



TAURUS

**DEFENCE TECHNOLOGIES
PVT LTD**

BUSINESS PLAN

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OUR VISION

To become the largest independent supplier of Robotic products such as UGV's, UAV's, AUV's, etc., wholly dedicated to serving customers in the defence, public safety, institutions, energy and industrial markets worldwide.

OUR MISSION

To become a pioneer in the field of Defence Robotics, to reduce the technological gap between India and other technologically advanced nations by continuously developing the best, innovative & sustainable products for the Indian Defence.

THE INDIAN DEFENCE INDUSTRY - OVERVIEW

India has the third largest military in the world and is the sixth biggest defence spender. India is also one of the largest importers of conventional defence equipment and spends around 30% of its total defence budget on capital acquisitions. The allocation of Defence in the India's union budget is approx. USD 34.53 billion and 60% of defence related requirements are met by imports which offers a huge opportunity for import substitution.

The '**Make in India**' initiative by the Government is focusing its efforts on increasing indigenous defence manufacturing and becoming self-reliant. The opening up of the defence sector for **private sector** participation is helping foreign original equipment manufacturers (OEMs) enter into strategic partnerships with Indian companies and leverage opportunities in the domestic market as well as global markets.

India's focus on indigenous manufacturing in the defence space is paying off as the Ministry of Defence over the last two years unveiled several products manufactured in India like the HAL Tejas Light Combat Aircraft, the composites Sonar dome, a Portable Telemedicine System (PDF) for Armed Forces, Penetration-cum-Blast (PCB) and Thermobaric (TB) ammunition specifically designed for Arjun tanks, a heavyweight torpedo called Varunastra manufactured with 95% locally sourced parts and medium range surface to air missiles (MSRAM).

The Defence Acquisition Council (DAC) under Ministry of Defence, cleared defence deals worth more than **INR 82,000 crore** under 'Buy and Make (Indian)' and 'Buy Indian' category. The deals include the procurement of Light Combat Aircraft (LCA), T-90 Tanks, **Mini-Unmanned Aerial Vehicles (UAV)** & light combat helicopters.



THE CHALLENGE

- 70% of the defence budget is spent on acquisition.
- The cost of adopting Robotic technology is very high due to the cost of procuring imported hardware components as well as training personnel. As Robotics is a multidisciplinary field, acquiring and retaining quality talent is a big issue.

The technological advancements and developments in India's immediate neighbourhood (Pakistan & China) over the past decade have led India to take a close look at its foreign and security policies. There is a widely-sensed need for the rapid modernisation of the Indian armed forces, which is being evident from the continuous key initiatives taken by the Indian government so far (such as Make in India initiative, IDDM, etc.), in-order to address to the complex security challenges that emanate from its hostile neighbourhood.

The Indian defence industry suffers from major policy, structural, and cultural challenges that beset a military industrial complex that continues to struggle in terms of delivering modern defence hardware that could have added to the greater Indian defence indigenisation and production. As India's defence requirements are likely to increase in the foreseeable future because of the dynamic security environment, indigenous development of modern defence hardware and technology is likely to remain a top priority.

As India is an aspiring great power, its ability to acquire autarky and self-sufficiency in terms of development of advanced defence hardware and technology to fulfil the requirements of its armed forces would be crucial to address to its national security concerns.

India today faces the most complex threats and challenges that range from nuclear to sub-conventional spectrum of conflict. India's defence industry, however, has failed to manage India's defence requirements as of today. Being one of the largest arms importer in the world, indigenous production of technology is one area where India continues to struggle.

Articulating India's Defence Needs and Requirements

India's defence requirements are likely to be influenced especially by the external factors such as the threats that emanate from two of its primary adversaries i.e. Pakistan and China.

Given India's current deficiencies in the armed forces, there is an imperative for India to focus on development of advanced and sophisticated weapons system for various platforms of combat i.e. land, sea, and air, and ensure necessary integration within the services of the armed forces as well as intelligence organisations to ensure an effective and a viable response to the threats that emanate in the immediate regional security environment.

