

09:31 AM | 18 APR
MARKET STATS

SENSEX
25,677 ▲ 50.01

NIFTY 50
7,858 ▲ 7.60

GOLD (MCX) (Rs/10g.)
28,979 ▲ 219.0

USD/INR
66.68 ▲ 0.25

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Manufacturing stress makes Indian defence cos look like agents for global firms: Ashok Atluri, MD, Zen Technologies

By [Ruchi Bambha](#), [ECONOMICTIMES.COM](#) | 16 Apr, 2016, 10.51AM IST

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India needs to aggressively focus on design and development of defence items if it wants to capture the global market, says **Ashok Atluri**, Chairman and Managing Director of **Zen Technologies**. In an interview to [Economicstimes.com](#), Atluri says mere manufacturing will not be enough to push the sector, which needs serious stress on the designing capabilities of Indian defence companies. Edited excerpts:



One of the problems earlier was under 'Buy India' category, the policy said that there should be two Indian vendors. It was a flawed logic.

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What are your near and medium-term plans in defence?

Zen Technologies is a training simulator company. Instead of being one of those companies, which is miles-wide and inch-deep, we aim at becoming a miles-deep organisation, and want to focus on simulation technology-based training solutions.

What about exploring other fields in defence?

A foray into any new field will depend on whether we have a distinctive advantage there, and if the field will be ideal to fulfill our criteria of deep knowledge. If we engage in any such explorations, it will be through acquisitions, rather than a direct venture.

What is your take on the new Defence Procurement Policy?

The new DPP shows how any policy should be drafted. It promises to be a catalyst to changes across departments. The fact that design and development have been given more importance than manufacturing itself, is a heartening prospect. Take the example of Apple, which is designed and developed in the US, while but manufactured across the world. The lion's share of revenue goes to the designers and developers. If Indian firms do not focus on design and development, it will be hard to capture the international market. Depending too much on manufacturing makes us mere agents for other firms. A policy driven approach towards developing India's designing capability is the need of the hour, and the new DPP does the required.

One of the problems earlier was under 'Buy India' category, the policy said that there should be two Indian vendors. It was a flawed logic. Globally, there are very few worldwide manufacturers for tanks and submarines. But under 'Buy India', the policy was asking for two vendors in India, which was ridiculous. The new DPP says that even if it is a single vendor situation, we will buy from you. There are reservations for SMEs and the ministry has said that it will encourage industry funding of R&D and place order, which is a good thing. The moment government funds the whole monetary supervision comes into play. At every disposal, there will be lot of delay. What we want is definite order from the government and we will make the required facilitation.

How has 'Make in India' benefited Zen Technologies?

'Make in India' is not simply about a policy change. It has brought about a change in how Indian companies are perceived in the global market. Earlier, there prevailed a negative attitude around India's manufacturing capabilities. Today, global defence manufacturers are eager to sign joint ventures with [indigenous](#) companies.

Where do you see Zen Technologies in next the 10 years?

In the coming decade we would like to make major defence contribution in the global market. Till now, our focus was on selling simulators. Now, we are looking to incorporate the specific needs and demands of our customers, into our simulators. For instance, **Boko Haram** is a major security threat to Nigeria. We invite our Nigerian customers to tell us about the specific hurdles they face in tackling Boko Haram, based on which we can create a simulator which will take care of everything from basic training to the tactical situation, keeping those specific hurdles in focus. We are here to provide solutions. The aim is to become a solution-focused company.

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