

KEONICS

CATALYST, NOT COMPETITOR

□ KIRTIMAYA VARMA

Facing up to the difficult task of taking Karnataka to the forefront of Indian electronics is Dr. S. Srikantan, Managing Director, KEONICS. Without worrying over KEONICS' losses, Dr. Srikantan is confident of the Corporate turning the corner soon to make Karnataka the foremost in electronics production. Excerpts from an interview with Dr. Srikantan:

■ **What is the role of KEONICS in promoting electronics in Karnataka?**
 □ KEONICS is a corporation with the sole aim of developing the electronics industry. Many such corporations have come up in various states the country over. But unlike them, KEONICS does not play the role of an entrepreneur in a big way, though it has some manufacturing units. KEONICS performs the role of a catalyst. That way it can be more effective than a competitor-cum-catalyst.

■ **What is Karnataka's contribution to the Indian electronics industry?**
 □ In professional electronics Karnataka has been playing a leading role though in consumer electronics the contribution is not comparable. The earliest giant electronics units—ITI and BEL—both were set up in Karnataka followed by ancillary units, giving Karnataka a lead. Till five years ago there was hardly any competition to Karnataka in professional electronics. During the last few years, both ITI and BEL have proliferated into other states. Besides many new companies in the central, state, joint and private sectors have come up in all states. Yet, Karnataka holds its own in professional electronics contributing over 35 per cent of the national production.

It is not production alone placing Karnataka uniquely in the Indian electronics scenario. Innovation in electronics is very rapid. Huge and costly infrastructural R&D facilities and testing laboratories are necessary to keep pace with advancing technologies. Because of our earliest entry into the electronics field, we have 30 laboratories, including some of the largest R&D facilities in the country—LRDE, C-DoT, TRC, ADE—to name a



Dr S. Srikantan, MD

few. So the composition of the electronics industry is very different in Karnataka. Screw-driver technology was never in fashion here. Even foreign companies are establishing R&D units in Karnataka. The French company Bull is setting up a Rs. 450 mn R&D plant here. Another one is being set up by the American company Hewlett—Packard. Another American company Texas has a satellite earth station base in Bangalore, the only one of its kind in India.

Most of all, we have the largest technical manpower. More than one-third of engineering colleges in India are in Karnataka. So we have adequate manpower to fulfill our needs. We also have ancillary units producing things not electronics but going into electronics.

Nearly 50 per cent of the total public sector production in electronics is still in Karnataka. However, the nature of the industry is changing.

■ **In spite of Karnataka's good performance, KEONICS has been losing money?**

□ The Corporation has suffered a loss during the last two years. But we are sure to turn the corner next year.

■ **What are the reasons for the loss?**

□ KEONICS is not a commercial organisation with profit as its sole motive. Our aim is much wider. We have to bear many financial responsibilities in the wider interests of electronics in Karnataka. Profitability alone cannot be the criterion for judging the per-

formance of such an organisation.

■ **Is there any interaction between KEONICS and its counterparts in other states in matters of R&D to avoid duplication?**

□ We don't have such an interaction with other state agencies, but we do interact with TRC and other central agencies. With Tamil Nadu, we have some sharing and pooling arrangements, but not in matters of R&D.

■ **What is your experience with Electronics Cities?**

□ We are the first in the country to experiment with the idea of an Electronics City and others are following us. Electronics industry needs a very clean dust-free and pollution-free and development facilities. We created an integrated complex in Bangalore exclusively for the electronics industry. Inspired by the tremendous success, we are building another Electronics City near Mysore which is expected to work to full capacity in the next five years. On the cards in the third Electronics City at Dharwar.

■ **What other "firsts" do you have to your credit?**

□ Our success in the joint sector. We have nine joint sector units involving a total investment of over Rs. 500 mn. They have tied up with Japanese, German and American companies to produce a wide range of equipment. The consultative way in which electronics is advancing in Karnataka has benefited all sectors—central, state, joint and private.

■ **Other states too have successful joint sectors?**

□ Not to the extent Karnataka has.

■ **What schemes do you have for training women in electronics?**

□ We have organised two women cooperatives for electronics production at Sirsi and Madikeri, undertaken with Norwegian assistance (NORAD scheme). KEONICS-trained women entrepreneurs are now producing consumer electronics products like radio receivers and electronic clocks. We supply the materials, give technical advice and market these products. A novel feature of the scheme is that women entrepreneurs operate their units independently after their training is over. □