Issues in India's Defence Modernisation

India faces a whole range of complex challenges in its defence modernisation aspirations, which are aimed at containing the threats that it perceives to be having severe implications for its national security. As India is one of the largest importers of arms in the world, its over-dependency over other countries for sophisticated weapons system for the services of the armed forces is likely to negatively affect India's aspirations of becoming a great power as it is widely believed that great powers are supposed to have great arms industries. The challenges that India's defence industry today faces in terms of producing and procuring advanced weapons system to fulfil the requirements of the services of the armed forces are immense, which need critical examination.

Self-Reliance and Enduring Challenges

India's defence industrial policy during the initial years of its independence was guided by the phrase 'self-sufficiency'. This was subsequently modified to 'self-reliance' in defence production, and now it has long been a fundamental goal of indigenous armaments production in India. However, India's heavy dependence on arms imports has been a matter of concern for parliamentarians, oversight agencies, policy makers, and defence analysts.

There is an urgent need for the government to focus on indigenous production of defence hardware and technology by carefully articulating long-term strategic plans to augment India's military power. As India is a rising power with a huge economic base, India has to look beyond the buyer-seller relationship that had almost become a feature of its defence industrial policy, and should instead develop means to produce advanced weapons system and defence technology indigenously.

OPPORTUNITIES

The Indian government is encouraging indigenous manufacturing of defence equipment through the following initiatives:

- 'MAKE' Procedure- For reducing the risk for research done for defence.
 - Make-I (Government Funded): 90% of the estimated cost of prototype development phase will be borne by the MoD, and 10% will be borne by the selected Development Agency/ies(DAs).
 - Make-II (Industry Funded): No funding by the MoD. However, there is an assurance of Orders after successful prototype development.
- Indigenously Designed, Developed and Manufactured
 - Buy Indian —IDDM (Indigenously Designed, Developed and Manufactured) introduced to encourage indigenous design, development and manufacturing of defence equipment.
 - Preference to 'Buy (Indian-IDDM)', 'Buy (Indian)' and 'Buy and Make (Indian)' over 'Buy (Global)' categories of capital acquisition.
 - This category refers to procurement from Indian vendors of products that are indigenously designed, developed and manufactured, and have at least 40% indigenous content. If the product is not designed and developed indigenously, it will have to have 60% indigenous content.
- 100% FDI Policy
 - 100% FDI in defence sector: Up to 49% under automatic route; FDI above 49%, through Government route where it is likely to result in access to modern technology.
 - A lock-in period of three years on equity transfer has been done-away with in FDI for defence.
- Provision for Maintenance TOT (Transfer of Technology) to Indian Industry partners.

➤ Tax Incentives

- R&D Incentives – Industry/private sponsored research programmes.
- A weighted tax deduction is given under Section 35 (2AA) of the Income Tax Act.
- A weighted deduction of 200% is granted to assess for any sums paid to a national laboratory, university or institute of technology, or specified persons with a specific direction that the said sum would be used for scientific research within a programme approved by the prescribed authority.
- For companies engaged in the manufacture of an in-house R&D centre, a weighted tax deduction of 200% under Section 35 (2AB) of the Income Tax Act for both capital and revenue expenditure incurred on scientific research and development. Expenditure on land and buildings are not eligible for deduction.

➤ State Incentives:

- Apart from the above, each state in India offers additional incentives for industrial projects.
- Incentives are in areas like subsidised land cost, relaxation in stamp duty exemption on sale/lease of land, power tariff incentives, concessional rates of interest on loans, investment subsidies/tax incentives, backward areas subsidies, special incentive packages for mega projects.

➤ Export Incentives:

- Export promotion capital goods scheme.
- Duty remission scheme.
- Focus product scheme, special focus product scheme, focus market scheme.
- Incentives as per 'merchandise Exports from India Scheme (MEIS)' under new Foreign Trade Policy.

SOLUTION

Our solution is to provide a sustainable platform for research and development of the robotics and unmanned vehicles with constant and frequent updating in technology, for the Indian defence sector. The company would integrate the related researches from the top universities and hiring the person involved in doing that research for this purpose. We are initiating this process starting with our own university (SRM University). We have planned to provide sequential and subsequent solution through a variety of products for serving different purposes. Our first proposed product is Unmanned Ground Vehicle.

