now one of our major partners in India," says Puneet Kaura, executive director, SDSL. The turnover of the facility in Germany is Rs50 crore at present.

It was with this acquisition in Germany that Samtel got interested in avionics and it led to the formation of SDSL. Besides, in 2001, the Indian defence sector was opening up to the private sector and Samtel grabbed this opportunity. In 2004, the Defence

displays in India. There were three types of displays we were looking at: head-down displays, head-up displays and helmet-mounted side displays," says J.K. Dudani, CEO, Samtel HAL Display Systems Ltd.

Aiming global

The Samtel-HAL JV will synergise the core competencies of the two organisations in becoming a globally competitive business entity. "We are committed to leveraging our joint strengths in encouraging and fostering Indian ambitions to be a key player in the world aviation scenario of the next decade," says Ashok Nayak, chairman, HAL.

Meanwhile, Samtel has rolled out its first batch of multi-functional displays (MFD) for the cockpit of Sukhoi aircraft for HAL. The price of the MFD