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Interview

It is Vital to Highlight the Difference Between 'Make in India' and "Designed, Developed and Made in India"; We Should Aspire for the Latter in Defence

Ashok Atluri, CMD, Zen Technologies



How was the year 2014 for Zen Technologies' Indian defence business? What are the high points of 2014?

We think it is a great time to be in defence industry. With the new government in place, its renewed focus on self-reliance in defence, with India representing one of the fastest-growing defence and aviation markets in the world, there cannot be a better time and industry than what we are in today.

One of the high points of 2014 is entering into Aerospace with Rockwell Collins to tap the flight simulation market in India.

What are your on-going defence programmes across all three services? Could you give details on your simulation devices that are already in service with the Indian forces?

We have supplied over 450 simulators to over 100 customers across all the three armed forces, State and Central police forces of India and other countries. Given the present situation, a high degree of preparedness is required across the forces and, Zen is helping by equipping them with state-of-the-art simulators and designing and developing simulators to meet upcoming requirements.

Tell us about your collaboration with Rockwell Collins. Would you be showcasing any of those simulators at Aero India?

With Rockwell Collins we are in the process of designing and development of simulators (including full mission D Level) for fast jets, transport and rotary wing aircrafts. Rockwell Collins is very keen to utilise expertise in innovative development and manufacturing processes — to indigenise some of Rockwell Collins' simulation technologies. This is in line with Zen Technologies aspirations of evolving better solutions by indigenising technology. It will also help Rockwell Collins become very competitive globally. We are launching Rotary Wing Simulator at Aero India 2015 which is developed in collaboration with Rockwell Collins.

What is the scope of your partnership with Rockwell Collins? Do you plan to make products from the global market as well?

This partnership will enable Zen Technologies and Rockwell Collins to provide high end flight/helicopter simulators at an affordable price backed by on-ground service and maintenance capabilities. Additionally, Rockwell Collins will explore the possibility of using its worldwide footprint to offer Zen technologies state-of-the-art simulators and other training equipment to the global market.

For the defence market here, the Indian government is the only customer. So, how do you, as an Indian private entity, look at the uncertainties in the opportunities here?

It is a fact that developing a product only for one customer is a great risk. However, Zen Technologies has taken a conscious decision as far back as 1993 to support the defence preparedness of our great country. We are confident that with the new government and its policies for achieving self-reliance there would be constant encouragement of private firms in defence. We have proactively invested in R&D, and today, we have over 30 products which could be used by our forces.

As of now, under 'Buy Indian' category, if there is a company with 100 per cent indigenous content, it is not given any preference over a company that has 'value added' 30 per cent in collaboration with a foreign company. The value add in such collaborations is typically very minimal and cosmetic. With such lopsided policy it is hardly surprising that indigenisation never really happened in defence. This has to change. Companies that pretend to value add without really doing it should be punished severely including holding the top management of such companies criminally liable.

On the other side, companies adding value greater than 75 per cent should be given at least 50 per cent of the order, provided they match L1.

It is vital to highlight the difference between 'Make in India' and 'Designed, Developed and Made in India'; we should aspire for the latter in defence. It is not just about manufacturing the products in India on a transfer of technology (ToT) basis but rather about encouraging and incentivising the indigenous companies to develop the same product and then give them

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preference during the procurement process. The next logical step should be create the most preferred category called 'Buy Indian with Indigenous Design' with at least 75 per cent indigenous content — this step will in turn unleash rapid indigenisation of defence technology in India.



Having said that, the past few months has seen a major shift in the attitude of the procurement machinery, with orders being cleared rapidly. Given the inclination of the government now, we expect the preference for indigenously designed and developed systems to be articulated very soon.

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