PRODUCT- UNMANNED GROUND VEHICLE (UGV):

An unmanned ground vehicle (UGV) is a vehicle that operates while in contact with the ground and without an onboard human presence. UGVs can be used for many applications where it may be inconvenient, dangerous, or impossible to have a human operator present. Generally, our vehicle will have a set of sensors to observe the environment, and will either autonomously make decisions about its behaviour or pass the information to a human operator at a different location who will control the vehicle through teleoperation. Unmanned robotics are being actively developed for both civilian and military use to perform a variety of dull, dirty, and dangerous activities.

Our UGVs are radio controlled vehicle being controlled by a human pilot (sometimes called the operator). Our product is a more sophisticated version to be built-in control and/or guidance systems to perform combat operations. We are also targeting to make the UGVs autonomous in the future.

Some of its applications that includes,

- **Target and decoy** - providing ground and aerial gunnery a target that simulates an enemy aircraft or missile
- **Reconnaissance** - providing battlefield intelligence
- **Combat** - providing attack capability for high-risk missions (UCGV)

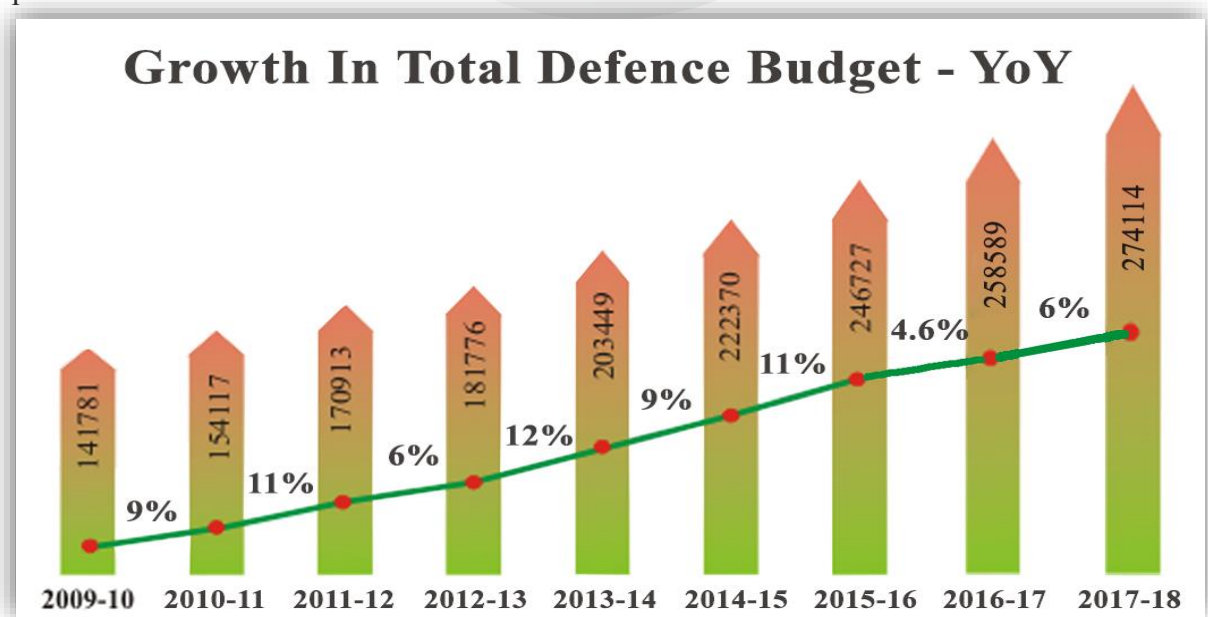
Features:

- **Sensor fusion:** Combining information from different sensors for use on board the vehicle
- **Communications:** Handling communication and coordination between multiple agents in the presence of incomplete and imperfect information
- **Motion planning (also called Path planning):** Determining an optimal path for vehicle to go while meeting certain objectives and constraints, such as obstacles
- **Route Generation:** Determining an optimal control manoeuvre to take to follow a given path or to go from one location to another
- **Task Allocation and Scheduling:** Determining the optimal distribution of tasks amongst a group of agents.

THE MARKET

The Target Market of our start-up is the **Indian Defence Industry** which is one of the most strategically important sectors of India. It has the world's 3rd military force and stands 6th as overall defence sector in the world. Each year, the industry attracts a huge investment over it and claims a large share from the Indian government budget. The Indian defence sector witnesses a constant growth year after year. Each year there is a minimum of 5% growth in the budget allotment for the industry. For the year 2017-18, **Rs.2,74,114** crores is allocated for the Defence industry by the Indian government. This is a clear 6% increase from the previous year's allocation of Rs.2,58,589 crores. Out of this, a fixed amount of 6% of the total defence budget is spent for R&D and this year, the budget features Rs.7000Crores allotment for capital acquisitions from private sectors.

The market for Defence Robotics has a wide scope not only in India but also in the global market. There is a high demand for innovative defence robotics products in many countries such as Sri Lanka, Bhutan, Bangladesh, Vietnam, etc. which looks forward for a rapid development in its defence industry. The governments of various countries spend a huge amount on acquisition of such defence robotics products. Though there is a high demand for such products, there are only a few market players available to supply the products. For example, a simple bomb detection robot named packbot was manufactured by IRobot, a US company in the year 2010. Each unit was priced about \$100,000 - \$200,000. Though it had a huge price tag, about 2000 Units were acquired and deployed in Iraq and Afghanistan by the US army. About 30 Units were purchased by the Brazil government to patrol during the 2014 FIFA World Cup. This makes it evident on the need for such defence robotic products and the readiness by the International government to pay a huge sum of money to acquire such products to meet their needs and demand.



COMPETITION

The Indian government has just opened the gates for private sectors to get into defence manufacturing. This provides a huge opportunity for new start-ups like us, to get into defence manufacturing and thus to become a pioneer in manufacturing defence robotic products in India for the Indian Defence. Apart from this, robotics by itself is a specialised field which attracts less competitors into business as it requires advanced engineering knowledges and practices. All these factors makes it evident that there is considerably lesser probability of Indian Private companies getting into competition.

India being a import dependant country at present, the existing competition to our start-up arises from the foreign companies that are capable of supplying the same product as similar to ours. But, this could be easily tackled by the IDDM policy of the Indian government to provide preference to Indian manufactures and companies in product acquisition over foreign manufacturers.

Moreover, Robotics is a field in which it is always the pioneer companies which becomes the market leaders than the new coming market penetrators, since the pioneers concentrates on the future technology development while the penetrators work to cope up with the existing technology of the pioneer companies.

Hence it is more likely for our start-up to become the market leader and the largest supplier of defence robotic products to the Indian defence sector by starting the business as a pioneer in the industry.

TRACTION & VALIDATION

S.NO.	Validation Type	Validating Personnel/Organization
1.	Concept/Idea Validation	Defence Strategic Industries Association of India (DISA).
2.	Business Validation	Mr. Amandeep Singh, Defence Procurement General, Ashok Leyland.
3.	Technical Validation	Department of Mechatronics Engineering, SRM University
4.	Financial Validation	Dr. Ravi Thodla, SRM University.
5.	Industry Support	Combat Vehicle Research & Development Establishment- CVRDE, AVADI, Chennai.

The Start-Up receives the combined support and validation from some of the highly influential personnel, institutions, defence agents, government and the Indian defence industry. This guaranteed assurance to support our start-up provides an additional strong backup for our start-up, both in-terms of business as well as technology. A **research tie-up** with CVRDE seems promising soon after the commencement of our start-up to take up and work on combined research projects. **Dr. Sivakumar, Director of CVRDE** has also agreed upon to provide an extended support to utilize the lab facilities for our product research and to help by provide guidance through the robotics department of CVRDE. Our product concept has been validated by the Defence Strategic Industries Association of India-DISA, which is responsible to provide a bridge between our start-up and the Indian defence industry on product procurement. DISA, which is a defence agent setup by the government, offers to provide a complete incubation to our start-up to comply with the business as well as product standards of the Indian defence sector.

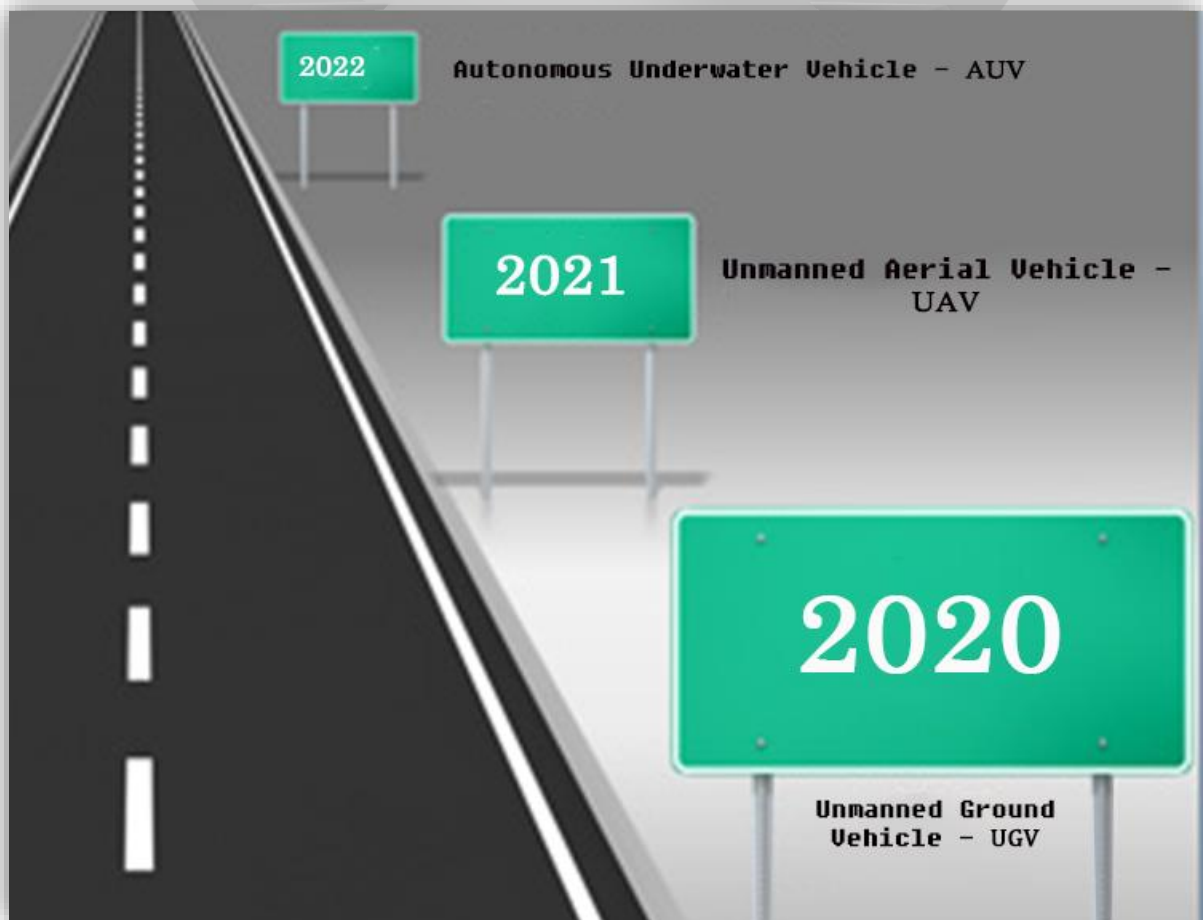
OUR APPROACH

S.No.	Process	Timeline
1.	Investment	June 2017
2.	Start-Up registration and office setup	July 2017
3.	Recruitment of Student Interns from official tech teams of SRM	August 2017
4.	Intensive Research on UGV and development in accordance to the requirements from Defence and Strategic Industries Association of India.	September 2017-September 2019
5.	Purchase of Land, Construction of Office Building, Plant and Machinery Set-up, Purchase of Supporting Equipment, etc.	September 2017-September 2019
6.	Prototype Development and testing	January 2019
7.	Commencement of production on successful approval and order confirmation from the Govt. of India.	January 2020



PRODUCT ROADMAP

S.No	Year	Product
1.	2020	UGV
2.	2021	UAV
3.	2022	AUV



FINANCIALS

TOTAL PROJECT COST:

Total Investment Requirement	Amount
<u>Capital Requirements for the Start-Up</u>	
Total Setting Up Cost	₹ 23,84,92,000.00
Financial Requirements for first 3Years.	₹ 8,05,10,000.00
Total Capital Requirements	₹ 31,90,02,000.00
<u>Grant from Govt. of India (Return of R&D Expenses)</u>	
MAKE 1 Scheme	₹ 10,00,00,000.00
MAKE 2 Scheme	₹ 3,00,00,000.00
Andhra State Govt. Subsidy (80% Land & Building)	₹ 10,00,00,000.00
Grant from State Govt. (10% Expected)	₹ 3,19,02,000.00
Total Project Cost	Rs.31.90 Crores

The Capital Investment required for the Start-Up is estimated to be Rs.31.90Crores. However, the R&D and tax expenditure of the start-up will be claimed as a reimbursement by the government of India, under the MAKE scheme and through state incentives.

PHASE WISE FUND REQUIREMENT

Phases of Funds					
Year	Period	Work	Fund	Fund/Year	Total Fund
1	Q1	Registration, Recruitment	₹ 30,00,000.00	₹ 3,72,40,000.00	₹ 31,91,02,000.00
	Q2	Preliminary and pre-operative expenses (1)	₹ 70,00,000.00		
	Q3	Research, Recruitment	₹ 43,40,000.00		
	Q4	Proof of concept, Rec, Other miscellaneous	₹ 2,30,00,000.00		
2	H1	Recruitment, R&D	₹ 1,31,80,000.00	₹ 11,07,80,000.00	
		Setting up, Preliminary and Pre-operative (2)	₹ 5,30,00,000.00		
	H2	Employer training and travel	₹ 1,46,00,000.00		
		Product Prototype, admin and factory plant	₹ 3,00,00,000.00		
3	-	SET UP	₹ 7,50,00,000.00	₹ 17,09,82,000.00	
		Recruitments and salaries	₹ 2,19,30,000.00		
		Scaling and expansion	₹ 50,00,000.00		
		Production Planning	₹ 6,90,52,000.00		

Phase 1: ₹ 3,72,40,000.00

Phase 2: ₹ 11,07,80,000.00

Phase 3: ₹ 17,09,82,000.00

Flexible Budget: (From Commencement of Production)

Year 1:

Year 1 (2020)				
Product	UGV			
Selling Price Per Unit	20Lakhs			
Sales (in units)	Rs. In Lakhs			
	250	500	750	1000
Revenue	5000	10000	15000	20000
Less: Fixed Cost				
Direct Material (30%)	975	1950	2925	3900
Direct Labour (15%)	487.5	975	1462.5	1950
Factory Overhead (20%)	650	1300	1950	2600
Office Overhead (10%)	325	650	975	1300
Selling & Distribution (25%)	812.5	1625	2437.5	3250
Total Fixed Cost	1423.5	2847	4270.5	5694
Variable Cost				
In-Direct Material (30%)	975	1950	2925	3900
In-Direct Labour (68% of Direct)	331.5	663	994.5	1326
Factory Overhead (30% of Fixed)	195	390	585	780
Selling Overhead (40% of Fixed)	325	650	975	1300
Total Variable Cost	1826.5	3653	5479.5	7306
Total Cost of Sales (Fixed+Variable)	3250	6500	9750	13000
Profit (Revenue-cost of sales)	1750	3500	5250	7000

On the first year of production, the total sales revenue for different amount of sales unit of UGV, priced Rs.20 Lakhs per unit is given above. The Profit is estimated to be 17.5,35,52.50 & 70 Crores for the sales of 250,500,750 and 1000 units respectively.

Flexible Budget: (From Commencement of Production)

Year 2:

Year 2 (2021)				
Product	UGV			
Selling Price Per Unit	20Lakhs			
	Rs. In Lakhs			
Sales (in units)	250	500	750	1000
Revenue	5000	10000	15000	20000
Total Fixed Cost	1402.5	2805	4207.5	5610
Total Variable Cost	1597.5	3195	4792.5	6390
Total Cost of Sales	3000	6000	9000	12000
Profit (Revenue-cost of sales)	2000	4000	6000	8000
Year 1 (2021)				
Product	UAV			
Selling Price Per Unit	38Lakhs			
	Rs. In Lakhs			
Sales (in units)	250	500	750	1000
Revenue	9500	19000	28500	38000
Total Fixed Cost	2704.7	5409.3	8114	10819
Total Variable Cost	3470.4	6940.7	10411	13881
Total Cost of Sales	6175	12350	18525	24700
Profit (Revenue-cost of sales)	3325	6650	9975	13300

The flexible budget for the second year is made as a combined budget of the existing product under production (UGV) and new product introduced for production (UAV). Hence the total profit for the second year from the commencement of production of the start-up is the sum of profit of the individual products.

Flexible Budget: (From Commencement of Production)

Year 3:

Year 3 (2022)				
Product	UGV			
Selling Price Per Unit	20Lakhs			
Sales (in units)	Rs. In Lakhs			
	250	500	750	1000
Revenue	5000	10000	15000	20000
Total Fixed Cost	1204.5	2409	3613.5	4818
Total Variable Cost	1545.5	3091	4636.5	6182
Total Cost of Sales	2750	5500	8250	11000
Profit (Revenue-cost of sales)	2250	4500	6750	9000
Year 2 (2022)				
Product	UAV			
Selling Price Per Unit	38Lakhs			
Sales (in units)	Rs. In Lakhs			
	250	500	750	1000
Revenue	9500	19000	28500	38000
Total Fixed Cost	2664.8	5329.5	7994.3	10659
Total Variable Cost	3035.3	6070.5	9105.8	12141
Total Cost of Sales	5700	11400	17100	22800
Profit (Revenue-cost of sales)	3800	7600	11400	15200
Year 1 (2022)				
Product	AUV			
Selling Price Per Unit	22Lakhs			
Sales (in units)	Rs. In Lakhs			
	250	500	750	1000
Revenue	5500	11000	16500	22000
Total Fixed Cost	1565.9	3131.7	4697.6	6263.4
Total Variable Cost	2009.2	4018.3	6027.5	8036.6
Total Cost of Sales	3575	7150	10725	14300
Profit (Revenue-cost of sales)	1925	3850	5775	7700

The flexible budget for the third year is a combined budget of the existing products under production (UGV & UAV) and new product introduced for production (AUV). Hence the total profit for the third year from the commencement of production of the start-up is the sum of profit of the individual products.

BALANCE SHEET:

Projected Balance Sheet		(Rs. In Lakhs)		
Particulars	1st Year	2nd Year	3rd Year	
A. Fixed Assets:				
Gross Block	1582.45	1424.34	1266.23	
Less: Depreciation (10% Building + 25% equipments)	158.11	158.11	158.11	
Total Fixed Assets	1424.34	1266.23	1108.12	
B. Current Assets:				
1. Inventory (Total Cost of Sales/12)	1083.33	3058.33	4008.33	
Raw Material	180.56	509.72	668.06	
Work in Progress	180.56	509.72	668.06	
Finished Goods	722.22	2038.89	2672.22	
2. Receivables (Sales*(120/360))	6666.67	19333.33	26666.67	
3. Cash and cash equivalents (CoS*20%)	2600.00	7340	9620	
Total Current Assets	10350.00	29731.66	40295.00	
C. Current Liabilities:				
Working Capital Loan	0.00	0.00	0.00	
Supplier Credit (Raw Material/6)	30.09	84.95	111.34	
Total Current Liability	30.09	84.95	111.34	
D. Net Working Capital (D = B - C)	10319.90	29646.71	40183.66	
E. Net Operating Assets (E = A + D)	11744.24	30912.93	41291.78	
H. Share Holders Fund				
Equity @ Phase Value	1000.00	1000.00	1000.00	
Reserves and Surplus				
Security Premium	200.00	200.00	200.00	
Profit and Loss	7000.00	21300.00	31900.00	
I. Share Holders Fund	8200.00	22500.00	33100.00	
J. Cash	-944.24	-1072.93	1428.23	

The Balance Sheet gives a clear picture that the positive movement and enormous growth of the company year after year. By the third year from the commencement of productions, the balance sheet tends to eliminate any type of negative financial movement of the company.

CONSOLIDATED FINANCIAL STATEMENT:

Total Sales and Revenue Estimate:

Year	Products	Price per Unit (Amount in Lakhs)	Total Sales Unit	Revenue (Amount in Crores)	Profit (Amount in Crores)
1st Year	UGV	20	1000	200	70
2nd Year	UGV	20	2000	580	213
	UAV	38			
3rd Year	UGV	20	3000	800	319
	UAV	38			
	AUV	22			

The Consolidated financial statement is made to show the total sales revenue and profit after sales for the sales of 1000units of the product each year.

The profit shown at the end of each year is the sum of profits of the individual products for the respective year.

BREAK EVEN

UGV			
1.	Selling Price per unit	20 Lakhs	
2.	Sales in Units	1000 Units	
3.	Revenue	200 Crores	
4.	Total Fixed Cost	56.94 Crores	
5.	Total Variable Cost	73.06 Crores	
P.V.Ratio		$((\text{Sales} - \text{Variable Cost}) / \text{Sales}) * 100$	63.47
BEP (Sales)		Total Fixed Cost / P.V.Ratio	89.71 Crores
BEP (Units)		BEP (Sales) / Selling Price per Unit	448.558374
Break Even		$(\text{BEP (Units)} / \text{Sales in units}) * 12$	5.4 Months

UAV			
1.	Selling Price per unit	38 Lakhs	
2.	Sales in Units	1000 Units	
3.	Revenue	380 Crores	
4.	Total Fixed Cost	108.19 Crores	
5.	Total Variable Cost	138.81 Crores	
P.V.Ratio		$((\text{Sales} - \text{Variable Cost}) / \text{Sales}) * 100$	63.47
BEP (Sales)		Total Fixed Cost / P.V.Ratio	170.46 Crores
BEP (Units)		BEP (Sales) / Selling Price per Unit	448.558374
Break Even		$(\text{BEP (Units)} / \text{Sales in units}) * 12$	5.4 Months

AUV			
1.	Selling Price per unit	22 Lakhs	
2.	Sales in Units	1000 Units	
3.	Revenue	220 Crores	
4.	Total Fixed Cost	62.63 Crores	
5.	Total Variable Cost	80.37 Crores	
P.V.Ratio		$((\text{Sales} - \text{Variable Cost}) / \text{Sales}) * 100$	63.47
BEP (Sales)		Total Fixed Cost / P.V.Ratio	98.68 Crores
BEP (Units)		BEP (Sales) / Selling Price per Unit	448.558374
Break Even		$(\text{BEP (Units)} / \text{Sales in units}) * 12$	5.4 Months

It is observed that the BEP for UGV, UAV and AUV is calculated to be 5.4 Months.

BENEFITS

For SRM As Investors:

- High Profit opportunity at very low risk and low investment condition
- Negligible risk on investment
- Multi Business Opportunity (Start-up will procure necessary products from SRM business groups instead of external suppliers)
- Passive revenue opportunity by just sharing the investment made on university with the start-up.

For SRM as University:

- Opportunity to become the First University to bring about a direct positive change in the Indian Defence Sector and the Indian Economy
- Opportunity for Global Recognition
- Opportunity for closer relation with the Indian Government
- Our plan to avail state incentives from Andhra Pradesh government and set up our manufacturing unit in AMARAVATHI city, under the defence state incentive scheme, will further reduce the investment on Land and Building. This will be additionally beneficial to easily execute the collaborative plans with SRM University with the help of SRM University's Amaravathi campus.
- Opportunity of expenditure made on student and faculty researches and expenditure made on tech teams for the projects, to gain business from the start-up in-terms of research acquisition contracts with the University. Thereby an Effective utilization of University Researches and Project Developments, by product conversion and commercialization.

For Students:

- Opportunity for Industrial exposure through internships
- Placement opportunity
- Selective Students get an opportunity to earn while they study, through paid internship programme
- Opportunity to meet and interact with professionals and person of high profile.
- (All these will boost/motivate every student to get involved in useful researches thereby adding an additional value to the University)

EXIT STRATEGY

- The chances of the failure of this business is negligible as the government itself is providing us with a stabilised platform for this whole process from R&D to the final procurement.
- In most start-ups or small businesses, the money that is spend on R&D can never be returned. Whereas in ours, the government will bear the failure (if in case).
- The money that is non-returnable are converted into the form of assets such as land, building, plant and machinery. These fixed assets can always be turned into a new business or can be sold with a loss of 20 % of the same.
- We are also looking up to set our industry in Amaravati, AP, where the state subsidies are available to reduce the impact of the losses.

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